EIILM UNIVERSITY
SIKKIM

HUMAN RESOSURCE PLANNING AND DEVELOPMENT

Subject: HUMAN RESOSURCE PLANNING AND DEVELOPMENT

Credits: 4

SYLLABUS

Macro Level manpower Planning and Labour market Analysis - Organisational Human Resource Planning -- Stock Taking -- Work Force Flow mapping -- Age and Grade Distribution mapping.

Models and Techniques of manpower demand and supply forecasting-- Behavioural Factors in HRD -- Wastage

Analysis ñ Retention -- Redeployment and Exit Strategies.

Career Management, Career Planning and Career Development, Performance Planning -- Potentials Appraisal -- HRD Climate.

Human Resource Information System -- Human Resource Accounting.

Suggested Readings:
 1. Strategic HRM by Mabey and Salama
2. Development Human Resources by Mabey and Thompson
3. Human Resource Information System: Development and Application by Kavanagh M.J

COURSE OVERVIEW

From earliest recorded times, groups of people have been organised to work together towards planned goals. Consider the management skill required by the ancient Chinese to build the Great Wall of China, Egyptians to build their Pyramids, the management skills of the Mesopotanians to irrigate the land and wall the cities. All these manual construction required large amount of h an efforts. It was only because of the efficiency and effectiveness of people that these feats were achieved. The importance of humans cannot be undermined.

Although the word and concept is of fairly recent origin, the search for an optimum application of human resources to complete projects has been around for a long time. Human Resource Manage-ment has been an ever-evolving field.

The rate of change facing organisations has never been greater and organisations must absorb and manage change at a much faster rate than in the past. In order to implement a successful business strategy to face this challenge organisations, large or small, must ensure that they have the right people capable of delivering the strategy.

As organisations vary in size, aims, functions, complexity, construction, the physical nature of their product and appeal as employers, so do the contribution of human resource manage-ment. But in most the ultimate aim of the function is to " ensure that at all times the business is correctly staffed by the right number of people with the skills relevant to the business need"

This module Human Resource Planning and Development is designed to consider the theory and role of human resource planning and development in organisations, and link it to policies and practices required in organisations for effective people management. The module aims to develop knowledge and skill in a range of HRD activities in organisations and to relate these to the professional standards. It covers the practical application of personnel theory.

As every one of you have an interest in Human Resources as a career, everyone is likely to be called upon at some time to deal with "people issues". This course will provide you with helpful information and insights after all every manager is a Human Resource Manager! !

Using a seminar-discussion format, we will explore current readings and other sources of informa-tion about the changing nature of Human Resource Development and, more broadly, the world of work in general. A list of topics has been included but I would like our explorations to be somewhat flexible so that we can consider new issues as they arise.

Additionally, you may have some issues that you would like to explore in further depth and I would like to maintain some flexibility in the course to allow us to explore issues in which you are inter-ested. In general, this course will have a strong practical orientation. Most of the readings will be from publications directed toward practitioner (versus academic) audiences. In addition, the course's practical orientation includes an assignment in which you will initiate and maintain an on-line mentoring relationship with a corporate manager.

The Course Objectives are as follows:

1. A familiarity with major sources of information and opinion related to management and in particular Human Resource Planning and Development .

2. A basic knowledge of current trends, practices, issues and changes in Human Resource Planning and Development prac-tices.

3. An ability to learn effective methods and techniques of Recruitment and Selection.

4. Further developmental of your oral and written skills and the ability to discuss all the issues of Human Resource Management.

5. Enhanced skills and confidence in identifying/interacting with mentors and building networks of support in organizations.

6. A deeper understanding of your own values, beliefs, and interests as they relate to alternative roles, career options and environmental in the dynamic work world.

My Expectations

On completing the course you will have an increased understanding/appreciation of the Human Resource Planning and Development (HRP& D) - functions, its role, concepts, principles and challenges.

Everyone will participate in class discussion/activities- intrinsically this implies you will be in class both in body and spirit

There will be a demonstrated respect for the diversity of others

We will respect the time we spend together by starting class on time.

You will own or have regular access to the text, as you will be expected to read assigned chap-ters for class discussion and testing.

If you are experiencing difficulty with me, the course, the material or your grades, please let me know quickly either via e-mail or arrange to meet with me prior to class.

We will have some fun!

This course explores the key areas in human resource Planning and Development. It includes human resource planning, HRD Instruments and intervention- Job Analysis and Design, Recruitment and Selection, Training and Development, Performance Management, Compensation, Key issues in HRD. Through a combination of cases, readings, lectures, discussions etc., the class sessions will engage students in developing and applying new and newer concepts, tools, models and frame-works that incorporate these dimensions in a competitive manner.

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LESSON 1:
HUMAN RESOURCE PLANNING:
OVERVIEW-NATURE AND NEED

Learning Objectives

The definition of Human Resource Planning

Features of HRP

Need/Importance of HRP

" Plan ahead: it wasn't raining when Noah built the ark."

- Richard Cushing

Dear future managers, now you all are going to become dynamic managers in the areas of Human Resources Management. Let us discuss, by recollecting, what we have studied in the 2nd semester in HRM. HRM and other papers must have taught you how important it is to Plan, Organize, Staffing etc. and therefore for that plan in advance to remain ahead in business. That's the secret of success in today's world!!
Now, as each one of know that how important the Human Resource Planning.

In lieu with that, we will discuss an overview of human resources planning starting with:

- What it is exactly,

- Why is it so important,

- How it is related to the macro: corporate planning, strategy and objectives,

- How do you go about it i.e. HUMAN RESOURCE PLANNING PROCESS,

- What are the environmental factors to be taken care of while planning?

- Problems you might counter while doing this process, and finally

- What is the latest in HRP (HRP? yes! HRP. It is short for human resources planning! You might come across manpower planning in some books that is how it used to be referred to as earlier!!!)

Today's lesson revolves around the concept of planning for human resources that the organization might need in the future for the pursuit of its objective.

Human resource planning is the process of anticipating and carrying out the movement of people into, within, and out of the organization. Human resources planning is done to achieve the optimum use of human resources and to have the correct number and types of employees needed to meet organizational goals.

Thus, it is a double-edged weapon. If used properly, it leads not only to proper utilization, but also reduces excessive labor turnover and high absenteeism, and improves productivity.

It can also be defined as the task of assessing and anticipating the skill, knowledge and labor time requirements of the organization, and initiating action to fulfill or 'source" those requirements. Thus, if the organization as a whole or one of its subsystem is not performing to the benchmark, in other words, it is declining, it may need to plan a reduction or redeploys its existing labor force.

On the other hand, if it is growing or diversifying, it might need to find and tap into a source of suitably skilled labor (for example: GE, the pioneers in BPO industry went for a large scale recruitment while setting up office here in India.).

That is why; we need to plan in advance even for procuring human resources, which in contrast to a general myth are not abundant!! Thus, in the same line, we propose that organization can achieve its goals effective through effective contingencies of all the HR functions; for example, the structure of an organization and the design of the job within it affect an organization's ability to achieve only through the efforts of people. It is essential therefore, those jobs within the organization be staffed with the personnel who are qualified to perform them. Meeting these staffing needs requires effective planning for human resources

Lets discuss **definitions of HRP** as given by different experts:

Vetter opines that it is the process by which management determines how the organization should move from its manpower position to its desired manpower position to carry out integrated plan of the organization.

According to **Geisler**, "Manpower planning is the process – including forecasting, developing and controlling by which a firm ensures that it has-

- The right number of people,

- The right kind of people,

- At the right places,

- At the right time, doing work for which they are economically most useful".

Features of HRP
Wickstrom very beautifully summarizes the features of HRP, viz.,

- **Forecasting future manpower requirements**, where we use mathematical projections you might have studied in 'business economics' and 'quantitative techniques' paper, to project trends in the economic environment and development of the industry. Can you remember one such application???

- **Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally.** Procuring competent personnel requires positive recruitment efforts and the development of a variety of recruitment sources. These sources must consider not only the nature and conditions of the external labor market, but also the presence of qualified personnel

who are available to fill vacancies through internal promotions or transfers.

Keep in mind the recruitment activities is integrated with diversity and equal employment opportunity initiatives. Staffing needs must be anticipated sufficiently in advance to permit the recruitment and development of fully qualified personnel.

- **Anticipating manpower problems by projecting present resources into the future** and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and

- **Planning the necessary programmes** of requirement, selection, training, development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

So what do you surmise (figure out) the salient features of HRP from the various definitions?????

I think:

1. It's a **systematic** approach. Why??? 'cause it ensures a continuous and proper staffing. It avoids or checks on occupational imbalances (shortage or surplus) occurring in any of the department of the organization.

2. There is a visible **continuity** in the process. Very true!! See the Wickstrom definition**.**

3. There is a certain degree of **flexibility**. That is, it is subject to modifications according to needs of the organization or the changing circumstances. Manpower plans can be done at micro or the macro levels 3depending upon various environmental factors.

(Dear student, at this point I implore you to keep in touch with the subjects studied earlier to understand the coming courses! Remember, we discussed the forces of change in your OB course????)

Thus, we can summarize that -

" HRP is a kind of risk management. It involves realistically appraising the present and anticipating the future (as far as possible) in order to get the right people into right jobs at the right time". (Reiterating the view of Geisler).

Why HR Planning???

You know the answer!

You all must have understood the importance of planning in general. In designing an environment for the effective performance of individuals working together in groups, a manager's most essential task is to see that everyone understands the groups purposes and objective and its methods of attaining them. If group effort is to be effective, people must know what they are expected to accomplish. **This is the purpose of planning**! It is the most basic of the managerial functions (refurbish the text on POSDCoRB!). It bridges the gap from where we are to where we want to be. It makes it possible for things to happen which would otherwise not happen.

Thus, in the context of Human Resources, planning is a **must** 'cause (here I can enumerate many! But, I expect you come up with explanatory example for each. Right??)

- Ensures optimum use of man (woman, too nowadays?) power and capitalize on the strength of HR. The organization can have a reservoir of talent at any point of time. People skills are readily available to carry out the assigned tasks, if the information is collected and arranged beforehand.

- Forecast future requirements (this is done by keeping track of the employee turnover.) and provides control measures about availability of HR labor time. If, for example the organization wants to expand its scale of operations, it can go ahead easily. Advance planning ensures a continuous supply of people with requisite skills who can handle challenging jobs easily.

- Help determine recruitment/induction levels. Let me explain this with an example: you as a manager want to determine what kind of induction the organization will require at such an such date. If you have a ready HR plan, you will have fairly good idea what kind of people are being recruited and at what position. Thus you can successfully plan your induction level.

- To anticipate redundancies/surpluses/obsolescence. Remember Geisler and Wickstrom's definition??

- To determine training levels and works as a foundation for management development programmes

- Know the cost of manpower if there is a new project is being taken up, example: in cases of expansions or a new factory, one would naturally requires more human resources, hence a budgetary allocation can be made in advance for this upcoming corporate strategic move.

Planning facilitates preparation of an appropriate manpower budget for each department or division. This, in turn, helps in controlling manpower costs by avoiding shortages/excesses in manpower supply.

- Assist in productivity bargaining. For example, if a firm is going fully automated, it can negotiate for lesser workers as required for the same amount of the job by using the manpower predictions regarding the same. It can offer higher incentives (VRS) to smoothen the process of voluntary layoffs.

- Help assess accommodation requirements (?? - You must be wondering how that can be related to HRP? A good HRP can assist in solving many problems of the firm, from day to day ones to very strategic ones, too.) for example: an organization decides to establish its production center in a remote area, an accurate HR plan can help it to decide how many people will be required there, and thus start the process of establishing a township for them in advance. The physical facilities such as canteen, school, medical help, etc., can also be planned in advance.

- Management decisions. Now!! Lets see how this can happen. Example, suppose the question is to outsource an activity or not? An HR manager knows what is the distribution of workflow, and whether the present available staff can accomplish these. If it is realized there is no one available for the job in question, and training cost is coming out to be more or in some cases the skill is not

going to be of much use, then such activities can be subcontracted or outsourced. Right?? Is it clear??

In addition, HRP (as already pointed out) prepares people for future challenges. The stars can be picked, mentored and kept ready for leading positions in future. All MNCs have such policies and programmes (Wipro InfoTech has a leadership development programmes), where a "hot list" of promising candidate are assessed and assisted continuously for future management positions. This selection is possible only through a thorough HR plan.

An organization may incur several intangible costs as a result of inadequate HRP or, for that matter, the lack of HRP. For example, inadequate HRP can cause vacancies to remain unfilled. The resulting loss in efficiency can be costly, particularly when the lead-time is required to train replacements. Situations also may occur in which employees are laid off in one department while applicants are hired for similar jobs in another department. This may cause over hiring and result in the need to lay off those employees to make effective plans for career or personal development. As a result, some of the more competent and ambitious ones may seek other employment where they feel they will have better career opportunities.

Reason for current interest and importance in HRP?
You all know the challenges the business is facing due to turbulent and hostile environmental forces (e.g. technology, social, economic and political upheaval) impinging on single one of them.

An excerpt from a statistical report will clarify my point more.

"As per the results of the National Sample Survey conducted in 1999-2000, total work force as on 1.1.2000, as per **Usual Status approach** (considering both principal and subsidiary activities) was of the order of 401 million. About 7 % of the total work force is employed in the formal or organised sector (all public sector establishments and all non-agricultural establishments in private sector with 10 or more workers) while remaining 93% work in the informal or unorganised sector. The size of the Organised Sector employment is estimated through the Employment Market Information Programme of DGE&T, Ministry of Labour. The capacity of the organised sector to absorb additional accretion to the labour force, taking into account the current accent on modernisation and automation, is limited.

In other words, an overwhelming proportion of the increase in the labour force will have to be adjusted in the unorganised sector. About 373 million workers are placed today in unorganised/informal sector in India; agriculture workers account for the majority of this work force.

Total Labour Force as on 1.1.2000	410 million
Total employed labour force as on 1.1.2000	401 million
Growth of labour force during 1994-2000	1.10 % p.a.
Growth of employment (1994-2000)	1.05 % p.a.
Fully unemployed as on 1.1.2000	9 million

About 41 million jobs seekers (all of them not necessarily unemployed) are registered with the 938 Employment Exchanges located throughout the country.

72% of the job-seekers registered with the Employment Exchanges are less than 30years of age..

Educated (X standard and above) job seekers constitute about 69% of the total job seekers registered with the employment exchanges.(contd)

A few important conclusions which emerge from the above report are: -

Limited demand for unskilled and less skilled labour.

- Increase in demand for skilled labour on account of technological development and up gradation and changes in the organisation of work

- Problems in maintaining the continued employability of labour force remember this!

Demand for multi skilling. Some of the important strategies recommended in the World Employment Report are:- Timely Investment in skill development and training at enhanced level. (Can you link this to an organisation's or an industry's HR plans??)

- Enhancement of education and skill level of workers

- Responsive training system.

- Need for effective partnership of all stakeholders. Take this into account too!!

In addition, decline in the employment growth in the organized sector and its shrinking size in absolute terms, liberalization induced restructuring exercises by the firms, in both public and private sector, and their introduction of so-called innovations, like Total Quality Management, Just-in-Time manufacturing, production flexibilities etc., resulting into casulisation of workforce, and the growth of poor quality employment in the unorganized sector, have posed unprecedented challenges to the Indian businesses.(point to ponder: what does an organization do in this case, if it is going to need certain class of labor in near future??)

Excerpts taken from:

Now you see, what the industry might be facing? These dramatic shifts in the composition of the labor force will require that managers be more involved in HRP, since such change affect not only employee recruitment but methods of employee selection, training, compensation, and motivation.

Although planning has always been an essential process of management, increased emphasis on HRP becomes especially critical when organizations considers mergers, relocation of plants, downsizing, or the closing of operating facilities (which you all keep reading, is the character of the modern times).

Major reasons for the present emphasis on manpower planning include:

- **Employment-Unemployment Situation**: Though from the above excerpt we can construe that in general the number of educated unemployed is on the rise, there is

acute shortage for a variety of skills. This emphasizes the need for more effective recruitment and retaining people.

- **Technological Changes**: The myriad changes in production technologies, marketing methods and management techniques have been extensive and rapid (e.g.. introduction of HRIS). Their effect has been profound on job contents and job contexts. These changes cause problems relating to redundancies, retraining and redeployment. All these suggest the need to plan manpower needs intensively and systematically.

- **Organisational Changes**: In the turbulent environment marked by cyclical fluctuations and discontinuities, the nature and pace of changes in organizational environment, activities and structures affect manpower requirements and require strategic considerations.

- **Demographic Changes**: The changing profile of the work force in terms of age, gender participation, literacy, technical inputs and social background have implications for manpower planning. The workforce is more diverse than ever before. And the trend shows it is going to be on the rise even more!!

- **Skill Shortages**: Unemployment does not mean that the labor market is a buyer's market. Organizations have in general become complex and thus, in turn require more specialist skills that are rare and scarce. The result is more dependency on the professionals. Thus, problems may arise when such people if they are employees decide to leave or switch to more lucrative employment or if they are freelancers decide to shift their business somewhere else. Please note that these are example of implications of what is most happening in the business world today.

- **Governmental Influences**: Government control and changes in legislation with regard to affirmative action for disadvantaged groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labor, etc. have stimulated the organizations to become involved in systematic manpower planning.

- **Legislative Controls**: The days of 'hire and fire' policies are gone. Now legislation makes it difficult to reduce the size of an organization quickly and cheaply, especially in the presence of strong politicalised trade union scenario in India. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labor law relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems. .

- **Impact of Pressure Groups**: Pressure groups such as unions, politicians and NGO's displaced, from land by location of giant enterprises have been raising contradictory pressures on enterprise management such as internal recruitment and promotions, preference to employees' children, displaced persons, sons of the soil etc. remember the ASSAM TEA case!!!!!

- **Systems Concept**: The spread of systems thinking, the advent of the PC's and the upsurge of people management concept which all emphasize the planning and having common and transparent personnel records.

- **Lead Time**: The long lead-time is necessary in the selection process and for training and development of the employee to handle new knowledge and skills successfully.

Thus, HRP is all the more imperative. One needs to think strategically, to be ahead of others in acquiring human resources. Hence we can now easily come to a conclusion on why HRP is necessary? An attempt to look beyond the present and short-term future, and to prepare for contingencies, is increasingly important. Some manifestations of this are outlined below.

- Jobs often require experience and skills that cannot easily be bought in the market place, and the more complex the organisation, the more difficult it will be to supply or replace highly specialized staff quickly. It takes time to train and develop technical or specialist personnel (say, an airline pilot or computer programmer), so there will be a lead-time to fill any vacancy. The need will be have to be anticipated in time to initiate the required development programmes.

- Employment protection legislation and general expectations of 'social responsibility' in organizations make staff shedding a slow and costly process. The cost must be measured not just in financial terms (redundancy pay and so on) but in loss of reputation as a secure employer and socially responsible Organization. This, in turn, may make it more difficult to recruit labor in times or skill areas where it is required -and may even alienate customers and Potential customers.

- Rapid technological change is leading to a requirement for manpower which is both more highly skilled and more adaptable. Labor flexibility is a major issue, and means that the career and retraining potential of staff are at least as important as their actual qualifications and skills. They must be assessed in advance of requirements. (In fact, 'train ability' as a major criterion for selection is one of the most popular innovations of the HRM era of personnel management.)

- In term of international markets, the scope and variety of markets, competition and labor resources are continually increased by political and economic moves such as the unification of Germany, the opening of Eastern Europe and continuing progress towards European union.

- Computer technology has made available techniques which facilitate the monitoring and planning of manpower over fairly long time spans: manipulation of manpower statistics, trend analysis, 'modeling' and so on.

From the above discussion we get to the following conclusion.

'Manpower planning has maintained its imperatives for several reasons: (i) a growing awareness of the need to look into the future, (ii) a desire to exercise control over as many variables as possible which influence business success or failure, (iii) the development of techniques which make such planning possible.'

Levy, Corporate Personnel Management

LESSON 2:
HUMAN RESOURCE PLANNING: HRP AND CORPORATE OBJECTIVES

Learning Objectives

The process of Strategic Planning

Organizational Strategy and human resources

Human resource as core competency

Organizational culture and HR Strategy

Industry life cycle and HR strategy

Linking Organizational strategies and HR plans

This lesson deals with planning for the human resources that you all prospective organizers will need in the future!! In earlier lessons, we have stressed that everything and everyone is a part of a bigger system, that is, they are interrelated and interdependent. Any discussion on the description of Human resources planning must, therefore, begin on a level one step higher- with the overall strategic plan of the organization. What I want to stress is going to be summarized as follows:

So lets refurbish the last semester's knowledge in a capsule manner!!

Shall we?????

Strategic planning can be defined as the process of identifying organizational objectives and the actions needed to achieve those objectives. It involves analyzing such areas as finance, marketing, and even human sources to determine the capacities of the organization to meet its objectives.

"It involves devising a picture of how the organization will look in three or five years time, and how it can reach that state during that time period. Common items for consideration include, for example: Anticipated financial situation (turnover, gross and net profit, return on investment); intended product markets and market share; Desired output and productivity; Changes in location and opening of new plants or outlets; employee numbers." -Penny Hackett, Success in Personnel Management

Thus human resource is one element of the overall corporate strategy or plan, and the two are **mutually inter-dependent**. If the corporate plan envisages a cut in output, for example, or the closure of a particular plant, then the human resource plan will need to consider redeployment of staff, redundancies and so on. If the corporate plan specifies a move into a new product market, the human resource plan will have to source the required labor from outside or within the organization, through recruitment or training.

You will understand this more from a real live Example:

Example: Wipro InfoTech: You see 3-4 years back when the concept of SAP and CRM had emerged strongly, Wipro too decided to implement SAP. So it formed a team of its own employees selected from each functional department, trained them from Siemen and with the help of SAP consultants, the team designed and implemented the same. So you see, the organization decided to recruit internally. This way the skill remained within the company and the same team after the initial phase of design trained all the rest of the employees (in batches) on how to use this system. After the system was implemented fully, the team was disbursed and reassigned roles. Only a few remained as a troubleshooting team.

But you as student should keep in mind that the availability of labor resources in turn, can act as a constraint on, or spur to, the achievement of corporate goals. If there are skill shortages and employees cannot be recruited, plans for expansion may have to be curtailed. The availability of multi-skilled or expert teams, on the other hand, my inspire innovative strategies for growth and change. So you get the concept of organization being systemic in nature!

Some of the links between business strategy and human resource planning are illustrated in the below Table.

Business	**HR** implications
What business are we in?	What people do we need?
Culture and value system	How do you change?
Appropriate	
Inappropriate	
Strategic direction	Who will we need in future?
New businesses New markets	What systems and procedures might be developed?
Strengths	How far related to existing use of HR?
Weaknesses	(e.g. skills base)
Opportunities	Demand and supply in the labor market?
Threats	
Critical success factors	How far do these depend on employees, rather than other factors?

This, I think you already know. Let us understand the relationship with the help of a diagram.

The process of strategic planning can be thought of as circular in nature. Figure below shows, the process begins with identifying and recognizing the philosophy and mission of the organization.
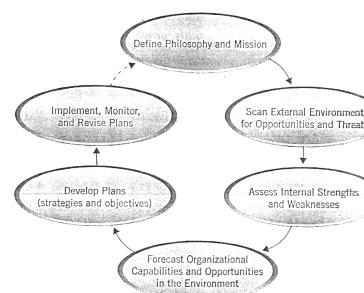
You do need to know that the first step in this process addresses the most
Fundamental questions about the organization:

- Why does the organization exist?
- What unique contribution does it make?
- What are the underlying values and motivations of owners and key Managers?

Once you identify the **philosophy and mission** of the organization, the next thing you require analyzing the environment in which the organization exists. This scanning is especially important when rapid changes are occurring, such as in the last several years. Remember the advent of the dot.com era.

Now, when the philosophy and the mission are clear to us, we need to scan the environment in which the organization desires to exist or already exist. HR managers do need the results of **environmental scanning**. For example, some question might be: Who are the competitors? What recruiting approaches are competitors currently using to attract scarce specialties? How are competitors using different welfare and motivational programs, example housing societies, stock options? Will a new product under development require more number to produce the same and that to with different knowledge and skills? Answers to these ques-tions illustrate that HR managers must be able to predict what capabilities employees will have, to implement the business strategy.

Thus such external environmental factors, that is, workforce patterns and conditions, social values and lifestyles, and technological developments are considered.

If you have completed this step, lets us proceed to the next step.

But you all know that external and internal factors are equally important to provide a composite view. Thus, in the light of the existing as well as impending external forces, an **internal assessment** is made of what the organization can do before a decision is reached on what it should do.

Internal strengths and weaknesses must be identified in light of the philosophy and culture of the organization. In HRP context, relevant factors to be considered will be current workforce skills, retirement patterns, and demographic profiles of current employees and similar items that relate to human resource capabilities.

The purpose is to **forecasting organizational capabilities and future op-portunities** in the environment to match organizational objectives and strategies. The development of strategies and objectives often is based on a **SWOT analysis,** which examines the strengths and weaknesses of the organizations internally, and the opportunities and threats externally. (Remember???)

The purpose of the SWOT analysis is to develop strategies that align organizational strengths with opportu-nities externally, to identify internal weaknesses to be addressed, and to ac-knowledge threats that could affect organizational success. Returning to our examples, do a SWOT of your own profile as well as the foundation.

The final step requires developing specific **plans** to identify how strategies will be imple-mented. Develop the specific plans of each example. Details of the plans will form the basis for implementation and later situational contingencies and modifications.

Now you know, what you need to do for the best of placement or rather fulfill your mission in life!!!!! The two sets of plans will be discussed in the class.

Like all plans, the HR plans need constant monitoring, adjustments and periodical updating to keep up with the dynamic internal as well as external environmental forces. What do you think could be the factors hindering or speeding you progress as planned?? Remember, the force field analysis. Thus, now you have a clear understanding how strategic planning process is circular.

This can understood in the following manner too.

Here you find the relation more clear. We have the **overall corporate strategy** that enables the strategist and the HR manager to formulate the **HR objectives**. This in turn, give the base to the manager to **plan** out the annual HR related programmes broadly, like labor requirements, recruitment, selection etc. This is further detailed into stepwise and time bound **operational plans**, such as whether it would be internal recruitment or external, when will the selection start, do internal recruitees need to be trained for the proposed project (depend-ing upon the corporate strategy). It is only when the HR plans are accurately converted into "implementables" that is, into the operational plans that the success is sure to come.

Last but not the least, to remain alive and performing, the feedback cycle is a must at every stage. You will observe that all the sub systems here are interrelated and interdependent.

Organizational Strategy and Human Resources

The most prevalent practice in the business world you will observe is to develop business strategies based on the areas of strength that an organization has. Hamel and Prahalad, the creator of the concept of core competencies opined that it is core strength that gives the competitive advantage or an edge to an organization. "A **core competency** is a unique capability in the organization that creates high value and that differentiates the organization from its competition."

Human Resources as a Core Competency
It is certain that organizations' human resources dif-ferentiate them from their competitors. Many organizations enhance its value in the business and create an edge by focusing on the human resources. Organizations, which follow this principle, are as diverse as Federal Express, Shoppers' Stop, and Infosys, Tata group, CNBC. "The sig-nificance of human resources as a core competency was confirmed in a study of 293 US firms. The study found that HR management effectiveness positively af-fected organizational productivity, financial performance, and stock market value."

But at this stage you might put up a question on how to bring out an organization core competency. Some ways that human resources become a core competency are through:

- **At-tracting and retaining** employees with unique professional and technical capa-bilities,
- **Investing in training and development** of those employees, and
- **Compensating** them in ways that keep them competitive with their counterparts in other organizations.

I came across a very beautiful instance, which I will share with you that shows the value of a human resource.

Several years ago, United Parcel Service workers went on strike. In offices around the country, customers feared that the brown-shirted UPS drivers, whom they had grown accustomed to, were not working. Fortunately for UPS, its drivers, and their custom-ers, the strike was settled relatively quickly.

An-other illustration: Smaller, community-oriented banks have the people advantage over the bigger and more technology driven banks. And this led to more business. The reason being as many customers have opined, "you can talk to the same person," rather than having to call an automated service center in another state. This is the power of people!!

Resource-Based Organizational Strategies

- Now let's find out if one has an in depth knowledge of the existing human resource, (remember the internal and external scanning?) how it helps in formulate appropriate strategies. There has been growing recognition that human resources contribute to sustaining a competitive advantage for organizations. Jay Barney and others have focused on four factors that are important to organizational strategic accomplishments. Those factors, called the **VRIO framework**, are related to human resources as follows:
- Value
- Rareness
- Imitability
- Organization

What do each stand for?

1. Value: Human resources that can create value. Who **are** these people?? Such people do not when in external and internal threats and opportunities. Thus they tend to be better and objective decision makers and since they can easily handle all stresses, they are more creative.

2. Rareness: how unique is the human resource available in the organization that is, the special capabilities of people in the organization. This can be developed and preserved by the organization itself by providing requisite training and develop-ment, so that they stand out from the rest. The moment one organization wins the image of having and promoting individual development, it will automatically attract and retain employees with scarce and unique knowledge, skills, and abilities.

3. Imitability: It is strategically important to have a unique set of Human resources, one that no one especially a competitor can easily imitate.   Southwest Airlines, Disney, and Marriott Corpo-ration each have created images with customers and competitors that they are different and better at customer service. The cut and paste system in HR culture doesn't work.

One needs to start afresh to get the edge in HR and this is possible on when the corporate culture and objective include these

factors. Remember, an organization is a system comprising of subsystems; so if there is change anywhere, it affects the rest!!!!

4. Organization: The last but not the least, human resources must be organized in order for an entity to take advantage of the competitive advantages just noted. This means that the human resources must be able to work effectively together, and have HR policies and programs managed in ways that support and encourage the same, so that the people working in the organization have a clear contingency between their effort and the rewards and other HR policies This will automatically reinforce the desired behavior!!!!

Thus we can conclude that VRIO framework provides a foundation for HR management where people are truly seen as **assets, not as expenses**. It also means that the culture of the organizations must be considered when developing organiza-tional and HR strategies.

This for your further understanding the relationship between corporate environment and formulation of an HR strategy.

Organizational Culture and HR Strategy

"Organizational culture is a pattern of shared values and beliefs giving mem-bers of an organization meaning and providing them with rules for behaviour." These values are inherent in the ways organizations and their members view themselves as, define opportunities, and plan strategies. Much as personality shape an individual, organizational culture shapes its members' responses and defines what an organization can or is willing to do. Refer to your OB course!

The culture of an organization is seen in the norms of expected behaviors, values,

Philosophies, rituals, and symbols used by its employees. Culture evolves over a period of time. The more the people share the same experiences and practice stronger and dominant is the culture; and hence there will be more stability.

A relatively new firm, such as a business existing for less than a year, probably has not developed a stabilized culture.

"Managers must consider the culture of the organization to develop more compatibility between the strategies and the culture. If there is high compatibility, the strategies hold a better chance during implementation. Numerous ex-amples can be given of key technical, professional, and administrative employ-ees leaving firms because of corporate cultures that seem to devalue people and cre-ate barriers to the use of individual capabilities. In contrast, by creating a culture that values people highly, some corporations have been very successful at at-tracting, training, and retaining former welfare recipients."- Mathis and Jackson.

Organization/Industry Life-Cycle Stages and HR Strategy

The culture of an organization also affects the way external forces are viewed. One culture can view one event as threatening whereas another culture views risks and changes as challenges requiring immediate responses. You can go back in history to

support this phenomenon such as liberalization of Indian market. Different companies had different reaction. Take inclusion of different professional services under the service tax slab. (Refer to news dated 9/12/03). The cultures, which view each development in the environment as a challenge, are the one to survive and exploit the opportunity. Thus this gives them a competitive advantage, especially if it is unique and hard to duplicate. This is especially true as an organization evolves through the life cycle in an industry.

Each organizations in an industry go through an evolutionary life cycles, and the stage in which an organization finds itself in an industry affects the human resource strategies it should use. For example, the HR needs of a small, three-year-old high technology software firm will be different from those of Infosys or NIIT. The relationship between the life cycle of an organization and HR management activities is profiled in

Embryonic. High risk and entrepreneurship pervades this stage. Since there is a limited finance available, everything is done on a need base. For example the recruitment method chosen will the cheapest of all. The aim is get the best out the least.

1. Growth- Once their presence is acknowledged in the market and customer response is favorable, the organization can now think to expand its operations to meet the growing demands. To accomplish this, efforts are put into marketing, production quality and quantity, and appropriate human resources. Thus the attention now is broadened to include more factors. The company might face backlog and scheduling problems because they did foresee the demand and supply correlation. Exten-sive efforts are put in to counter all forthcoming problems of increasing demands. Thus organization here will look for more investment in recruitment, competitive pay packages, investing in career planning and development, and marketing and operation facilities. Planning is of utmost importance here at this stage

One thinker has very aptly put it- " It is also important to have HR plans, and planning processes, rather than just re-acting to immediate pressures."

2. Shakeouts- This stage is characterized by rapid growth whereas some will survive and some will lose ground and vanish from the competition due to lack proper strategic planning. There will be some company who may decide to merger with the bigger and successful ones to exploit this last chance to earn. The explosive growth in Internet businesses and. the consolidations of Internet service providers by such firms as Rediffusion, Microsoft, India times and Yahoo illustrate how shakeouts occur. You can see this in the forth-coming years happening in the current scenario of the telecommunication service providers. MNTL versus the rest or Reliance versus the rest. It is going to be a one hell of a competition. The best service providers will shakeout the rest. Reliance has attracted many valuable human resources in its force by devising a hefty and luxurious compensation plans and policies. Competition is tough!!!

But the cost has to be monitored and balanced through proper mix of short and long-term incentives. Thus HRD is focused on high potential ones. Talk of talent management!!!! (A very

invigorating article can be read in INDIAN MANAGEMENT, a journal published by AIMA.)

3. Maturity- The main feature of this stage is STABILITY. Size and success enable the organization to develop even more formalized plans, policies, and procedures. HR activities seem to expand whether you talk of rewarding the employees through compensation, career development, or HRD. Compensation programs become a major focus for HR efforts, and they are expanded to reward executives as well. Like the Eischers, Godrej, the Tatas.

4. Decline- The organization in the decline stage faces resistance to change. For example, in India the textile industry firms had to reduce their workforces, close plants, and use their accumu-lated profits from the past to diversify into other industries in 1980s and 1990s. Therefore you will observe when you closer and study these firms that some tried hard to revive its operation through technological and productivity -enhancement and different cost-reduction programs. Going back to our example workers reacted in case of close downs and layoffs, by trade union activities. But then, many a times shut down are imperative thus it does lead to attrition. But better practices to be followed as in the case of banks, is providing the VRS schemes.

This was a really enlightening study. But the question must be arising in your mind why are we discussing this? 'Cause we need to understand where one firm stands in the evolutionary stage to formulate the right kind of strategies.

Linking Organizational Strategies and HR Plans

Thus, we may conclude from this detailed reading that strategic planning must include planning for human resources to carry out the rest of the plan.

We already have an idea how a business strategy can mould HRP. Lets us conclude this with an example. Suppose, a large bank like the Standard Chartered or Citibank want to be the market leader in India and abroad. Since today's world is characterized by boundary less business, it can start by plans, which focus on two main issues:

(1) To adopt a global focus and

(2) To improve service. (What do you think they would do to accomplish this?)

An organization can use basically two kinds of strategies. They are:

(1) Cost-leadership and

(2) Differentiation.

Hence each strategy evolves certain HR needs and to fulfill these needs different approaches are available. A contingency needs to be developed for the best fit. For instance, the first strategy may be appropriate in a relatively stable business environment. It counters competition through its low price and high quality of product or service. The cost-leadership strategy requires an organization to "build" its own employees to fit its specialized needs. This approach requires a longer HR planning horizon. When specific skills are needed for a new market or product, it may be more difficult to internally develop them quickly

But if the company faces a dynamic- turbulent and hostile environment characterized by constant changes then the second strategy will be more apt. For example, the software industry. Then one needs to be more proactive and innovative and thus keep searching for new products and new markets. Keep in mind that the two are not mutually exclusive, be-cause it is possible for an organization to pursue one strategy in one product or service area and a different one with others.

In contrast to the cost leadership strategy, here the HR planning is likely to have a shorter time frame, and greater use of external sources will be used to staff the organization.

Thus from the discussion, we can conclude that HRP and Corporate planning become effective when there is a reciprocal and interdependent relationship between them. As, James Walker, a noted HRP expert, very aptly have put it, "Today, virtually all business issues have people implications; all human resource issues have business implications."

LESSON 3:
HUMAN RESOURCE PLANNING: PROCESS, METHODS AND TECHNIQUES

Learning Objectives

The Process of Human Resource Planning

Forecasting Demand : nature, factors, techniques and approaches

Forecasting Supply: nature, techniques

Determining Manpower Gaps

Barriers to HRP

Suggested readings

We have already touched on this earlier in the first lesson. All expert agree on one thing that there is no fixed or standard procedure as such, but a general outline that has to be kept in mind while planning for human resources.

Keith Davis has rightly pointed out, "An organization should identify their short-run and long-run employee needs examining their corporate strategies". This statement helps us understand that one should always adopt a situational approach to be more effective. Another most important conclusion (that I keep insisting!!) is that it is the corporate strategies and objectives that set a planning horizon.

You as the student at the end of the lesson, should be able to:

a. Discuss the reasons for formal human resource planning.

b. Describe the steps involved in the HR planning process (as discussed in class). Understand what goes into each step of the planning process.

c. Recognize the methods available for forecasting demand for human resources.

d. Describe the options available for follow-up action. Understand when each option is appropriate.

Managers follow a systematic process or a model when planning for HR. the following figure will illustrate the same.

HR Planning Process
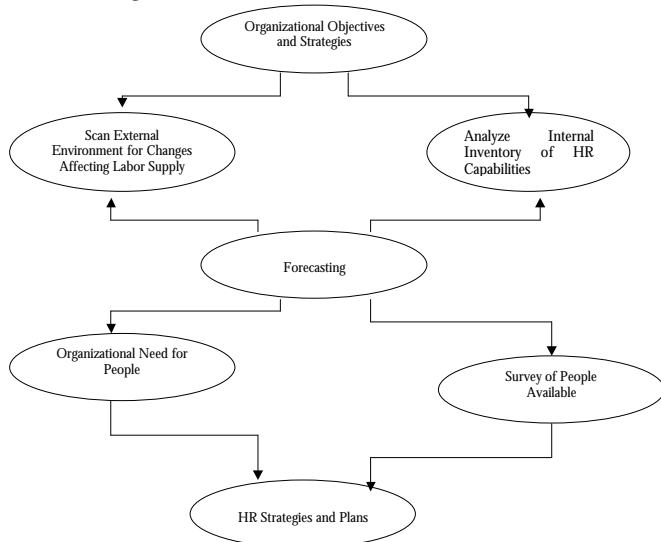
You will notice that the process is familiar to you. We have already touched on this when doing the lesson 2. The process of the HR planning begins with considering the organizational objectives and strategies. Then both external and internal assessments of HR needs and supply sources must be done and forecasts developed. Key to assessing internal human resources is having solid information, which is accessible through a human re-source information system (HRIS).

Once the assessments are complete, forecasts must be developed to identify the mismatch between HR supply and HR demand. HR strategies and plans to ad-dress the imbalance, both short and long term, must be developed.

Before we outline the broad step in HRP, it is thus important to view the various kinds of plans that one can construct which tend to put a boundary on the exact steps to taken. For instance, an organization can have:

- **Company level plan**
- **Departmental level plan**
- **Job level**

This is in contrast to the

- **National level plan**
- **Sectorial level plan**
- **Industry level plan,**

which are handled by the respective governments of the country. These last three plans provide an environmental constrain on the first three if you go by environmental factors we discussed in the earlier lesson. Similarly one has long-range plans and short range plans. The long range plans go side by side with the corporate strategic planning, such as planning for five-ten years hence; whereas the short range plans point out job openings must be filled over a one-year time frame.

Another important question that comes to mind is who is **responsible for this process**.

Top-level executives are responsible for manpower planning, as it is one of the important factors influencing the success of an organization. The Human Resource Division in consultation with other corporate heads usually prepares the plans. The responsibility and accountability for manpower aspects of various divisions is on their respective heads. They should undertake their own appraisals of future needs in such a way as to provide a concrete basis for organization-wide forecasting and planning. The Human Resource Division must offer counsel and advice to various divisional heads and coordinate the various manpower estimates from time to time. Prof. Geisler outlined the responsibilities of Human Resource Department in respect of manpower planning thus:

- Assist and counsel operating managers to plan and set objectives.

- Collect and summarize manpower data keeping long-run objectives and broad organizational interests in mind.

- Monitor and measure performance against the plan and keep top management informed about it.

- Provide proper research base for effective manpower and organizational planning.

Thus, the three key elements of the process are

- Forecasting the demand for labor,

- Performing a supply analysis, and

- Balancing supply and demand considerations.

A careful attention given to each step is beneficial to top managers and supervisors to meet their staffing requirements. Each of these elements can be blended with the overall process in the following manner.

Let us now discuss each element separately. In each part we will cover the following:

Human Resources Planning Model
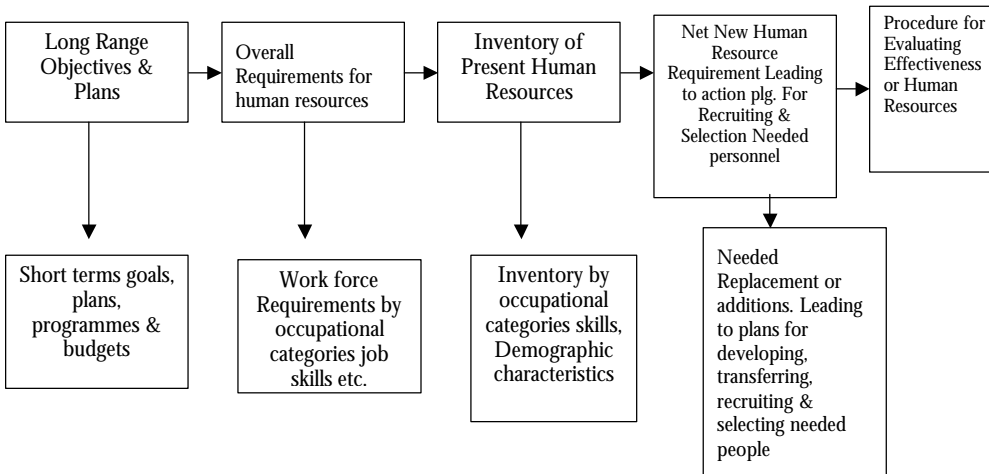
Once the Corporate strategy and objectives are clear, estimates of demand and supply can be made with the help of certain approaches and methods. When each projection is formulated, the difference between them is determined. This difference is termed as known as **Manpower gap**. The whole purpose behind human resources planning is to close this gap!! There are different strategies which we will discuss later in this lesson only which result in filling the manpower gap.

One thing, which you should consider before beginning the process of forecasting: Always decide on

a. The **approach** of how the estimation are to be based-qualitative or qualitative,

b. Basic **factors** to be considered, whether we are projecting wastage or redundancy or labor costs or absenteeism or labor turnover,

c. **Frequency** of the forecasting exercise (that is, dealing with: rate of changes and matching estimations), and finally,

d. Specific **techniques** to be adopted (this depends upon the approach adopted) such as time series analysis, markov analysis, probability techniques, work load analysis, work study analysis, job analysis etc.

The moment you have decided upon these parameters, and then it's a smooth sail to towards demand and supply forecasting.

Forecasting demand
A key component of HRP is forecasting the number and type of people needed to meet organizational objectives. Since it's an open system that we exist in, a variety of organizational factors, including com-petitive strategy, technology, structure, and productivity can influence the demand for labor. For example, utilization of advanced tech-nology is generally accompanied by less demand for low-skilled workers and more demand for knowledge workers.

Let us consider few of the main factors, which can help us forecast demand of human resources in an organization. We can easily categories the factors in **three different sources** that can be viewed clearly from the following slide.

1.External environmental challenges
These challenges arise from three important sources Economic developments, Political, legal, social and technical changes, and the Competition. For example, liberalization, opening up of banking sector, capital market reforms, the on-line trading systems have created huge demand for finance professionals during 1990-1995 in India. The demand for certain categories of employees and skill is also influenced by changes in political, legal and social structure in an economy. Likewise, firms employing latest technology in construction, power, automo-biles, software etc., have greatly enhanced the worth of

technicians and engineers during the last couple of years. Technology, however, is a double-edged weapon and hence, its impact on HR plans is difficult to predict. For example, computerization programs in Banks, Railways, Post and Telegraph Departments may reduce demand in one department (book keeping, for example) while increasing it in another (such as computer operations). High technology with all its attendant benefits may compel organizations to go lean and downsize workforce suddenly. Employment planning under such situations becomes complicated.

External factors such as business cycles-economic and seasonal trends-can also play a role. The Internal Revenue Service, for example, relies heavily on temporary employees between January and April when tax returns are received for processing.

Forecasting is frequently more an art than a science, providing inexact approximations rather than absolute results. The ever-changing environment in which an organization operates contributes to this problem.

Companies operating in fields where a large number of players are bent upon cutting each other's throat (with a view to enhance their market shares) often reduce their workforce. Competition is beneficial to customers but suicidal for companies operating on thin margins. Such companies have necessarily gone 'lean' by reducing their workforce (e.g., Wipro, GE, Tisco etc.) On the other hand, companies that are doing well and progressing smoothly (e.g., Infosys Technologies, Proctor & Gamble, CIPLA, etc) will always look for people with critical skills.

a. Organizational decisions: HR planning needs to take into account the rest of the organization's strategic plans, sales and production forecasts and new ventures to be more accurate.

For example, estimat-ing changes in product or service demand is a basic forecasting concern, as is antic-ipating changes in national or regional economics. This enables the planning expert to forecast the requisite production schedules and thereby estimate whether any extra workforce is needed in future.

A community hospital can antici-pate internal changes in technology, organization, or administration to forecast of staffing needs, like Max health care is right now into while setting up operations at Gurgaon near Delhi. But then these are workable only if they are within the organization's financial resources

b. I come across another example for so that you get the point clearly!! If Britannia Industries Ltd. Expects higher demand for biscuits and bread, the long-term HR plan must take this into consideration. Likewise, if it tries to venture into other lucrative fields such as milk-based products, confectionary items the demand for people possessing requisite skills in those areas in the next couple of years should be looked into carefully.

Furthermore, where plans are changed, the effect of the changes must be estimated. Proposed expansion, contraction or diversification of the organization's activities will obviously affect the demand for labor in general or for particular skills. This may be estimated by market research, competitive analysis, trends in technological advances and so on.

c. Workforce factors: Demand is not only influenced by the above factors but by the internal in and out flux of the employees through retirements, terminations, resignations, deaths and leaves of absence, etc. These actions by employees become fairly predictable, once you spend more and more time with the organization or a certain industry. The above factors will affect how much labor will be required, given the expected productivity or work rate of different types of employee and the expected volume of business activity. Note that productivity will depend on capital expenditure, technology, work organiza-tion, employee motivation and skills, negotiated productivity deals and a number of other factors.

Thus, the cost of existing labor - including overtime, training, benefits and so on, will put a financial constraint on the organization's manpower levels.

There are two **approaches** to **HR demand forecasting: quantitative and qualitative**. When concentrating on human resources needs, forecasting is primarily quantita-tive in nature and, in large organizations, is accomplished by highly trained special-ists. Quantitative approaches to forecasting can employ sophisticated analytical models, although forecasting may be as informal as having one person who knows the organization anticipate future HR requirements. Organizational demands will ultimately determine which technique is used. Regardless of the method, however, forecasting should not be neglected, even in relatively small organizations.

Quantitative Approaches

Quantitative approaches to forecasting involve the use of **statistical or mathemat-ical** techniques; they are the ap-proaches used by theoreticians and professional planners.

One example is **trend analysis**, which forecasts employment require-ments on the basis of some organizational index and is one of the most commonly used approaches for projecting HR demand.

Following several steps typically does trend analysis:

First, select an appropriate business factor. This should be the best available predictor of human resources needs. Frequently, sales or value added (selling price minus costs of materials and supplies) is used as a predictor in trend analysis. **Second**, plot a historical trend of the business factor in relation to number of employees. The ratio of employees to the business factor will provide a labor pro-ductivity ratio (for example, sales per employee). **Third,** compare the productivity ratio for at least the past five years. Fourth, calculate human resources demand by dividing the business factor by the productivity ratio. **Finally**, project human resources demand out to the target year. Remember your business economics classes??? Apply all of its knowledge here. **It's an Opportunity!!**

Other, more sophisticated statistical planning methods include **modeling or multiple predictive techniques.** Several mathematical models, with the aid of computers are also used to forecast HR needs, e.g., optimization models, budget and planning analysis.

Whereas trend analysis relies on a single factor (e.g., sales) to predict employment needs, the more advanced methods combine several factors, such as interest rates, gross national

product, disposable income, and sales, to predict employment levels. While the costs of developing these forecasting methods used to be quite high, advances in technology and computer software have made rather sophisticated forecasting more affordable to even small businesses.

Qualitative Approaches

In contrast to quantitative approaches, qualitative approaches to forecasting are less statistical, attempting to reconcile the interests, abilities, and aspirations of individual employees with the current and future staffing needs of an organization. In both large and small organizations, HR planners may rely on experts who assist in preparing forecasts to anticipate staffing requirements.

For example, **Expert forecasts:** In this method, managers estimate future human resource requirements, their experiences and judgments to good effect.

Management forecasts are the opinions (judgments) of supervisors, department managers, experts, or oth-ers knowl-edgeable about the organization's future employment needs. For example, at the Ripe Tomato, a growing family dining chain, each restaurant manager is responsible for employment forecasts.'

Another qualitative forecasting method, the **Delphi technique**, attempts to decrease the subjectivity of forecasts by involving a group of preselected individual and soliciting and summarizing the judgments. Thus a group decision-making process is invoked which in turn, requires a great deal of process orienta-tion to enhance coordination and cooperation for satisfactory forecasts. This method works best in situation where dynamic technological changes affect staffing levels.

Ideally, HRP should include the use of both quantitative and qualitative approaches. In combination, the two approaches serve to complement each other, thus providing a more complete forecast by bringing together the contributions of both theoreticians and practitioners.

Whatever technique one might utilize, they need to be done systematically!! HR planners many times go further and analyze the demand on the basis of the following:

a. Workforce analysis to determine the rate of influx and outflow of employee. It is through this analysis one can calculate the **labor turnover rate**, **absenteeism rate**, etc. Qualitative methods go a long way in analyzing the internal flow created by promotions, transfers etc.

b. Workload analysis, with which one can calculate the numbers of persons required for various jobs with reference to a planned output. This takes into consideration factors such as absenteeism, and idle time, etc. Both quantitative and qualitative techniques are utilized for accurate results.

c. Job analysis: Job analysis helps in finding out the abilities or skills required to do the jobs efficiently. A detailed study of jobs is usually made to identify the qualifications and experience required for them. Job analysis includes two things: job description and job specification. Job description, thus, is a factual statement of the duties and responsibilities of a specific job. It gives an indication of what is to be done, how it is to be done and why it is to be done. Job specification provides

information on the human attributes in terms of education, skills, aptitudes and experience necessary to perform a job effectively. This you will learn more in the coming lessons.

Hope our above discussion on demand/need forecasting is clear to you all. If yes, then lets discuss the second most important element in HRP process- supply forecasting and analysis.

Forecasting Supply

Once an organization has forecast its future requirements for employees, it then goes on to the next search that is from where can it fulfill its requirements. It therefore needs to determine if there are sufficient numbers and types of employees and how many are eligible for the plausible positions. Supply analysis thus, involves planning for procurement: who, from where, how and when of recruitment. It scans the internal and external environment for the best-fit candidate for the positions in question. Thus, there are two source of supply- internal and external.

Internal sources: The most popular approach to be followed by all managers is to look within the organization among its cadre first. Until and unless the opening is not related to immensely diversified field of which the existing workforce might not possess requisite skills, and the cost of training may be working out to be high, it is easier to go in for an internal source for recruitment. Because it is cost saving in many ways to utilize what is already available to the organization.

A profile of employee in terms of age, sex, education, training, experience, job level, past performance and future potential is continuously maintained for use whenever required. Thus, if the requirements in terms of growth/diversification, internal movements of employees (transfer, promotions, retirement, etc.) are determined in advance then the data can be very useful.

But while provisioning for the above corporate movements, one must keep an eye on the internal movement, such as, attrition, absenteeism, promotion, etc of the workforce as we have discussed earlier, through the workforce analysis. In addition to workforce analysis, the organization needs to maintain replacement charts or succession plans. Regular manpower audits are the best option to keep track of the available talent in terms of skills, performance and potential.

An internal supply analysis is done with

1. Staffing tables/manning charts, which are pictorial representations of all organizational jobs, along with the numbers of employees currently occupying those jobs and future employment requirements.

2. Markov analysis, which shows the percentage (and actual number) of employees who remain in each job from one year to the next, thus keeping track of the pattern of employee movements through various jobs. Thus this analysis results in a composite matrix of supply.

3. Skill inventories that list each employee's education, past work experience, etc.

4. Replacement chart that helps us derive the profile of job holders, department-wise and reveals those who could be used as replacements whenever the need arises.

External sources: It is only when the cost of procuring the labour from internal sources is more and also the present staff cannot be spared for the future assignment, the company can refer to the external market. For this, they need to keep themselves updated regularly on what is available now, what will be available later. Whether the skills required in future will be easily available or certain training, for instance need to be incorporated. For example, a company in the present scenario wanting to start its BPO operations in India may not have problem which a company 10 years back would have faces, as there are ample requisite skills available in the market. Not only skilled labor but also they are motivated to join such company for fast earnings. Thus, HR planners need to keep themselves abreast of the Labor market conditions such as local employment, trends of relevant categories of employees, competition for such skills, availability of part time labour, migration trends of labor, etc.

Therefore to summarize what information should be available for a comprehensive the supply forecast and analysis?

1. The skill base, potential trainability and current and potential productivity level of the existing work force.

2. The structure of the existing workforce in terms of age distribution, skills, hours of work, rates of pay and so on.

3. The possible changes in the productivity, size and structure of the workforce due to resignations and retirements, promotions and transfers, absenteeism and other external factors (economic and cultural), which may induce such changes.

4. The availability of the relevant skills in the external labor market for present and future use. The HR planner will have to assess and monitor factors such as: market value, image/preference of the existing labor for the company, motivation of the prospective candidates to join the company.

Determining Manpower Gaps

The final stage is to balance out the demand and supply gap. The closer the gap the better it is for the company when it actually goes into procuring. Now you will see how we can utilize the data we have collected in the last two stages.

A comparison chart can be developed to find what is available and to what extent it can fulfill the demand forecast. This exercise helps us have an idea of the quantitative and qualitative gaps in the workforce. A reconciliation of demand and supply forecasts will give us the number of people to be recruited or made redundant as the case may be. This forms the basis for preparing the **manpower plan.**

In this process a company always needs to keep repeating this step as it operate in a changing environment. Changes in product mix, union agreements, and competitive action are some of the important things that need special attention. The human resource requirements thus identified are translated into a concrete manpower plan, backed up by detailed policies, and other human resources instruments and strategies (for example, recruitment, selection, training, promotion, retirement, replacement, etc.).

The manpower plan is further divided into the following resultant operational plans.

- **Recruitment plan** to show how many and what type of people is required and when they are needed;

- **Redeployment plan** to help chart out the future movement in terms of training and transfers.

- **Redundancy plan** will indicate who is redundant, when and where; the plans for retraining, where this is possible; and plans for golden handshake, retrenchment, lay-off, etc.

- **Training plan** to chart out if a training is required. If yes, when and to which level; whether it will be done in-house, done in phases or included as part of a formal induction program. This includes the cost and benefit analysis of all the options available.

- **Productivity plan** Will indicate reasons for employee productivity or reducing employees costs through work simplification studies, mechanization, productivity bargaining, incentives and profit sharing schemes, job redesign, etc.

- **Retention plan** Will indicate reasons for employee turnover and show strategies to avoid wastage through compensation policies, changes in work requirements and improvement in working conditions.

- **Check/reviews points** The success of the entire exercise is dependent upon frequent reviews so that none of the factors are left out and changes are constantly taken care of the important thing is to clearly demarcate point

Is there a need to change workforce structure, knowledge and skills

Staff Replacement Approach

What is the time span for planning?

Short

SHORT-TERM HR STRATEGY (Key issues based)

What is the future organizational environment like

Uncertain

VISION–DRIVEN HRD (Vision based)

LONG-RANGE DETAILED HRP

for periodical checks to incorporate deficiencies and periodic updating of manpower inventory based on training and performance reviews, in the light of changing circumstances.

Barriers to HRP:

Planners face significant barriers while formulating an HRP. The major ones are the following:

1. People question the importance of making HR practices future oriented and the role assigned to HR practitioners in formulation of organizational strategies. Their argument is simple-there are people when needed. Offer attractive package of benefits to them to quit when you find them in surplus.

2. HR practitioners are perceived as experts in handling personnel matter, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organisationalplan, might make the overall strategic plan itself defective.

3. HR information often is incompatible with the information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting often to the exclusion of other types of information.

4. Conflicting may exist between short-term and long-term HR needs. For example, there arises a conflict between the pressure to get work done on time and long-term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. These managers fail to recognize that by resorting to hiring or promoting depending on short-term needs alone, long-term issues are neglected.

5. There is conflict between quantitative and qualitative approach to HRP.Some people view HRP as a number game designed to track the flow of people across the departments. These people a strictly quantitative approach to planning. Others take a qualitative approach and focus on individual employee concerns such as promotabilty and career development. Best results would accrue if there is a balance between the quantitative and qualitative approaches.

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

Here is another diagram of Manpower Plan for your better understanding: Lets discuss to know how much we have learnt till now.

Diagrammatic presentation of manpower planning

LESSON 4:
HUMAN RESOURCE PLANNING:
TOOLS AND TECHNIQUES

Learning Objectives

Human Resource Planning: Tools and Techniques

Demand Forecasting-Basic methods

Demand Forecasting- Statistical Techniques

We have already learnt some of the approaches and methods of Human Resource Planning in the previous lesson. Now,let us discuss more on the Tools and Techniques of Human Resource Planning for the growing demand and supply of man power in the coming future.

Manpower Forecasting: Tools and Techniques

Demand Forecasting

Demand forecasting is the process of estimating the future quantity and quality of manpower requirement. A Knowledge of the present situation on manpower requirement is essential if a satisfactory forecast is to be made. The basis of the manpower forecast should be the annualbudget and long term corporate plan, translated into activity levels for each function and department. In a manufacturing company, the sales budget would be translated into a manufacturing plan, giving the numbers and types of products to be made in each period. From this information the number of man-hours, by skill categories, to set the target for production, would start from the production plan setting out a programme for installing new machinery. In an insurance company, forecasts of new business would be translated into the number of proposals that would have to be processed by the underwriting department. In a mail order company, forecasts would be made of the number of orders that are to be processed, assembled and despatched. It will not be unusual if the manager has to identify requirements without a clear knowledge of corporate objectives because either there are nonexplicitly stated or he has not been informed of them.

Detailed performance targets or objectives must be agreed for each level of management in the company, covering all facets of its operation. At each stage of preparing the longrange business plan, the company must take into account the available resources of men, materials, money and machine. The constraints which each of these imposes would set limits to what it can realistically hope to achieve.

The planning data would refer to expected changes in productivity or manpower levels arising from changes in working methods or procedures. These could be set out as a crude percentage increase in productivity which could be used to adjust the required manhours for a given level of output or they might give specific instances of cases where in the manning for a machine, a production line, clerical section or a sales office is to be increased or decreased.

Timescale of Forecasts:

While forecasting manpower requirement, it is important for a manager or a planner to consider the timescale for which forecasts are made. This will largely depend on the nature of the decision to be effected for shorter term forecasting, budgeting; the need to prepare expenditure targets up to two years ahead is important to consider for the purpose of a medium and longrange forecast, that is, between two to seven years which opens up the 'possibility' of greater changes resulting from new manpower policies such as decisions to make greater use of apprenticeships or graduate entrants.

A few organisations attempt forecasting beyond seven years, this period would make it possible to think in terms of changing the entire structure and quality of labour force. Although such a long period scale is frightening, it is the one against which decisions for major changes in, say, managerial manpower have to be made.

Basic Demand Forecasting Methods

The basic demand forecasting methods are :

(i) Work study techniques

(ii) Job analysis

(iii) Managerial/Executive judgement

(iv) Statistical Techniques Projecting Past Trends in Employment

(v) Productivity Measurement Method

(vi) Time series

(i) Work Study Techniques:

Work study is as old as industry itself. Work study, as the name implies, is the study of human work in the deepest sense and dignity of the word, and not merely in the special and more restricted meaning used in the physical sciences. Even today it is not limited to the shop floor, nor even to manufacturing industry. In one form or another it can be used in any situation wherein human work is performed.

The terms time and motion study have been given many interpretations since their origin. Time study, originated by Taylor, was used mainly for determining time standards, and motion study, developed by the Gilbreths, was employed largely for improving methods. While Taylor and Gilbreth did their pioneering work around the same time, it seems that in the early days greater use was made of time study and wage incentive than of motion study.

In the book "Introduction to Work Study" by ILO, defined "work study" as a generic term for such techniques, particularly, method study and work measurement, as are used in the examination of human work in all its contexts, and which lead systematically to the investigation of all the factors that affect the efficiency and economy of the situation being reviewed in

order to effect improvement". Work study, therefore, has a direct relationship with productivity. It is most frequently used to increase the amount produced from a given quantity of resources with little or no further capital investment. As discussed in the preceding paragraphs work study was widely known for years as "time and motion study" but with the development of the technique and its application to a very wide range of activities it was felt by many people that the older title was both too narrow and insufficiently descriptive.

From all the definitions and observations made by the authors, the ultimate motive of work-study is the best utilisation of men, machine, material and money i.e. higher productivity. It is important to define the term Productivity. Productivity is a term that has a number of different meanings although it is most commonly associated with labour effectiveness in industry. In a broad sense productivity is the ratio of output to some or all of the resources used to produce the output, e.g. Productivity "output per labour hour".

Labour Productivity = Units Produced ÷ hours worked

Capital Productivity = Output ÷ Capital input

Material Productivity = Output ÷ Material input

Labour productivity or "output per hour" as compiled by the U.S. Bureau of Labour Statistics for many parts of the economy, is recognised as one of the standard guidelines. Labour productivity is determined by taking the ratio of output to input and indexing this relationship over time. Using the Bureau of Labour Statistics methods, a company can determine its labour productivity or output per man-hour by dividing its total annual labour output by the total hours worked. The output is the 'real' annual sales, that is, net sales adjusted by a corporate price index. The labour input is the average number of employees multiplied by the average number of hours worked during the year. The annual adjusted net sales are divided by the man hours for the year to give the output per man hour. Productivity is essential for a prosperous economy, a prosperous company, a prosperous employee. The productivity of all three is influenced by work methods, work studies and employee motivation.

By helping to determine the best possible use of company resources men, materials and machines–work-study is one of the principal aids by which an organisation can improve its productivity. Many of the companies currently engaged in manpower forecasts are using the results of work-study exercises as the main basis for their estimates of future manpower requirements. The starting point in the workstudy based approach is usually the sales or output forecasts established for the planned period. In order to determine the manpower that will be required these forecasts is converted to a production schedule (taking into account existing levels of stock). The production schedule is then split up into monthly and weekly programmes for the first year. To do this following information are obtained :

(a) Things to be made or done

(b) The quantity involved

(c) The operations/methods needed to carry out the work

(d) The plant, equipment and tools required

(e) The type and quality of labour required

(f) The time each operation is expected to take

(g) The amount of labour required

(h) How much plant and equipment of the types necessary is available

(i) How much labour of the types and quality necessary is available

As far as labour is concerned, information on item (a) should be available from the company system of personnel records, the data on item (e) can be supplied by method study, and for the items (f) and (g) by work measurement. The production schedules required to carry out the predicted work load (items (a) and (b)) can then be worked out and established time standards applied to these schedules in order to ascertain the number of man-hours or man-days required for each class of labour.

A very simple example will illustrate the logic of this approach. A department estimates that its production for the following five years will be 40,000 components per year. Work measurement has shown that it takes, on an average, 4 skilled men to produce 40 components per day.

Therefore man years required are :

$$\frac{40,000}{10 \text{ (Components per man/day)}} = 4000 \text{ man-days}$$

Therefore man-days required are:

$$\frac{4,000}{250 \text{ (assumed working days in a year)}} = 16 \text{ man years}$$

Thus, to fulfil the plan for the production of 40,000 components, an average of 16 skilled men will be required in the department during the following year. To this figure would, of course, have to be added the necessary adjustment for wastage and possibly, absenteeism including leave reserve.

Job Analysis

Before manpower planning can be carried out, management must first define what are the work to be performed and how the tasks to be carried out can be divided and allocated into manageable work units, that we called jobs. Such an assignment of tasks to job is commonly known as "job design". Once the jobs have been defined, it is important to maintain current information about their content. This information gathering process is called 'job analysis'. It comprises both job description and job specification. Accurate job description and specifications are intimately related to the preparation of inventories of executive talent, which form a basis of manpower planning strategy.

Pertinent information relating to a specific job can be obtained through:

• Observation

• Questionnaire

• Interview

• Checklist

- Daily Diary
- Collection of past & present records/historical records
- A combination of two or more of these

All these methods are timeconsuming but they are worth the efforts. An important byproduct of a job analysis programme is that it creates greater understanding and common agreement between job holder and person undertaking the task of manpower planning on the precise requirements of the job and time normally required for performing them.

The job analysis helps in understanding the job of executives and breaking into convenient groups of activities so as to time each activity and assess the total time required for the job. Before analysing the job, it is necessary to go through files, annual reports, published literature on organisation so as to get acquainted with the major objectives and activities of a given organisation and realise how the activities of each executive fit into the total framework of the organisation. For many jobs historical records would provide the basis for setting norms, provided they have been continuously updated.

Assessing Executive Manpower

Executive manpower requirement is mostly determined by job analysis. The job of an executive is understood in its proper perspective; what follows is grouping of activities into two major parts, namely routine or maintenance actively, and nonroutine or adaptive activities. Once the total activities of each executive in a given department are enumerated and the time is allocated for each of them, what is left, is adding up those times on the daily, monthly or quarterly basis whichever is convenient depending on the nature of the work of an executive and thus integrating total time required for each executive in a given department. Once the time for all activities has been determined, certain percentage allowance has to be added to this time to account for what an executive may lose in personal time (tea, personal visitors etc.) or because of fatigue or unexpected contingencies. The man-days required for doing both types i.e., routine and nonroutine activities for each executive would be calculated as under :

Total man-days* of   Total man-days* spent   Total man-days*
An executive per = by each executive   + spent by each
Month for all   per month for routine   executive per
                                               activities
Activities   month for non
                       Routine activities

(* Each manday consists of six hours allowing for personal time and contingencies).

On the above basis, the total mandays of all executives in a given department per month can be calculated. The formula for assessing manpower is :

$$\text{Total executive manpower needed in each department} = \frac{\text{Total man-hours of all executives in a department}}{\text{Total man-hours available per month (25 working days x 6 man-hour per day)}}$$

For example, the total man-hours per day of 20 executives in a given department are 140 (each executive actually spends seven man-hours per day). The man-hours work of 20 executives per month will be 140 x 25 = 3500. The formula for assessing manpower is :

$$\text{Total executive} = \frac{3500}{150} = 23.3$$

(25 working days x 6 man-hours per day)

It indicates that there is a need for at least 3 more executives in the department. A given figure has to be rounded off, for example, if the answer is say 23.6, that implies the need for 4 more executives. If the answer is less than 20, it means the department is overstaffed.

Job analysis is often confused with motion study, which also involves study of the job. There are two different ways of studying the same job job analysis and motion study. Motion study is a process of analysing job to find the easiest, most effective and most economical method of doing it.

Managerial/Executive Judgement

The simplest approach to manpower forecasting is to prepare estimates of future needs based on the individual opinions of departmental or line managers. This simply requires managers to sit down, think about their future workloads and decide how many people they need. It can be done both "from bottomup" by asking junior managers to outline their requirements and passing these estimates up through the hierarchy for collation and comment. Alternatively, a "top downward" approach can be used, in which company and departmental forecasts are prepared by top management, possibly based on the advise/ information available from the personnel and organisation and methods departments. The suggested forecasts are circulated downwards for discussions and thereafter reviewed and agreed with departmental managers.

In both the cases, comment from different levels of the managerial chain will often lead to considerable revisions of the original estimates. The managers who set them as targets often regard forecasts made in this way. Guidelines for departmental managers should be prepared which would indicate broad company assumptions about future activity levels, which will affect their departments. Targets are also set where necessary. Departmental managers, armed with these guidelines, prepare their forecasts to a set format. They are encouraged to seek help at this stage from personnel, Organisation and Methods, industrial engineering departments, to prepare a company manpower forecast. The two sets of forecasts are then reviewed by a manpower planning committee consisting of functional heads. This committee reconciles with departmental managers any discrepancies between the two forecasts and submits the final amended forecast to top management for approval. This is sometimes called "right angle method".

Statistical Techniques Projecting Past Trend in Employment

The most commonly used statistical approaches to manpower forecasting are considered, ranging from methods of simple extrapolation, through regression or correlation analysis, to

econometric models. All of these methods depend for their validity on the assumption that developments in the future will exhibit some continuity with the past. Simple extrapolation assumes that past trends will continue, regression analysis assumes that particular relationships will hold firm and econometric models assume that the basic interrelationships between a whole range of variables will be carried on into the future.

Extrapolation

Methods of simple extrapolation are concerned with predicting the growth or decline of a single variable (or set of variables such as a ratio) over time and can thus be simply illustrated in graphical form. As shown in the figure below, time is taken on the oy axis (i.e. horizontal axis) whereas labour requirements (in man-hours) on the oy.
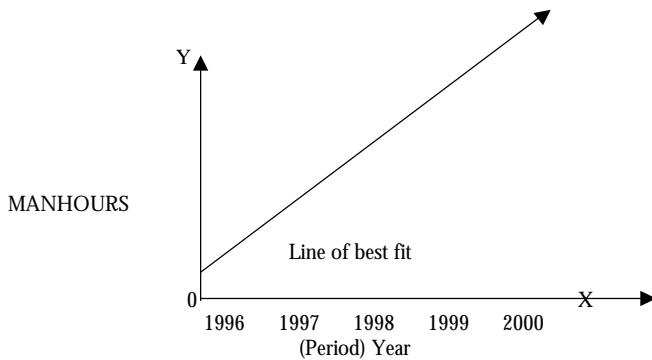
i Projection of Manpower Requirement

The first stage in the forecasting process is to identify any trend line which may show itself in such a scatter diagram. The method of simple extrapolation consists simply of extending this line into the future i.e., line of best fit is drawn after plotting the past data. In case the trend line slopes upwards then labour requirements in future might be expected to rise, on the other hand the trend line sloping downwards indicate a fall in future requirement levels.

Regression and Correlation

This method seek to provide a measure of the extent to which movements in the values of two or more variables as for example labour input and sales are related (or correlated) with each other. The aim is to predict changes in one variable by reference to changes in the other or others, where the future value of these other (or explanatory) variables are already postulated. Thus, if a company finds that the number of hours put in by a group of workers bears a strong relationship to the amount of output from the department, or sales, a knowledge of future output or sales levels should make possible a forecast of future manpower requirements. Where only two variables are concerned the analysis is known as simple regression or correlation. Where more than two variables are considered together, the analysis is known as multiple regression.

In the figures given below, possible relationships are examined to see whether they might prove useful for forecasting from the first, it is clear that manpower requirements are not closely related to investment. From the second, however, it appears

that the number of engineers has in the past been closely related to the level of sales. If the relationship appears likely to be continued into the future, estimates of manpower required can be derived from prediction of sales levels.
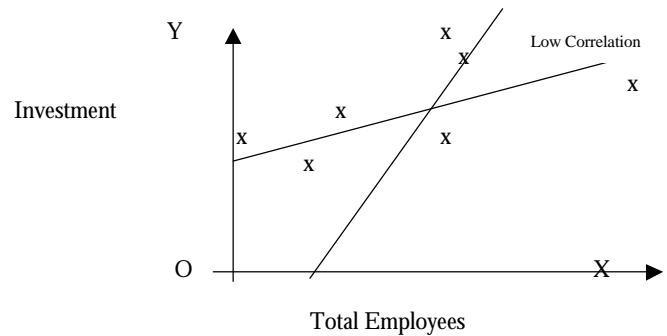
Figure-1
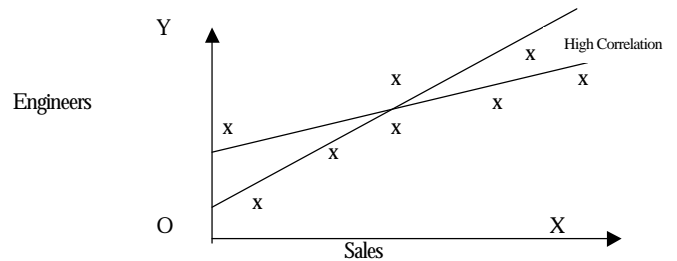
Figure-2

The possible relationship is useful in forecasting

Econometric Models

Econometric models for estimation of manpower requirement differ from the statistical methods. Past statistical data are analysed in the hope that it will prove possible to describe precisely the relationships between a number of variables in mathematical and statistical terms. To portray the relationships between different types of manpower requirements and measures of investment, profitability, sales, complexity and quality of the product, any other factors which may be thought important in a particular company, in terms of a single equation or more likely building a series of equations, which together described the various relationships can be worked out with the help of econometric models. Very often, such models are based on simple and multiple regression analysis of the types described above.

Econometric models have considerable inherent practical difficulties. The use of such complex models for forecasting future manpower needs, or indeed any other variable, at the company level, is still very much in its infancy (gascoigne 1968) and the effort and cost involved in building up a satisfactory model are at the moment well beyond the reach of most companies.

Productivity Measurement Method for Manpower Forecasting

This approach is closely related to work study method. Both seek to determine the amount and effectiveness of the human content of the work involved in any activity. Work study involves a thorough analysis of the work process and seeks to establish the man-hours needed per unit of output. On the other hand, productivity measurement is generally more concerned with the inverse of this ratio i.e. output per hour. The use of measures of productivity in manpower forecasting seems straightforward enough. Output (measured say by gross tonnage or sales) divided by labour productivity (output per man-hour) gives the number of man-hours required to complete the task. In practice, this method is a different and hazardous one. Accurate measures of productivity in the individual company are notoriously difficult to obtain even for the current situation, let alone for the future.

Illustration

To forecast manpower requirement in 2000 for an Engineering Company : Production Department.

Basic Data 1994

(i) Production for the year	=	2,400,000 units
(ii) Average number of employees during a year	=	400
(iii) Number of Weeks worked during a year	=	49
(iv) Average hours per week per worker	=	40
(v) Total hours per worker per year	=	49 x 40 = 1960 man-hours
(vi) Total manhours per year	=	400 x 1960
	=	784,000 man hour
(vii) Productivity /Production per man hour	=	2,400,000

$$= \frac{7,84,000}{}$$

$$= 3 \text{ units per man-hour.}$$

Basic Data 2000

(i) Target production	=	36,30,000 units
(ii) Productivity is expected to be 10 per cent higher than in 1994 Therefore, in added value terms, it should reach.	=	3.30 units
(iii) Therefore, required man hours in 2000	=	$\frac{36,30,000 \text{ units}}{3.30 \text{ units}}$
	=	1,100,000 man hours
(iv) Total hours per worker per year	=	1960
(v) Therefore required number of men in production dep't.	=	$\frac{1,00,000}{1,960}$

Manpower assessment is not only a number game rather it is a human resources development game. The earlier concept was that right man for right job but the present concept is to match the individual to the job/work. While assessing manpower requirement, methodology assumptions should be clearly defined. In the assumption nature of the task, criticality and non criticality of different jobs, shift workings, effective, noneffective, set up time, crew size and composition and skills required have to be taken into consideration. If all the points as mentioned above are considered carefully during the process of manpower assessment, forecast of requirement would be more accurate and realistic. Considering the criticality of the jobs, suitable off and leave reserves can be worked.

Time Series and Trends

It is necessary to analyse past trends in manpower activities and sift the significant points while preparing a forecast. This requires an understanding of the concept of the time series. A time series is a set of observed values recorded at intervals of time 'data classified chronologically' for example, monthly absenteeism rates. The recording of such a casual relationships between different variables for example, is there a positive correlation between absence and age or length of service? Or with prediction of future.

A time series unlike an algebraic curve will not have a definite predictable state it will vary with fluctuating data which must be analysed as to their probable confining or not for making future forecasting.

Therefore, it is an alternative method to analyse employment levels over a time and use as a basis for forecasting manpower levels. This means projecting the past into the future and then allowing for any foreseen changes resulting in a change in use of capital and machinery, change in external economic climate, internal problems within the organisation and emergence of competitors.

The employment, when recorded over a period, will potentially reveal five distinct elements as follows: (a) a trend could be a gradual and regular increasing or decreasing level of employment, probably over some years; (b) cyclical effects which could be a gradual and repeated upward and downward movement over a period. This may well be associated with some events such as economic activity in the country; (c) seasonality which may occur one when more than one time point per annum is recorded. It records the different levels of activity between say summer and winter; (d) a step is a sudden change in the level of employment which will probably accompany some identifiable change in the environment, such as decrease/increase in sales or introduction of new machinery; and (e) random fluctuations in a series of changes in levels of employment that do not follow any obvious pattern. In this case "moving average" will help to highlight the trend and suggest the amount of possible error in the forecast".

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LESSON 5 :
HUMAN RESOURCE PLANNING: HRP AND CORPORATE OBJECTIVES

Hello students, today lets us discuss the following article, which gives us an idea how the Practice of human resource plan is done for a public service company.

Last Review / Update: 2003-05-28

2003 - 2006
Corporate Human Resource Plan

for the Alberta public service

Related Government Business Plan Goal

Goal 9: Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada.

Vision
Cabinet has endorsed a vision created by Deputy Ministers for the Alberta public service:

The Alberta public service is respected for its attitudes, knowledge and skills, its effective management of public policy, and its dedication to achieving quality, affordable services for Albertans.

Achieving the Vision
Deputy Ministers also outlined five foundation goals that require organizational supports to achieve the vision:

Alignment	We need to ensure the goals and behaviours of individual employees are aligned with department and government goals.
Commitment	We need to introduce processes that build employee commitment to government goals and values.
Competence	We need to make sure the organization has the knowledge, skills and abilities to accomplish current and future business plan goals.
Versatility	We need to ensure Alberta public service employees can adapt to meet changing needs.
Well-Being	We need to ensure the Alberta public service is an attractive employer for current and potential employees.

Purpose
To build a strong Alberta public service.

The Challenges
Talent Shortages: Significant demographic issues within a tight labour market impact the attraction and retention of talent within the public service.

Globalization and Technological Change: The pace of change impacts current and future workforce capacity and leadership needs at all levels across the public service.

Fiscal environment: The reality of the fiscal environment directly impacts the management of available resources, implementation options and approaches.

Priorities 1-4: Corporate Human Resource Development Strategy

Priority 1: Attracting and Retaining Talent

Objective:
Develop attraction and retention strategies to effectively position the Alberta public service to respond to human resource needs created by growing competition for scarce human resources.

Strategies for 2003-04
1. Promote the Alberta public service as an organization that provides diverse and challenging work, with opportunity for ongoing growth and development.

2. Identify and address critical workforce requirements.

Priority 2: Building Leadership Capacity

Objective:
Enhance leadership capacity at all levels of the Alberta public service through an integrated and coordinated approach that fosters a culture of leadership, continuous learning, and service excellence.

Strategies for 2003-04
1. Strengthen leadership development and continuity succession planning at all levels in the Alberta public service.

2. Continue to implement Corporate Executive Development.

3. Enhance a culture of continuous learning through competency development.

4. Enhance employee awareness, understanding and capacity to deliver excellent service.

Priority 3: Workplace Health

Objective:
Ensure the Alberta public service continues to build a positive, healthy work environment.

Strategies for 2003-04
1. Develop and implement workplace health promotion initiatives across the public service.

2. Develop and implement targeted initiatives to support the continuous improvement of the work environment.

Priority 4: Performance Management/HR Planning

Objective

Ensure the management of human resources in the Alberta public service is aligned with government and department goals and priorities.

Strategies for 2003-04

1. Align employee performance management with government and department goals and priorities.
2. Foster an environment of ongoing recognition within the Alberta public service.
3. Align human resource planning with government and department plans, goals and priorities.

Priority 5: Classification/Collective Bargaining

Objective:

Provide a strategic approach to dealing with classification issues and collective bargaining in a manner that is responsive to business plan needs of the Alberta public service and is compatible with government's fiscal direction.

Strategies for 2003-04

1. Continue conversion of the non-management classification plan to a point rating system.
2. Continue to implement Letters of Understanding as negotiated through 2001 collective bargaining.
3. Conduct collective bargaining on wage opener (2003), master agreement and subsidiary agreements (2004).

2003-2006 Corporate Human Resource Plan Framework

POLICY	2003-06 GOALS	2003-06 OBJECTIVES	2003-06 MEASURES	2003-04 STRATEGIES
The Government of Alberta ensures employees understand and receive feedback on how their work contributes to the achievement of government goals.	Alignment: To ensure the goals and behaviours of individual employees are aligned with department and government goals.	Employees understand government goals and priorities.	% of employees who understand how the work of their department contributes to government business plan goals.	Align employee performance management with government and department goals and priorities.
		Employees understand their roles and how they fit in.	% of employees who understand how their work contributes to their department's business plan.	Align human resource planning with government and department plans, goals and priorities.
			Demonstrated linkages between department human resource plans and all relevant DM contract criteria, and corporate human resource plan priorities.	Foster an environment of ongoing recognition within the Alberta public service.
The Government of Alberta compensates, rewards and recognizes employees based on their contributions to business objectives; the need to attract, motivate and retain a capable workforce; and the fiscal environment.	Commitment: To ensure employee commitment to government goals and values.	Employees have clear performance measures and expected outcomes. Employees receive formal and informal recognition for their contributions.	% of employees who report their organization helps them know and understand how well they are performing.

% of employees who receive timely recognition or acknowledgement for their work from their supervisor. | Strengthen leadership development and continuity/succession planning at all levels in the Alberta public service.

Enhance employee awareness, understanding and capacity to deliver excellent service. |
| The Government of Alberta selects and retains the most suitable individuals based on competence and ability to meet the rganization's needs. | Competence: To ensure the organization has the knowledge, skills and abilities to accomplish current and future business plan goals. | Employees identify and develop the skills they will need to succeed. | % of managers who report their employees have skills to meet current and future needs. | Enhance a culture of continuous learning through competency development. |

The Government of Alberta is committed to becoming a learning organization and will create continuous learning opportunities for its employees.	Versatility: To ensure Alberta public service employees can adapt to meet changing needs.	Departments anticipate and respond to future human resource needs.	Employee's assessment of organizational support for their learning to meet current and future needs.	Continue to implement Corporate Executive Development. • Promote the Alberta public service as an organization that provides diverse and challenging work, with opportunity for ongoing growth and development. • Identify and address critical workforce requirements. • Develop and implement workplace health promotion initiatives across the public service. • Develop and implement targeted initiatives to support the continuous improvement of the work environment.
		Movement within and across departments is used to promote learning from different experiences.	% of employees who agree they receive the support they need in order to provide high quality service.	
The Government of Alberta provides a safe work environment and supports the well-being of employees.	Well-Being: To ensure the Alberta public service is an attractive employer for current and potential employees.	Employees are satisfied with their employment in the Alberta public service.	Development plans in place for all managers. Suitable candidates are available to compete on identified leadership critical positions.	
		Employees receive support for their own safety and well-being.	Number of work experience co-op and internship placements. Number of developmental moves for staff (executive and other managers). Development plans in place for Corporate Executive Development participants % of employees who are satisfied with their employment in the Alberta public service. % of managers who report they are able to retain the talent they need. % of managers who report they are able to attract the talent they need. Achieve targets that promote employee safety and well-being.	

Measuring Our Progress

Data sources include the Corporate Employee Survey denoted by * and department reports denoted by **.

MEASURE	2000-01 RESULTS	2002-03 RESULTS	2003-04 TARGETS
ALIGNMENT/COMMITMENT			
% of employees who understand how the work of their department contributes to government business plan goals.*	77%	71%	75%
% of employees who understand how their work contributes to their departments' business plan.*	81%	75%	82%
Demonstrated linkages between department human resource plans and all relevant DM contract criteria and corporate human resource plan priorities.**	Linkages in place	Linkages in place	Linkages in place
Percentage of employees who report their organization helps them know and understand how well they are performing.*	67%	61%	70%
Percentage of employees who receive timely recognition or acknowledgement for their work from their supervisor.*	N/A - new measure	63%	65%
COMPETENCE/VERSATILITY			
Percentage of managers who report their employees have the skills to meet current and future needs.*	90% 80%	90% 83%	90% 84%
Employees' assessment of organizational support for their learning to meet current/future needs.*	79% 67%	66% 52%	73% 62%
Percentage of employees who agree they receive the support they need in order to provide high quality service.*	N/A - new measure	62%	64%
Development plans in place for all managers.**	N/A - new measure	N/A - new measure	Plans in place for all managers.
Suitable candidates are available to compete on identified leadership critical positions.**	N/A - new measure	N/A - new measure	Candidates available.

Number of developmental moves for staff.**	17% of Exec. Mgrs. 10% of other Mgrs.	11% of Exec. Mgrs. 9% of other Mgrs.	5% of Exec. Mgrs. 5% of other Mgrs.
Development plans in place for Corporate Executive Development participants. **	N/A - new measure	Plans in place for all participants.	Plans in place for all participants.
WELL-BEING			
Percentage of employees who are satisfied with their employment in the Alberta public service.*	84%	81%	82%
Percentage of managers who report they are able to retain the talent they need.*	53%	63%	65%
Percentage of managers who report they are able to attract the talent they need.*	46%	54%	55%
Number of work experience, co-op and internship placements. **	478	604	450+
Promote employee safety and well-being: IMAGIS database 1. Work days lost (per 100 person years worked - by calendar year) 2. Lost time claims rate (per 100 person years worked - by calendar year) 3. Time lost due to general illness (avg. days lost per employee) 4. LTD incidence rate (new claims per 1000 employees)	53.8 days 1.7 4.2 days 11.8 claims	Unaudited figures: 61.6 days 2.23 4.5 days 10.6 claims	48.5 days 1.6 4.0 days 11.5 claims

Appendix 1: Existing Supports and Strategies

Success in meeting our objectives relies on effective corporate supports and departmental implementation. Existing supports and department implementation strategies are listed below.

CORPORATE SUPPORTS	DEPARTMENT IMPLEMENTATION
COMMITMENT / ALIGNMENT	
Performance Management Framework Human Resource Accountability Framework Responsibilities and Resources for Managers and Supervisors Code of Conduct and Ethics Premier's Award of Excellence First Choice Flexible Benefits Management Rewards Strategy	1. Ensure all employees develop performance plans that are linked to the department's business plan goals. 2. Ensure all employees develop and report on meaningful performance measures. 3. Provide regular communication to employees about government and department priorities and goals. 4. Establish recognition programs that address both formal and informal recognition initiatives. 5. Encourage high performing teams to submit applications for the Premier's Award of Excellence and other prestigious awards. 6. Provide information and regular communication to all employees on the new roles and competency requirements. 7. Seek feedback from employees on aspects of the work environment, on a regular basis.
VERSATILITY / COMPETENCE	
Alberta Public Service Competency Model Ambassador Program Internship Program Corporate Learning Strategy Leadership Development Toolkit Making Service Stronger Booklet Career Management Guidebooks Corporate Executive Development Senior and Executive Managers' Program Management Development Program Alberta Interchange Program Executive Search Program	1. Use competencies as a tool in selection, targeting development, and managing performance for all employees. 2. Use targeted marketing/recruitment strategies to attract new talent to the APS. 3. Hire new graduates as interns. 4. Participate in work experience and co-op programs from post-secondary institutions. 5. Introduce targeted learning strategies. 6. Promote awareness of the Leadership Development toolkit. 7. Provide coaching and other supports for learning and leadership development. 8. Provide learning opportunities for employees to enhance service excellence. 9. Facilitate movement of staff within or across departments.

	10. Encourage every employee to prepare an annual learning plan and report on results. 11. Develop a departmental human resource plan with leadership continuity strategies.
WELL-BEING	
Employee Assistance Program Employee Support and Recovery Assistance Program Occupational Health and Safety Program Home on the Job - Telecommuting in the Alberta Government The Job Share Guidebook for Employees and Supervisors	1. Advise the Human Resources Branch when employees are away for ten days or more, as part of the Employee Support and Recovery Assistance Program. 2. Enforce and reinforce safe work practices. 3. Take steps and involve employees in resolving health and safety issues. 4. Accommodate employees' needs for workplace flexibility. 5. Regularly assess the organizational climate and introduce strategies to respond to employee issues or suggestions.

Appendix 2: Reference Materials

Reference	Source
Corporate Human Resource Strategies	http://www.pao.gov.ab.ca/corporate/index.html
Guide to Human Resource Initiatives in the Alberta Public Service	http://www.pao.gov.ab.ca/infocentre/working-in-govt/hrinitiatives/index.html
Performance Management Framework	http://www.pao.gov.ab.ca/performance/perfmgmt/index.html
Employee Information	http://www.pao.gov.ab.ca/infocentre/
Leadership Development Toolkit	http://www.pao.gov.ab.ca/toolkit/
Responsibilities and Resources for Managers and Supervisors Strategic Human Resources Management: Human	http://www.pao.gov.ab.ca/infocentre/hr-guidebook-for-managers-supervisors.pdf
Making Service Stronger Booklet	http://www.pao.gov.ab.ca/makingservicestronger/
Resource Accountability Framework	http://www.pao.gov.ab.ca/infocentre/working-in-govt/strategic/strategic-hr-management.pdf
Service Excellence and the Deputy Minister of Executive Council Service Excellence Recognition Program	http://internal.gov.ab.ca/serviceexcellence/
Premier's Award of Excellence	http://www.pao.gov.ab.ca/premier

LESSON 6:
RELATIONSHIP BETWEEN HRM, HRP AND HRD

Learning Objectives
- **Relationship between HRP, HRD with HRM**
- **HRM Functions**

Today, let us study the Linkage of HRP and HRD with HRM with the help of a Euphemistic table.

Towards a Geometry of Human Resources

Pythagorean thought had long ago demonstrated that graphic and symbolic representations aid the understanding of many a complex aspect of reality. Indeed, mathematics emerged as a potent language of science based on that very premise for understanding the real world just as metaphysics had emerged as a powerful instrument for the understanding of supernatural world. Both, mathematics and metaphysics have long used symbols and graphic representations in their own way. The oriental notions of mantra, tantra and yantra as well as the Euclidean concepts of geometry are nothing else but that.

In the same vein, one way of understanding the ambit of inquiry that concerns HRM would logically be to take recourse to geometry. This is what we have done. The reader is, at this point, well within his rights to ask why we chose this (seemingly) peculiar title for a postgraduate textbook on human resources management. Perhaps, it is the nature of the subject and the manner in which we have treated it, that has caused us to name it so. By way of defense, we take recourse to Leon Brunschvigc's magistral edition of French texts entitled Les Grands Eerivains de la France. Nirad C Chaudhuri (1997) quotes from it, thus.

The intuition of geometry is anterior to reasoning and clearer, because it bears on the most simple objects - number, space) light, but nowhere, in contrast) the object is complex, which cannot be analyzed to arrive at definitions, because it is a question of human nature.

Human resource management is an intricate subject either made very simple by zealous and student friendly writers or rendered too complex by those caught up in abstruse argument and ideologically slanted polemic. Since the canvas we chose to paint on was vast but the collage was intricate, we needed to simplify the subject without oversimplifying it. We had to enable the reader to merge with the reality in the world of industry and business without letting him get submerged by the complex nature of that social reality. Geometry gave us the necessary locus classicus) theretofore. Including it as a part of our larger design, geometry also gave us a locus standi. We too have tried to use numbers, charts, and simple formulae to explain our argument further. However, we have used our experience in the field of HR in India to rest our logic and forward our argument. In a manner of speaking, we are, (in all humility), taking a similar position as that taken by two of the greatest thinkers

of all time, (Marx and Engels in The German Ideology) when they said:

The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions of their life, both those they find already existing and those produced by their activity. The premises can thus be verified in a purely empirical way

We too have sought to empirically verify many of our contentions and the findings, which have been published elsewhere, are quoted briefly herein. While we have used a fair amount of quantification in the textbook, we have consciously desisted from taking the industrial engineering route to HR by counting people. Rather, we have taken the alternative Marxian humanistic route of counting on people to leverage an organization's core competency to ensure competitive behavior in the domestic as well as the global market. All along, we have given primacy to man since we, as HR professionals, are increasingly dealing with the knowledge worker in the age of the intellect.

Based on our research and the ensuing conclusions drawn we view Strategic HRM as a function as if it were a four legged table(see the table below) with a tie bar an a brittle top. Functionally Human Resources Management was divided into five distinct sub functions and the table can thus be visualized:

Fig: Our Euphemistic Table
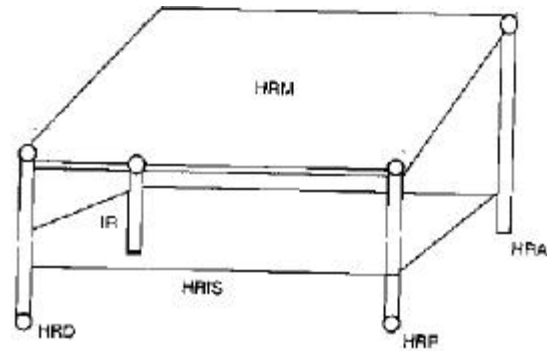
1. Human Resources Planning (HRP): This cook care of the optimal allocation and utilization of the human resource. Hence it was concerned with ascertaining the needs of the organization and establishing ways and means to meet these needs so that the objectives of the organization are met and production continues unhampered. Recruitment, promotions, transfers and resignations were to be dealt with by this sub-function. Euphemistic leg 1.

2. Human Resources Administration (HRA): This took care of the erstwhile Establishment function in some parts and the legal compliance function in others. It had to make sure that all the returns were filled up and submitted to the

concerned authorities in order and in time. Payroll functions came under the purview of this sub-function. Peripheral fW1Ctions as Safety, Canteen, Crèche and Conveniences would also fall under its purview. Euphemistic leg 2.

3. Human Resources Development (HRD): This was the most proactive sub function of the specialization. It began at the level of training need identification, conducting climate surveys and actually conducting training programs. Training was an ongoing but short-term process while organizational development was goal directed and long term. Both had a direct role in the organization corporate culture building. Euphemistic leg 3.

4. Industrial Relations (IR): This was essentially related to power relationships between the owners of capital and the dispensers of labor. It is not a systems concept a fa Dunlop or a process or regulation concept a la Flanders but more of a power and control concept a la Hyman. Euphemistic leg 4.

5. Human Resources Information Systems (HRIS): This was the bloodline of the specialization for it stored information and rendered it easily accessible so that decision -making could be facilitated. The key words were a balance between secrecy and transparency. Euphemistic tie bar.

6. Human Resources Management (HRM): This is the smooth and shining tabletop, which is propped up by the four legs. It is smooth denoting the fact organizational objectives are achieved smoothly. It is shining to denote that there is efficiency in the achievement of these objectives. It is stable denoting that the processes are efficiently utilized for the achievement of these objectives. The shine, the stability and the smoothness is maintained by adherence to values and maximizing on the core competencies. Its brittleness is brought about by the fact that we are dealing with the human being whose subjective self very often overpowers his objective self in aJi walks of life.

The tie bar is consequently responsible for the other four legs being stable. And only by giving equal weight to each sub-function can the length of the legs be equal and this stability be enriched.

Since we are dealing with man and his management, the tabletop is as brittle as the human mind. If not treated well it will indeed shatter. These four legs and the tie bar that holds the legs in place, and which together prop up a brittle tabletop that is the HRM Function itself. Using this analogy, we chose the title as "Geometry of HR".

It has been argued all along that HRD, HRP, HRA and HRIS cannot be separated from one another and that there is a symbiotic relationship between them. IR or Industrial Relations has always seemed to be the odd one out in the scheme of things for the Management School trained HRM expert. This is ironic since all value is created by labor and capital is nothing but man made aid to production!

The tabletop is brittle since we are always dealing with human emotions and sentiments although we approach the same through the human mind. Emotions are tender and must be treated with great care. Here the care exhibited comes from our beliefs and ideology or the subjective notion of value. The process of production ads value and strategic HR helps this process of value addition. Now we are viewing value in the Classical Ricardo-Marx-Sraffa sense. Therefore, we are concerned here only with its objective notion. It is after a11 the human being (living labor) that creates all value and (dead labor) is ultimately valorized as capital.

Going further, Investment is the process of capital creation and as any banker like Parvez Balaporia will remind us, is only viable when (i) < (r). That is to say, the rate of return is more than the cost of borrowing. Hence exploiting the resources is built into the economist's paradigm. Is HR really exploitative when we seek to enhance internal customer satisfaction and promote a healthy work environment? Alternatively, is the exploitation so subtle that it is not perceived? This takes us into value Based Management.

The above notwithstanding, we could emphatically state that the HR expert can and should obviate this problem by ensuring that human development takes place all the time, that value addition is universal and employees are proud to belong to the organization. This issue of belongingness, we shall address later, but for now let it be noted that belongingness means two things: The organization belongs to me and also I belong to this organization. This comes from giving respect to the human being even when differing with his/her views. Concern for the individual is the hallmark of a good leader. The HR expert is above all a leader and a producer of leaders through his facilitation. Once this is achieved, the task of converting core competence into competitive advantage becomes relatively simple.

Before we jump to the conclusion that HRM is an end in itself, let the premise upon which we act be made absolutely clear. To the positive economist HRM is a behavioral interpretation of the various ramifications brought about by the micro produc-tion function. That is taking things a little off the track. What we say is that the organization is a microcosm of the larger society and is a part of the political economy within which it exists. With that in view we could propose as follows:

- The HRM function is concerned with the strategic relationship between capital and labor under a set of given circumstances and in an organization having certain goals and limitations.

- An understanding of the processes of economic development and growth that engulf the larger market economy within which the organization functions, ultimately facilitates the proper understanding of this strategic role.

- To understand the processes of economic development and growth one has to have a good idea of the political economy within which one exists. This includes an understanding of and the influences brought to bear on the organization by state policy on capital and labor.

- Understanding the political economy of labor is a precondition of Strategic HR as opposed to HR Strategy. We are concerned with the former. The former integrates HR within the strategy formulation and implementation process as its catalyst and prime mover. The latter merely uses HR as one of the many tools that management has its disposal.

The Relationship Between Human Resource Management and HRD/Training

In some organizations, training is a stand-alone function or department. In most organizations, however, training or human resource development is part of a larger human resource management department. Human resource management (HRM) can be defined as the effective selection and utilization of employees to best achieve the goals and strategies of the organization, as well as the goals and needs of employees. An important point to stress is that the responsibility for HRM is (or, at least, should be) shared by human resource specialists and line man-agement. How the HRM function is carried out varies from organization to organ-ization. Some organizations have a centralized HRM department with highly spe-cialized staff, but in other organizations, the HRM function is decentral-ized and conducted throughout the organization.

The most comprehensive way to present the HRM function is to examine the activities carried out by a larger department, such as the HRM division headed by a vice president depicted in Figure 1-1. HRM can be divided into primary and sec-ondary functions. Primary functions are directly involved with obtain-ing, main-taining, and developing employees. Secondary functions either provide support for general management activities or are involved in determining or changing the structure of the organization. These functions are detailed below.

Primary HRM Functions

- Human resource planning activities are used to predict how changes in management strategy will affect future human resource needs. These activities are becoming increasingly important with the rapid changes in external market demands. HR planners must continually chart the course of the organization and its plans, programs, and actions.

- Equal employment opportunity activities are intended to satisfy both the legal and moral responsibilities of the organization through the prevention of discriminatory policies, procedures, and practices. This includes decisions affecting hiring, training, appraising, and compensating employees.

- Staffing (recruitment and selection) activities are designed for the timely identification of potential applicants for current and future openings and for assessing and evaluating applicants in order to make a selection and placement decision.

- Compensation and benefits administration is responsible for establishing and maintaining an equitable internal wage structure, a competitive benefits package, as well as incentives tied to individual, team, or organizational performance.

- Employee (labor) relations activities include developing a communications system through which employees can address their problems and grievances. In a unionized organization, labor relations will include the development of working relations with each labor union, as well as contract negotiations and administration.

- Health, safety, and security activities seek to promote a safe and healthy work environment. This can include actions such as safety training, employee assistance programs, and health and wellness programs.

- Human resource development activities are intended to ensure that organizational members have the skills or competencies to meet current and future job demands. This, quite obviously, is the focus of this book.

Secondary HRM Functions

Other functions that may be shared by HRM units include the following:

- Organization/job design activities are concerned with interdepartmental relations and the organization and definition of jobs.

- Performance management and performance appraisal systems are used for establishing and maintaining accountability throughout the organization.

- Research and information systems (including Human Resource Information Systems) are necessary to make enlightened human resource decisions.

Line Versus Staff Authority

One of the primary components of an organization's structure is the authority del-egated to a manager or unit to make decisions and utilize resources. Line author-ity is given to managers and organizational units that are directly responsible for the production of goods and services. Staff authority is given to organizational units that advise and consult line units. Traditionally, HRM functional units, in-cluding HRD, have staff authority. In general, line authority supersedes staff au-thority in matters pertaining to the production of goods and services. For exam-ple, suppose several trainees miss training sessions because their supervisor assigned them to duties away from the job site. Can the HRD manager or trainer intervene and force the supervisor to reassign these employees so that they can meet their training responsibilities? The short answer is no. The long answer is that HRD managers and staff must exert as much influence as possible to ensure that organizational members have the competencies to meet current and future job demands. At times this may require some type of intervention (such as organ-ization development) to achieve a greater amount of understanding across the or-ganization, of the values and goals of HRD programs and processes.

Summary

In this lesson we have discussed, what is HRD? Its nature and importance.

And also we have discussed the relationship between HRP, HRD with HRM with the help of Euphemistic table.

LESSON 7:
HRD-CONCEPT, NATURE AND NEED FOR HRD

Learning Objectives

- Human Resource Development-Introduction
- The definition of Human Resource Development
- Need for HRD

Hello students, till now we were discussing about Human resource planning, you all must be thinking how human resource development is different from HRM. Right? So today we'll see what is HRD.

Human Resource Development (HRD)

Introduction

With increasing global competition, organizations are under tremendous pressure to improve their performance through reduction of cost and in quality up-gradation. Indian business organizations too have now realized that they are now in a more open, highly competitive, and market-oriented environment. The three challenges for Indian business organizations are - First, how to maximize return on investments. Second, how to be more innovative and customer driven. Third, how to renew and revitalize an organization? In this context, the most important steps are effective management; holistic development; and optimum utilization of human resources (Jha 1987; Sarathi 1987; Maheshwari & Sinha 1991) (55)

In the past decade something quite different was happening in many Indian organizations, calling for a second look at traditional personnel functions and their integration with organizational objectives (Athalai 1987; Singh 1989; Nair & Rao 1990; Silvera 1990) (56). According to Singh & Sen (1992) (57) several steps were laken, such as, conceptualisation of employees as resources; strategic role of personnel functions; greater partnership to line managers in managing human resources; dovetailing of training with other personnel functions; synthesis of different personnel functions, etc. It is difficult to categorize these activities under a single label. Rather, they can be brought under the umbrella of Human Resource Development (HRD).

The human resource development in India is of recent origin, and the terms gained currency only in the early seventies. In the opinion of Nadler the term "HRD" was first applied in 1968 in George Washington University. It was used in Miami at the conference of American Society for Training and Development in 1969. According to Nadler, the term was gaining more acceptances during the mid- 1970's, but many used it as a more alternative term than "Training & Development" (58). In the opinion of some management professionals, Japan is the first country to begin with HRD practices. "Better People", not merely better technology, is the surest way to a "Better Society", is the most popular belief in Japan (59). In the opinion of Prof. Udai Pareek, the term was first used in India in 1972 by the State Bank of India (60). By the late seventies and early

eighties this professional outlook on HRD caught on to a few PSUs, namely BHEL, MUL, SAIL, IA, AI & IOC. L & T and TISCO are the first two organizations in the private sector to begin with HRD.

Have You Ever:

- trained a new employee to do his or her job (either formally or informally)?
- taught another person how to use a new technology, for example, how to conduct an effective PowerPoint presentation?
- attended an orientation session for new employees?
- taken part in II company-sponsored training program, for example, diversity training, sexual harassment awareness and prevention, or career development?
- gone through an experiential training experience, such as a ropes course or other outdoor learning experience?
- completed some type f career planning project or assessment for example, a vocational interest inventory?
- participated in an organization-wide change effort, for example, your organization was seeking to change its culture and move toward a flatter, more team_oriented structure?

If you said yes to any of the above questions, you've been involved in some form of human resource development. It is often said that an organization is only as good as its people. Organizations of all types and sizes, including schools, retail stores, government agencies, restaurants, and manufacturers, have at least one thing in common: they must employ competent and moti-vated workers. This need has become even stronger as organizations grapple with the challenges presented by a fast-paced, highly dynamic, and increasingly global economy. To compete and thrive, many organizations are including employee education, training, and development as an important and effective part of their organizational strategy. It has been estimated that education and train-ing programs accounted for as much as 26 percent of the increase in U.S. production capacity between 1929 and 1982.[1] In 1995, Alan Greenspan, chairman of the *US* Federal Reserve Board, stated, "It has become quite apparent that many firms have concluded that it makes more sense to invest in worker train-ing than to bid up wage scales in a zero-sum competition for the existing lim-ited pool of well-qualified workers. A 2000 survey of human resource man-agers in large organizations ranked training and development as the most important functional area these managers had to deal with. This was followed in descending order by recruiting and selection, productivity and quality, suc-cession planning, employee job satisfaction, compensation, globalization, and diversity?

Human resource development (HRD) can be defined as a set of systematic and planned activities designed by an organization to provide its members with the opportunities to learn necessary skills to meet current and future job demands. *Learning* is at the core of all HRD efforts. HRD activities should begin when an employee joins an organization and continue throughout his or her career, regardless of whether that employee is an executive or a worker on an assembly line. HRD programs must respond to job changes and integrate the long-term plans and strategies of the organization to ensure the efficient and effective use of re-sources.

This chapter provides a brief history of the significant events contributing to contemporary thought within the HRD field. We briefly discuss human resource management and HRD structure, functions, roles, and process. We also discuss certification and education for HRD professionals. We then describe several criti-cal challenges facing HRD professionals. Finally, we present a systems or process framework that can guide our HRD efforts.

Rationale of HRD

Some thinkers object to the term 'Resources' being applied to human beings as it is against the dignity of man, who is actually the user of the other resources. Other thinkers feel that a human' being becomes a resource when he acquires certain knowledge, skills and attitudes useful for an organisation/society.

Meaning of Terms:

Knowledge:	Range of information on some subject.
Skill:	Expertness in doing some job. It needs practice, in addition to knowledge.
Attitude:	Predominant mode of thinking & feeling affecting behaviour.
Education:	Systematic transfer of knowledge on some subject and capability of using it.
Training:	Systematic transfer of relevant knowledge and skills to do a job properly. Training is job-oriented and generally deals with current needs.
Development:	To bring from latent/potential state to an active state. Unfoldment . In HRD process it means acquisi-tion of wider knowledge, skills and attitudes to assume higher responsibility. Development is per-son-oriented and deals with predicted future needs.
Need:	is a gap between the desired level and actual level. It may be Educational Need; Training Need or De-velopment Need.

Significance of Human Resource Development

Human resource are the assets which do not find a place for mentioning in the balance sheet ofa compal1Y. But it is one of the p10st important assets as human resources are a resource of pro-duction as well as they are u_ilising other resources of production like a material, machines, money etc. Any invest-ment made on training and development of people is sure to show the results in the years to come. The results of any HRD plan or scheme appear in long term. When we deal with development of skill, knowledge and attitude, the progress and development is a very slow process but not an indefinite process. The development of people for modification and improvement in skill, knowledge and attitude has the following characteristics and hence it is likely to be a slow process:

1. It depends upon the quality of train_. How the HRD effort will be planned and HRD schemes implemented.

2. It depends upon the definition of objectives which may be called "learning objectjys:.s?'. IfHRD schemes have clear cut learning objective, the HRD plan or programme is sure to yield better results.•.

3. If systematic and proper eva.l__.!!()!l_9i_plan is done_ we would be able to assess the effectiveness of the plan. If evaluation is not systematically done, the information will not work as data for improvement in future programmes.

The development of peop Ie is to be viewed properly, giving weightage to the culture ofthe organisation in which people are growing. The environment and cultural values of the organisation would have a very significant bearing upon people's conviction whether the development is desirable and felt necessary by the people themselves.

Important Aspects of HRD

All resources of production are important like machine, capi-tal, money, land and building etc. in order to ensure the achieve-ment of production of a running factory. Over all supremacy has to be given to the element of human resource as given abov_ .ma_n_r_.Q!l!._ _ . .itself ensures the economical _se of resources by applying wis_oIIl_-i!1-._pTIDinlngfo-r-th- .. e'product_n jobs_ Hence, any _a_m_o_u!!t of efforts spent.onJraining of human.resources will yield-its appro.p_!a!_!_es_ul_i.!l.th_ X_f!I?-.()Khigher prod~ctivi!Y_AJ?!.9f-itability of the organisatiQ!h Prospects. and growth, productivity andprofltabiliiY-of-an-or-ganisation depend maximum on effective utilisation of such resources employed in the effort of achieving company objectives. The achievement of an organisation can be seen as a result of cooperation and hard work at all the levels of functioning of an organisation.

Any huge capital investment in developing infrastructure of a training institute and its running will, in the years to come, show its results in achieving higher productivity and profitablity.

Need for HRD-Overview

Organizations need to be dynamic and growth-oriented to sustain in the competitive environment. This is possible only through the competence of the human resources. To cope with the fast changing environment, organizations need to review their HRD approaches continuously. HRD is neither a concept nor a tool, but is an approach using different personnel systems, depending upon the needs and priorities of the organization. The basic assumption is the belief in human potential and its development by providing a suitable and congenial environment.

According to Dayal and others (60 A), concern for development of people, have become important for two compe1ling business reasons. Firstly, competitions in the business has forced attention of organizations on cost of operations, sensitivity to market demands. These aspects of business cannot be served without full and sympathetic involvement of people at work. Secondly, consideration arises from the impressive developments in science, engineering and technology. The new production technology, automation and application of electronic control systems has changed the ratio of skilled and unskilled jobs. New systems require new skills and certain minimum educational qualifications. They need continuous up gradation of skills. Thus, development of people, decentralizations of decision making, flatter and different management practices than those followed in the past have become necessary for survival of business. HRD initiatives meet the need of these business imperatives.

In the opinion of Nadler and Wiggs (61) the ultimate purpose of HRD activities is "to make a difference" in the real world of costs, quality, quantity, accuracy and timeliness. HRD activities, as such, do not reduce costs, improve quality or quantity, or benefit the enterprise in any way. It is the on-the job applications of learning that ultimately can reduce costs, improve quality, and so forth. It has been rightly observed by Billimoria & Singh (62) that "each human being is born as something new, something that never existed before. Each is born with the capacity to win in life, each has his own unique potentials, capabilities and limitations."

In the opinion of Prof. Ishwar Dayal (63), HRD is an approach founded on the belief that people are capable of growth· given an environment that facilitates individual growth. Growth is, therefore, important for organizational growth. According to Dayal, HRD is to make a person, a total person in terms of skill, maturity, competence, self-awareness, adjustment to the environment, and confidence. In the view of Dayal, HRD can be seen as a philosophy rather than as a programme. HRD is for both· which prevents growth and which leads to growth. In this context, Khan (64) also remarks; "HRD is the process of increasing knowledge, skills, capabilities and positive work attitude and value of all people working at all levels in a business undertaking".

According to Rao, Verma, Khandelwal and Abraham (65), HRD is a process by which people in various groups are helped to acquire new competence continuously so as to make them more self-reliant and simultaneously developing a sense of pride in them. HRD is an approach to the systematic expansion of people's work - related abilities, focused on the attainment of both organizational and personal goals. Nadler (66) observed, "HRD means an organised learning experience, within a time frame, with an objective of producing the possibility of performance change". According to Rao (67), in the organizational context, HRD is a process in which the employees of an organization are continuously helped in a planned manner to:

- Acquire or sharpen their capabilities that are required to perform various functions associated with their present or expected future roles;

- Develop their general capabilities as individuals, so as to discover and exploit their inner potentials for their own or organizational development purposes;

- Develop organization culture in which superior-subordinate relationships, team work and, collaboration among sub-units are strong and contribute to the professional well being, motivation and pride of employees.

Further, Rao (68) defines human resource development (HRD) as essentially consisting of these three Cs: competencies, commitment, and culture. All three are needed to make an organization function well. Without competencies many tasks of the organization may not be completed cost effectively or with maximum efficiency. Without commitment, they may not be done at all or are done at such a slow pace that they lose relevance. Without an appropriate culture, organizations cannot last long. Culture provides the sustaining force and spirit and spirit for organizations to live. It provides the oxygen needed for them 10 survive. Its utility comes to the force specially when organizations are in trouble.

Many people are not very clear as to the difference between HRD and personnel functions. As a result, personnel managers are automatically being designated as HRD managers performing personnel and industrial relations function. Indian Oil Corpn. (IOC), one of the leading public sector undertakings, has successfully implemented its HRD programme and has achieved worthwhile results. The basic principle of HRD philosophy is the belief in - (i) human potential and its development; (ii) Optimum utilization of human resources; and (iii) a harmonious balance between business strategy and HRD strategy, i.e., strategic planning and HRD should go hand in hand. 10C adapted the leading consultant Dr. M.B. Athreya's model (68 A) of strategic management and organization development. According to this model, 00 & HRD efforts may tend to be wasteful exercise, if there are no opportunities to utilize the development of human capability. Similarly, all strategic options in terms of business plans will remain unfulfilled, if human resources are not made available to implement them.

HRD is thus the responsibility of both line managers and HRD/Personnel specialists. It is a co-operative and massive effort in the organization. Pareek & Rao (69) have identified four basic partners of development viz.: (i) the self (the individual); (ii) the immediate superior (boss); (iii) HRD department and (iv) the organisation. Rao & Pareek observed that there are six units in an organisation which are concerned with HRD. These are: - (i) person (employee); (ii) role; (iii) dyad; (iv) team; (v) inter-team & (iv) the organisation. The effectiveness of one unit (foci) will contribute to the effectiveness of others. HRD is an integrated process and cannot be thought of in isolation. According to Rao, major interventions of HRD are: (i) Performance and potential appraisal; (ii) Career Planning; (iii) Training; (iv) Organisation development; and (v) reinforcement. HRD interventions may vary from one organisation to another depending upon their needs, based on diagnostic studies. For example, role analysis was the core of its HRD

programme in JOC, whereas SBI started with performance appraisal as the first interventions of HRD.

Need for HRD

1. **HRD is needed to develop competencies:** No organization can survive, let alone make a mark, if its employees are not competent in terms of knowledge, skills and attitudes. Competent employees are as much the necessity of a non-profit organisation as of a profit -making organisation. Both types of organisations need competent employees for the success of their internal and external operations. A profit organisation interested in growing, diversify-ing or improving its working (such as cost reduction, reduction in delays, increased customer satisfaction, improved quality, market image, etc.) must first think of developing its employees' competencies. Similarly, a non-profit organisation, say a university or a hospital interested in improving its work culture, must first think of orienting its employees' attitudes.

2. **HRD is needed to mitigate some of the evil conse-quences of industrialization.** It is common knowledge that the factory system has dehumanized and deskilled various jobs. By enriching workers' roles HRD satisfies their needs of advancement, growth, self-respect, recognition, creativity and autonomy. Under career development plans workers are more or Jess assured about their future. Other HRD mechanisms such as counseling, monitoring, quality of work life, etc. enable workers to lead an integrated life which is mostly partitioned by the factory system into two lives: the organisational life and the personal life.

3. **HRD is needed to bring about system-wide changes**: Whereas traditional human resource development methods (such as training, job-rotation, etc.) have their relevance and usefulness, they are by themselves inadequate to bring about the kind of system-wide change which is visualised in the concept of HRD. In traditional methods often top manage-ment personnel have the attitude that all is well with themselves, and it is only the lower level which needs to be trained and developed. Such attitude makes these programmes ineffective because by keeping the interdependent and interact-ing higher levels out, these levels continue to remain plagued by forces of mistrust, jealousy and authoritarianism. HRD programmes bring about a system-wide change. They gradually enrich the entire socio-technical system.

4. **HRD is needed to develop a proper climate in the organisation**: No other tradition-al method can do this. Executives in most of the traditional organisations seem to hold the following values :

(i) The important human relationships are those which are related to achieving the organisation objectives, i.e., getting the job done.

(ii) For being effective in human relationships one needs to be more rational and logical in his behaviour rather than emotional.

(iii) Human relationships are most effectively motivated by carefully defined direction, authority and control as well as appropriate rewards and penalties that emphasise rational behaviour and achievement of the objective.

The above values when held by themselves lead to the follow-ing consequences:

Values are learned commands which. once internalized, coerce human behaviour in specific directions.

(a) Executives generally remain unaware of human problems of their subordinates because the latter suppress their emotions and disguise their feelings.

(b) Decision-making becomes less effective because there is dropping off of experimenta-tion and risk-taking with new ideas.

(c) Conformity, mistrust, and dependence, specially on those who are in power, increase. HRD develops a new climate in the organisation. It replaces the old values by new ones.

People become more open, independent, authentic, creative and collaborative in their behaviour.

Need for HRD in The Indian Context

With liberalisation of the Indian economy many changes are taking place in the corporate sector. Many public sector enter-prises are being sold to private hands, there is increase in work load, ban on new recruitment, retrenchment of labour, imposition of voluntary retirement schemes and so on. The Tenth Five Year Plan (2002_2007) recommends reduction in the number of government employees at the rate of 3% per annum for 5 years during the plan period. According to one estimate 3.5 lakh workers have so far been retrenched in the public sector enterprises. This number goes up to 6 lakh if those who have left banks and other undertakings under various voluntary retirement schemes are also included. Retrenchment of this magnitude has adversely affected the woman workers whose percentage in the total work force has now gone down from 11 to 5.8. There is pressure on the Indian industry to per-form-produce quality goods and provide quality services. With increased competition there is need to become cost-effective and upgrade work methods, work norms, technical and managerial skills and employee motivation to face up to new challenges. HRD will have to playa very crucial role if the following changes which are sweeping through our industry are to prove successful:

1. **Restructuring of organisations**: Many Indian companies are restructuring their or-ganisation structures by thinning their management ranks and expanding their spans of control. Seven layers in the pyramid and seven direct subordinates for each boss, which used to be the historic norm for many large companies is becoming a thing of the past. Now the thrust is to flatten layers, expand spans and transform the organisational pyramid from tall and narrow to short and wide. Further, the traditional functional departmentalisations cast around develop-ment, manufacturing and marketing are giving place to departments focused on broad classes of products or services. These new departments reduce hierarchy, stress better work, reward creativity and increase receptivity to the customer. The skill sets required of those heading these departments differ from the skill sets required of those heading the traditional functional units. Unlike the 'specialist' heads of functional departments these heads are required to be generalists who have

working familiarity with engineering, manufacturing and marketing.

2. **Emphasis on core competency:** With the licensing era coming to an end in India, companies now no longer need to preemptively secure licenses in diverse and unrelated areas to outwit their competitors. There is now a perceptible shift in favour of developing core competency through mergers and demergers. Companies want to professionalise their groups.

3. **Technological changes:** Recent spurt in computerisation and technological upgradation is, on the one hand, streamlining process and paper work and increasing quality, service and speed and on the other hand making several jobs obsolescent. Many companies which realize that they are not adding value in all functional areas are increasingly outsourcing all but the most critical functions. With the advancement in tele-communications, employees can now work in their homes. Tele work, as it is called, has freed them from the trouble and inconvenience of travelling over long distances. Companies can also save on office space and overhead expenses. These changes may make workers redundant at some places. The redun-dant workers everywhere need to be rehabilitated through training. The change has to be brought about with a human face. At this point, the HRD manger has a critical role to play.

4. **Work force empowerment**: For the corporate democracy to become a reality many companies are now vesting their employees with greater authority, expanding their job titles and increasing their accountability. In a country where the 'benevolent autocrat' has been the overwhelmingly preferred style real empowerment of the work force is going to pose a big challenge for the HRD manager.

5. **More attention to special categories of workers**: With the special cateogries of workers such as physically handicapped, women, religious minority, backward and others forming the ever-increasing proportion of the total work force every year measures like flexi time and tele work are likely to assume greater significance. Flexi time permits workers to start, finish and take meal breaks according to their own liking within a flexible time band subject to a core time when everyone has to be in attendance. This measure can help women workers to balance their job demands with their family demands. Similarly, tele work can be of great help to the physically handicapped.

6. **Compensation linked to shareholder value**, Top management compensation in U.S. firms is becoming increasingly tied to shareholder value through expanded use of share op-tions. To cite an instance. as a new chief executive assumed office at Eastman Kodak in 1993, he received options to purchase more than 750,000 shares of Kodak stock, of little or no value unless the stock price increased substantially but potentially worth $ 13 million to $ 17 million if it did. Companies in India may follow these examples and link executive compensation to the production of greater investor wealth.

7. **Greater employee retention and commitment:** Employee retention has been at the forefront of human resource strategies in recent times. Worldwide, organisations seeking com-petitive advantage by leveraging human capital. have had to learn to hold on to the best talents in the business. With the looming prospect of the labour market tightening further, organisa-tions will be hard pressed to find enduring remedies to dysfunctional employee turnover. They will also have to sustain conditions that induce long-term employee commitment and member-ship behaviour. In a study of 7,500 large companies in 13 countries conducted by the Walker Information and CSM Worldwide Network - an Indianapolis-based organisation it has been found that although. in respect of "employees focus" (defined as the extent to which an organisation attends to the needs and wants of its employees) India ranks very high (third), but in respect of "employee commitment" (defined as the extent to which employees are behaviourally interested in and attached to the organisation) it ranks surprisingly very low (ninth)3. Long-term HRD interventions using behavioural understanding are, therefore, re-quired to establish new work ethics and to build greater employee commitment.

8. **More research in HRD:** Continuous research is needed to discover new HRD methods and interventions. This is possible only when there are HRD-oriented organisations to pool and share their experiences in diverse areas.

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LESSON 8:
EVOLUTION OF HUMAN RESOURCE DEVELOPMENT

Learning Objectives

- Evolution of Human Resource Development
- Emergence of Human Resource Development
- Philosophy of Human Resource Development

The Evolution of Human Resource Development

While the term "human resource development" has only been in common use since the 1980s, the concept has been around a lot longer than that. To understand its modern definition, it is helpful to briefly recount the history of this field.

Early Apprenticeship Training Programs

The origins of HRD can be traced to apprenticeship training programs in the eigh-teenth century. During this time, small shops operated by skilled artisans pro-duced virtually all-household goods, such as furniture, clothing, and shoes. To meet a growing demand for their products, craft shop owners had to employ ad-ditional workers. Without vocational or technical schools, the shopkeepers had to educate and train their own workers. For little or no wages, these trainees, or ap-prentices, learned the craft of their master, usually working in the shop for several years until they became proficient in their trade. Not limited to the skilled trades, the apprenticeship model was also followed in the training of physicians, educa-tors, and attorneys. Even as late as the 1920s, a person apprenticing in a law office could practice law after passing a state-supervised exam.

Apprentices who mastered all the necessary skills were consid-ered "yeomen," and could leave their masters and establish their own craft shops; however, most remained with their masters because they could not afford to buy the tools and equipment needed to start their own craft shops. To address a growing number of yeomen, master craftsmen formed a network of private "franchises" so they could regulate such things as product quality, wages, hours, and apprentice testing proce-dures. These craft guilds grew to become powerful political and social forces within their communities, making it even more difficult for yeomen to establish independent craft shops. By forming separate guilds called yeomanries, the yeomen counter-balanced the powerful craft guilds and created a collective voice in negotiating higher wages and better working conditions. Yeomanries were the forerunners of modern labor unions.

Early Vocational Education Programs

In 1809, a man named DeWitt Clinton founded the first recognized privately funded vocational school, also referred to as a manual school, in New York City? The purpose of the manual school was to provide occupational training to un-skilled young people who were unemployed or had criminal records. Manual schools grew in popularity, particularly in the Midwestern states, because they were a public solution to a social problem: what to do with "misdirected" youths.

Regardless of their intent, these early forms of occupational training established a prototype for vocational education.

In 1917, Congress passed the Smith-Hughes Act, which recognized the value of vocational education by granting funds (initially $7 million annually) tar-geted for state programs in agricultural trades, home economics, industry, and teacher training.[8] Today, vocational instruction is an important part of each state's public education system. In fact, given the current concerns about a "skills gap" (especially for technical skills), vocational education has become even more critical.

Early Factory Schools

With the advent of the Industrial Revolution during the late 1800s, machines began to replace the hand tools of the artisans. "Scientific" management principles recognized the significant role of machines in better and more efficient production systems. Specifically, semiskilled workers using machines could produce more than the skilled workers in small craft shops could. This marked the beginning of factories as we know them today.

Factories made it possible to increase production by using machines and un-skilled workers, but they also created a significant demand for the engineers, ma̳ chinists, and skilled mechanics needed to design, build, and repair the machines. Fueled by the rapid increase in the number of factories, the demand for skilled workers soon outstripped the supply of vocational school graduates. In order to meet this demand, factories created mechanical and machinist training programs, which were referred to as "factory schools."

The first documented factory school, in 1872, was located at Hoe and Company, a New York manufacturer of printing presses. This was soon followed by Westinghouse in 1888, General Electric and Baldwin Locomotive in 1901, International Harvester in 1907, and then Ford, Western Electric, Goodyear, and National Cash Register.1O Factory school programs differed from early apprenticeship programs in that they tended to be shorter in duration and had a narrower focus on the skills needed to do a particular job.

Early Training Programs for Semiskilled and Unskilled Workers

Although both apprenticeship programs and factory schools provided training for skilled workers, very few companies during this time offered training programs for the unskilled or semiskilled worker. This changed with the advent of two sig-nificant historical events'. The first was the introduction of the Model T by Ford in 1913. The Model T was the first car to be mass-produced using an assembly line, in which production required only the training of semiskilled workers to perform several tasks.

The new assembly lines cut production costs significantly, and Ford lowered its prices, making the Model T affordable to a

much larger segment of the public. With the increased demand for the Model T, Ford had to design more assembly lines, and this provided more training opportunities. Most of the other automobile manufacturers who entered the market used assembly line processes, resulting in a proliferation of semi-skilled training programs.

Another significant historical event was the outbreak of World War L To meet the huge demand for military equipment, many factories that produced nonmilitary goods had to retool their machinery and retrain their workers, including the semi-skilled. For instance, the U.S. Shipping Board was responsible for coordinating the training of shipbuilders to build warships. To facilitate the training process, Charles Allen, director of training, instituted a four-step instructional method re-ferred to as "show, tell, do, check" for all of the training programs offered by the Shipping Board.[n] This technique was later named job instruction training (JIT) and is still in use today for training workers on the job.

The Human Relations Movement

One of the by-products of the factory system was the frequent abuse of W\Skilled workers, including children, who were often subjected to unhealthy working con-ditions, long hours, and low pay. The appalling conditions spurred. a national anti-factory campaign. Led by Mary Parker Follett and Lillian Gilbreth, the campaign gave rise to the ''human relations" movement advocating more humane working conditions. Among other things, the human relations movement provided a more complex and realistic understanding of workers as people instead of merely "cogs" in a factory machine.

The human relations movement highlighted the importance of human behavior on the job. This was also addressed by Chester Barnard, the president of New Jerser Bell Telephone, in his influential 1938 book titled *The Functions of the Execu*-tive.[1] Barnard described the organization as a SO"...ia1 structure integrating tradi-tional management and behavioral science applications.

The movement continued into the 1940s, with World War II as a backdrop.

Abraham Maslow published his theory on human needs, stating that people can be motivated by noneconomic incen-tives.[13] He proposed that human needs are arranged in terms of lesser to greater potency (strength), and distinguished be-tween lower order (basic survival) and higher order (psychological) needs. Theo-ries like Maslow's serve to reinforce the notion that the varied needs and desires of workers can become important sources of motivation in the workplace.

The Establishment of The Training Programme

With the outbreak of World War II, the industrial sector was once again asked to retool its factories to support the war effort. As had happened in World War L this initiative 1ed to the establishment of new training programs within larger organi-zations and unions. The federal government established the Training Within In-dustry (TWI) Service to coordinate training programs across defense related in-dustries. 1WI also trained company instructors to teach their programs at each plant. By the end of the war, the TWI had trained over 23,000 instruc-tors, awarding over 2 million certificates to supervisors from 16,000 plants, unions, and services.

Many defense-related companies established their own training departments with instructors trained by TWI. These depart-ments designed, organized, and coordinated training across the organization. In 1942, the American Society for Training Directors (ASTD) was formed to establish some standards within this emerging profession. 15 At the time, the require-ments for full membership in ASTD included a college or university degree plus two years of experience in training or a related field, or five years of experience in training. A person working in a training function or attending college qualified for associate membership.

Emergence of Human Resource Development

During the 1960s and 1970s, professional trainers realized that their role extended beyond the training classroom. The move toward employee involvement in many organizations required trainers to coach and counsel employees. Training and de-velopment (T&D) competencies therefore expanded to include interpersonal skills such as coaching, group process facilitation, and problem solving. This additional emphasis on employee development inspired the ASTD to rename itself as the American Society for Training and Development (ASTD).

The 1980s saw even greater changes affecting the T&D field. At several ASTD national conferences held in the late 1970s and early 1980s, discussions centered on this rapidly expanding profession. As a result, the ASTD approved the tern human resource development to encompass this growth and change. In the 1990s, efforts were made to strengthen the strategic role of HRD, that is, how HRD links to and supports the goals and objectives of the organization. There was also an emphasis within ASTD (and elsewhere) on performance improvement as the particular goal of most training and HRD efforts, and on viewing organizations as high performance work systems.

HRD Concept and Philosophy

Introduction

A number of definitions of Training and HRD have been given by the pioneers of Management Training and Human Resource Development. Two of these definitions are given below:

Milton Hall defines 'EmployeTraining' as the process of aid-ing employees to gain effectiveness in their present and future work through development of appropriate habits of thought and action, , skill, knowledge and attitudes. Training aims at increasing the ef-fectiveness With which the functions of an organisation are carried , out by increasing the effectiveness of its personnel.

While expressing his views about Training, Lawrance A.Applay, President of American Management Association, in his book 'Developing Executive Skills' writes, " It is a fact that men and women cannot be developed by external pressures and influ-ences they can only be led to develop themselves". '[hey do this . not by concen!!ation on themselves but by absorption ina task and - a challenge that calls forth their best effortS';_ Moiivated by a management which encourages participation in' a1f ph es of

the job, including planning and which offers all qualified employees full opportunity, for development, they turn naturally to the various training aids and programmes available.

Training and HRD

The definition given by Milton Hall stresses development of knowledge, skill and attitude. As far as knowledge and skills are concerned, it is possible with planned effort on part of HRD ex-ecutive. In respect of attitudes, improvements are possible only with long range efforts and planned efforts by HRD executive and success in this area cannot be much predicted or ensured as it would largely depend on the willingness and readiness of the person, or persons whose attitude is to be improved. With regard to develop-ment of attitudes the following factors are to be given due impor-tance and consider-ation, before HRD effort is planned:-

1. The desired change in attitude should be positive in nature.

2. Before an effort to improve the attitude of a person is tried or envisaged, the person concerned should agree and have conviction that he requires a change in his attitude and this is going to prove to his benefit, with respect of his career de-velopment and success in his working life.

3. The working conditions and the culture of the organisation should offer to induce the employees to adopt positive atti-tude and aptitude which works to motivate a person to do things to meet the desired standard of behaviour and output to achieve the desired targets of production and services as-signed to his area of working.

Significance of Human Resource Development

Human resource are the assets which do not find a place for mentioning in the balance sheet ofa compal1Y. But it is one of the p10st important assets as human resources are a resource of pro-duction as well as they are u_ilising other resources of production like a material, machines, money etc. Any invest-ment made on training and development of people is sure to show the results in the years to come. The results of any HRD plan or scheme appear in long term. When we deal with development of skill, knowledge and attitude, the progress and development is a very slow process but not an indefinite process. The development of people for modification and improvement in skill, knowledge and attitude has the following characteristics and hence it is likely to be a slow process:

1. It depends upon the quality of train_. How the HRD effort will be planned and HRD schemes implemented.

2. It depends upon the definition of objectives which may be called "learning objectjys:.s?'. IfHRD schemes have clear cut learning objective, the HRD plan or programme is sure to yield better results .•.

3. If systematic and proper eva.l__.!!()!l_9i_plan is done_ we would be able to assess the effectiveness of the plan. If evaluation is not systematically done, the information will

. not work as data for improvement in future programmes.

The development of people is to be viewed properly, giving weightage to the culture ofthe organisation in which people are growing. The environment and cultural values of the

organisation would have a very significant bearing upon people's conviction whether the development is desirable and felt necessary by the people themselves.

Important Aspects of HRD

All resources of production are important like machine, capi-tal, money, land and building etc. in order to ensure the achieve-ment of production of a running factory. Over all supremacy has to be given to the element of human resource as given abov_ .ma_n_r_.Q!l!._ _ .itself ensures the economical _se of resources by .applying wis_oIIl_-i!1-._pTIDinlngfo-r-th- .. e'product_n jobs_ Hence, any _a_m_o_u!!t_of_efforts spent.onJraining of human.resources will yield-its appro.p_!a!_!_es_ul_i.!l.th_X_f!I?-.()Khigher prod~ctivi!Y_AJ?!.9f-itability of the organisatiQ!h Prospects. and growth, productivity andproflttabiliiY-of-an-or-ganisation depend maximum on effective utilisation of such resources employed in the effort of achieving company objectives. The achievement of an organisation can be seen as a result of cooperation and hard work at all the levels of functioning of an organisation.

Any huge capital investment in developing infrastructure of a training institute and its running will, in the years to come, show its results in achieving higher productivity and profitablity.

LESSON 9:
FUNCTIONS OF HUMAN RESOURCE DEVELOPMENT

Learning Objectives

- Human Resource Development-Functions
- Roles of an HRD Professional

Today we'll study the functions of management and the role of an HRD professional

Human Resource Development Functions

Human resource development, as we discussed, can be a stand-alone function, or it can be one of the primary functions within the HRM department. The structure of the HRD function and its scope have been shaped by the needs faced by organ-izations. An ASTD-sponsored study by Pat McLagan sought to identify the HRD.

Roles and competencies needed for an effective HRD function. The study identi-fied four trends affecting modern HRD:

1. Greater diversity in the workforce.

2. More people involved in knowledge work, which requires judgment, flexi-bility, and personal commitment rather than submission to procedures.

3. Greater expectations of meaningful work and employee involvement.

4. A shift in the nature of the contract between organizations and their employees.

The ASTD study documented a shift from the more traditional training and de-velopment topics to a function that included career development and organiza-tion development issues as well. The study depicted the relationship between HRM and HRD functions as a "human resource wheel" (see Figure 1-2). The HR wheel identifies three primary HRD functions: 1) training and development, 2) or-ganization development, and 3) career development. We will now discuss these functions in greater detail.

Training and Development (T&D)

Training and development (T&D) focuses on changing or improving the knowledge, skills, and attitudes of individuals. Training typically involves providing employ-ees the knowledge and skills needed to do a particular task or job, though attitude change may also be attempted (e.g., in sexual harassment training). Developmen-tal activities, in contrast, have a longer-term focus on preparing for future work responsibilities, while also increasing the capacities of employees to perform their current jobs.

T&D activities begin when a new employee enters the organiza-tion, usually in the form of employee orientation and skills training. Employee orientation is the: process by which new employees learn important organizational values' and norms, establish working relationships, and learn how to function within their jobs.The HRD staff and the hiring supervisor generally share the responsibility for designing the orientation process, conducting general orientation sessions, and beginning the initial skills training. Skills and technical training programs then narrow in scope to teach the new employee a particular skill or area of knowledge.

Once new employees have become proficient in their jobs, HRD Activities should focus more on developmental activities-specifically, coaching and coun-seling. In the coaching process, individuals are encouraged to accept responsibil-ity for their actions, to address any work-related problems, and to achieve and to sustain superior performance. Coaching involves treating employees as partners in achieving both personal and organiza-tional goals. Counseling techniques are used to help employees deal with personal problems-that may interfere with the achievement of these goals. Counseling programs may address such Issues as sub-stance abuse, stress management, smoking cessation, or fitness, nutrition, and weight control.

Human Resource Wheel
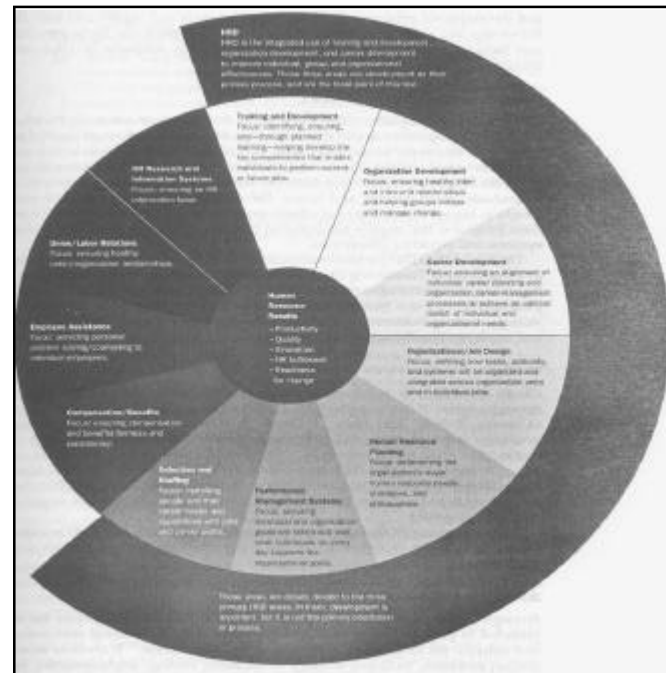
SOURCE: From P. A. Me Lagan (1989)_ Models for HRD practice, Training and Development Journal, 41:53.

HRD professionals are also responsible for coordinating management **training and development programs** to ensure that managers and supervisors have the knowledge and skills necessary to be effective in their positions. These programs may include supervisory training, job rotation, one day seminars, or college and university courses.

Organization Development

Organization development (OD) is defined as the process of enhancing the effectiveness of an organization and the well-being of its members through planned in-terventions that apply behavioral science concepts.[18] 00 emphasizes both macro and micro organizational changes: macro changes are intended to ultimately improve the effectiveness of the organization, whereas micro changes are directed at individuals, small groups, and teams. For example, many organizations have sought to improve organizational effectiveness by introducing employee involvement programs that require fundamental changes in work expectations, reward systems, and reporting procedures.

The role of the HRO professional involved in an 00 intervention is to function as a change agent. Facilitating change often requires consulting with and advising line managers on strategies that can be used to effect the desired change. The HRD professional may also become directly involved in carrying out the intervention strategy, such as facilitating a meeting of the employees responsible for planning and implementing the actual change process.

Career Development

Career development is "an ongoing process by which individu-als progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes, and tasks. Career development involves two distinct processes: career planning and career management. Career planning involves activities performed by an individual, often with the assistance of counselors and others, to assess his or her skills and abilities in order to establish a realistic career plan. Career management involves taking the necessary steps to achieve that plan, and generally focuses more on what the organization can do to foster employee career development.

There is a strong relationship between career development and T&O activities.

Career plans can be implemented, at least in part, through an organization's training programs.

Strategic Management and HRD

Strategic management involves a set of managerial decisions and actions that are intended to provide a competitively superior fit with the external environment and enhance the long-run performance of the organization.[2] It involves several distinct processes, including strategy formulation, strategy implementation, and control. At the formulation level, top management must first asseS6 the viability of the current mission, objectives, strategies, policies, programs, technology, workforce, and other resources. Then, they must monitor and assess different external environments that may pose a threat or offer potential opportunities. Finally, in light of these assess-ments, management must identify strategic factors (for exam-ple, mission, technology, or product mix) that need to be changed or updated.

The past decade has seen increasing interest, research, and action concerning strategic human resource management. [1] The emphasis has been on more fully -in-tegrating HRM with the strategic needs of the organization. To do trust, two types of fit or alignment are necessary. First, as just described, external alignment is nec-essary between the strategic plans of the

organization and the external environ· ment that it faces. Second, internal alignment is necessary within the organization. That is, the strategy of the organization must be aligned with the mission, goals, beliefs, and values that characterize the organization.[22] Further, there needs to be alignrunent among the various sub-systems that make up the organization. Some areas that need to be addressed include:

- Management practices-how employees are managed and treated (e.g., how much do employees participate in decision making?)

- Organizational structure—how the organization is structured (e.g., how "flat" is the organization's managerial hierarchy?)

- Human resource systems-how employees are selected, trained, compensated, appraised, and so on (e.g., how closely is pay linked to individual, team, or organizational performance measures?)

- Other work practices and systems (e.g., to what extent is technology or information systems used to facilitate the work process?)

The value of this approach lies in looking at the' organization as an entire system. All of the parts of an organization must work together as a whole to reach the goals of the organization. Some of the desired outcomes of such a high perform-ance work system are increased productivity, quality, flexibility, and shorter cycle times, as well as increased customer and employee satisfaction and quality of work life.[23] As one example, Federal Express uses several different practices-that foster high perfor-mance. Much of their employee training is conducted via inter-active video instruction. A pay-far-knowledge system has been implemented that rewards employees who have completed the video training and passed job knowledge tests. A perfor-mance management system is in place that allows em-ployees to track service performance, and an elaborate information system is used to monitor the progress of each item in the FedEx system. All of this is comple-mented by a survey feedback process that allows employees to "grade" their man· ager's leadership skills and suggest solutions for any problems they encounter. As you can see, it is the effective synergy of every-thing working together that defines high performance work systems.[24]

A current challenge (or opportunity) for HRD professionals is to play a more strategic role in the functioning of their organiza-tion. Progress has been made in moving toward a more "strategically integrated HRD. In particular, HRD executives and professionals should demonstrate the strategic capability of HRD in three primary ways: 1) directly participating in their organization's strategic management process, 2) providing education and training to line managers in the concepts and methods of strategic management and planning, and 3) provid-ing training to all employees that is aligned with the goals and strategies of the organization.

First, HRD executives should contribute information, ideas, and recommenda-tions during strategy formulation and ensure that the organization's HRD strat-egy is consistent with the overall strategy. The HRD strategy should offer answers to the

following questions: Are the organization's HRD objectives, strategies, poli-cies, and programs clearly stated, or merely implied £Tom performance or budg-ets? Are all HRD activities consistent with the organization's mission, objectives, policies, and internal and external environment? How well is the HRD function performing in terms of improving the fit between the individual employee and the job? Are appropriate concepts and techniques being used to evaluate and im-prove corporate performance? Tom Kelly, director of worldwide training for Cisco Systems in San Jose, California, states that there have been dramatic changes in the HRD field since 1999. He adds, "This is our chance to actually achieve strategic partnerships within the organization."

Second, HRD professionals should provide education and training programs that support effective strategic management. Training in strategic management' concepts and methods can help line managers to develop a global perspective that is essential for managing in today's highly competitive environ-ment. These issues are offered as part of the organization's management development program. Ac-cording to a 1996 survey of HRD professionals by Training magazine, approxi-mately 50 percent of organizations provide training in strategic planning. g Man-agement education efforts also place a heavy emphasis on strategic management issues. Increasingly, sepa-rate courses (or portions of courses) are emphasizing strategic HR issues and how these relate to organizational strategies and outcomes.

Finally, HRD professionals must ensure that all training efforts are clearly linked to the goals and strategies of the organization. While this may seem obvious, un-fortunately, it is not uncom-mon for the link between training programs and orga-nizational strategy to be far from clear. As an extreme example, a medical products manufacturer, Becton-Dickinson, went through a major restructuring in 1983, in re-sponse to a downturn in its business. Before that they had offered a large number of training and education opportunities, particularly to their managers. After restruc-turing, these education and training programs were completely eliminated. Some have argued that the reason training is frequently the first thing to be cut or re-duced in times of financial stress is that top executives fail to see a link between training and the bottom line.30 In contrast, IBM has set up a Human Resource Ser-vice Center in Raleigh, North Carolina. The goal was to provide information and high quality service to over 500,000 active and retired IBM employees. An array of technology was put in place to assist Service Center employees. This included Lotus Suite, a Web site within the organization's intranet (called HR INFO), a call tracking system, and an HR Information System, which employees and managers could use to view and retrieve HR-related information, as well as process certain HR transactions (salary changes, address changes, etc.). However, the key factor in the success of this effort was training. According to Bob Gonzales and colleagues, "Training Customer Service Represen-tatives well [was} critical to the Center's suc-cess because they are the initial point of contact with the customer."J! Service representatives are carefully selected, and then put through three weeks of intensive training, including lectures, role playing, and partnering with an experienced em-ployee. Refresher training is

provided throughout the employee's career, as well as additional training whenever new programs are offered. This example suggests how training can be linked to the strategic goals and strategies of the organization (in this case, a shift to a central-ized HR Service Center). As we will discuss in the later Chap-ter , HRD professionals are increasingly expected to demonstrate that their efforts are contributing to the viability and financial success of their organizations. The growing emphasis on strategic HRD is part of this movement to build a stronger business case for HRD programs and interventions.

The Supervisor's Role in HRD

Supervisors play a critical role in implementing many HRD programs and processes. As we will emphasize throughout this book, many organizations rely on line supervisors to imple-ment HRD programs and processes such as orienta-tion, training, coaching, and career development. Especially in smaller organiza-tions, there may be no "training department" (or even an HR department),so most HRD effort falls upon supervisors and managers.

Organizational Structure of The HRD Function

The HRD function, like HRM, should be designed to support the organization's strategy. Using the chart from Figure 1, Figure 2 further delineates how the HRD function might be organized within an HRM department. Alternatively,

Fig:1-2
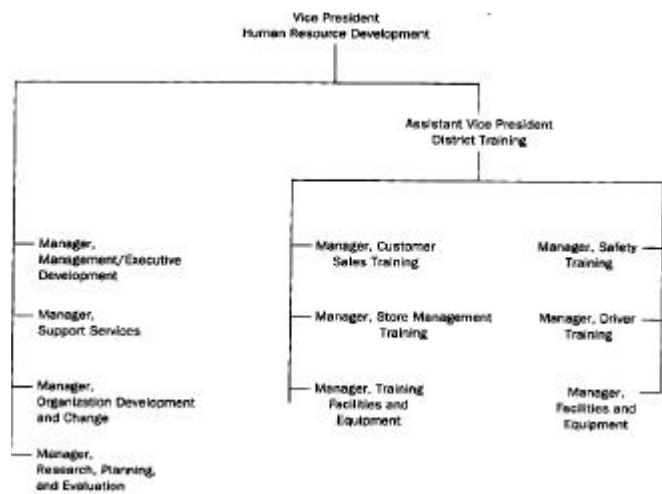
Fig:1-3

Figure 2 depicts how the HRD function might be organized in a multiregional sales organization. In this example, the training activities, except for manage-ment/executive development, Me decentralized, and other HRD activities are centralized.

Roles of an HRD Professional

An HRD professional must perform a wide variety of func-tional roles. A func-tional role is a specific set of tasks and expected outputs for a particular job. We will briefly discuss the roles played by two types of. HRD professionals: the HRD executive/manager and the HRD practitioner.

The HRD Executive/Manager

The HRD executive/manager has primary responsibility for all HRD activities. This person must integrate the HRD programs with the goals and strategies of the organization, and normally assumes a leadership role in the executive development' Program, if one exists. If the organization has both an HRM and an HRD ex-ecutive, the HRD executive must work closely with the HRM executive. The HRD executive often serves as an adviser to the chief executive officer and other execu-tives. The outputs of this role include long-range plans and strategies, policies, and budget allocation schedules.

One of the important tasks of the HRD executive is to promote the value of HRD as a means of ensuring that organizational members have the competencies to meet current and future job demands. If senior managers do not under-stand the value of HRD, it will be difficult for the HRD executive to get their commitment to HRD efforts and to justify the expenditure of funds during tough times. Histori-cally, during financial difficulties, HRD programs (and HRM, in general) have been a major target of cost-cutting efforts. Unless the HRD executive establishes a clear relationship between HRD expenditures and organizational effectiveness (including profits), HRD programs will not receive the support they need. But how does an HRD executive who wants to offer a program on stress management, for example, compete with a line manager who wants to purchase a new piece of equipment? The answer is dear: the executive must demonstrate the benefit the organization receives by offering such a program. Evalua-tion data are vital to the HRD executive when presenting a case.

The role of the HRD executive has become more important and visible as or-ganizations make the necessary transition to a global economy. The immediate challenge to HRD executives is to redefine a new role for HRD during this period of unprec-edented change. According to Jack Bowsher, former director of educa-tion for IBM, when HRD executives" delve deeply into reengineering, quality im-provement, and strategic planning, they grasp the link between workforce learn-ing and perfor-mance on the one hand, and company performance and profitability on the other.[33] The HRD executive is in an excellent position to es-tablish the credibility of HRD programs and processes as tools for managing in today's challenging business environment. A 1999 Training magazine survey found that the average salary for U.S. HRD executives was $82,448.

Other HRD Roles and Outputs for HRD Professionals

As organizations have adjusted to environmental challenges, the roles played by HRD professionals have changed. Based on the ASTD study results, Pat McLagan states that contemporary HRD professionals perform nine distinct roles, which are described below.[3]

The **HR** strategic adviser consults strategic decision makers on HRD issues that directly affect the articulation of organization strategies and performance goals. Outputs include HR strategic plans and strategic planning education and training programs.

The **HR systems designer and developer** assist HR manage-ment in the design and development of HR systems that affect organization performance. Outputs include HR program designs, intervention strategies, and implementation of HR programs.

The **organization change agent** advises management in the design and imple-mentation of change strategies used in transforming organizations. The outputs include more efficient work teams, quality management, intervention strategies, implementation, and change reports.

The **organization design consultant** advises management on work systems de-sign and the efficient use of human resources. Outputs include intervention strate-gies, alternative work designs, and implementation.

The **learning program specialist** (or instructional designer) identifies needs of the learner, develops and designs appropri-ate learning programs, and prepares materials and other learning aids. Outputs include program objectives, lesson plans, and intervention strategies.

The **instructor/facilitator** presents materials and leads and facilitates struc-tured learning experiences. Outputs include the selection of appropriate instruc-tional methods and techniques and the actual HRD program itself ..

The **individual development and career counselor** assists individual employ-ees in assessing their competencies and goals in order to develop a realistic career plan. Outputs include individual assessment sessions, workshop facilitation, and career guidance.

The **performance consultant (or coach)** advises line manage-ment on appropri-ate interventions designed to improve individual and group performance. Out-puts include interven-tion strategies, coaching design, and implementation.

The **researcher** assesses HRD practices and programs using appropriate statis-tical procedures to determine their overall effectiveness and communicates the re-sults to the organization. Outputs include research designs, research findings, and recommendations and reports.

A 1999 article on "hot jobs" in HRD focused on employees in four jobs where there was a high demand for HRD profession-als. Three of those jobs are found in the list above: instructional designer (for consulting firm Arthur Andersen), change agent (for the city of Carlsbad, California), and executive coach (working as a consultant to teach "soft" skills to execu-tives). The fourth job, multimedia master, is held by an individual trained in instructional tech-nology and graphic design and involved in designing online learning courses for an information technology firm in Arlington, Virginia. For more informa-tion on this particular position and individual, see the nearby box, "Master of Multimedia."

Certification and Education for HRD Professionals

One indication of the growth of the HRD field is the push for professional certifi-cation. According to a survey of over 1,500 trainers, approximately 60 percent ex-pressed a preference for some form of certification. This response was probably based on an increasing desire to enhance the credibility of the broad-ening HRD field. For human resource management in general, two certification exams are of-fered by the Human Resource Certification Institute (in conjunction with the S0-ciety for Human Resource Management). They are called the Professional in Human Resources (PHR) and Senior Professional in Human Resources (SPHR) exams. Both exams consist of 225 multiple-choice items that cover various HRM topicS.[38] Eleven percent of the PHR, and 12 percent of the SPHR exam covers human resource development. To be certified, individuals must pass the test and have two years of HR exempt-level work experi-ence. Students who pass the test, but lack the work experience, are certified once they have obtained the relevant work experi-ence. To date, over 43,000 HR professionals have been certified with either the PHR or SPHR designations.

Over the past decade or more, the HRD profession has become better con-nected to and involved with the academic commu-nity. Three developments illus-trate this relationship: 1) since 1990, the ASTD has co-published the Human Resource Development Quarterly, an academic research journal focusing on HRD issues; 2) the ASTD changed its governance structure to include a Professors' Net-work and an Academic Relations Committee; and 3) a new organization has been formed, the Academy of Human Resource Development, to further advance scholarly research concerning human resource development issues.

HRD programs at colleges and universities are most often found in one of three academic departments: business/ management, psychology, and education. The Academy of Human Resource Development lists HRD programs (and links) on its Web site.40 The content and philosophy of these programs tend to reflect the founding professsbrs.41 Certain schools of business (or management) offer majors or minors in HRD, with courses in training and development, organiza-tion devel-opment, and career development. The SHRM Foundation has recently published a directory of graduate HR programs, and placed this on the SHRM Web site.[42] Some psychology departments offer degree programs and courses in industrial and organizational psychology and personnel psychology with specific courses in HRD. In addition to HRD classes, schools of education may offer degrees and courses in fields related to HRD, such as educational technology, curricu-lum de-velopment, adult education, and organization development.

Another way HRD professionals can keep current is to examine the practices of leading organizations. The ASTD has estab-lished a Benchmarking Forum for the purpose of identifying and learning about the so-called best practices among member organizations S,) that they can be adopted by other organiza-tions. The benchmarking procesb involves a questionnaire that "helps to define the focus, criteria, and context for practices, and provides information about the incidents that led. to adoptiI1g

the practices.1/43 The best-practices organizations are selected. at a biaIU1ual meeting of the ASTD and members of the Bench-marking Forum. These organizations and a description of their practices are published in ASTD reports and high-lighted in the professional journal Training & Development.

LESSON 10:
CHALLENGES TO HUMAN RESOURCE DEVELOPMENT PROFESSIONAL

Learning Objectives

- The vision of HRD
- Problems of HRD
- Challenges to Organisations and to HRD Professionals

Students, today let us discuss the interesting challenges to organizations and to HRD Professional. And at the end of the discussion I will be giving you a very challenging assignment. You will definitely enjoy in doing it while learning.

Introduction

According To TAGORE

"MAN IS HALF HIMSELF AND OTHER HALF IS ITS VISION."

Thus it is perfectly apt to say that where there is no vision people perish

The Vision of Human Resource Development

1. The HRD function must find a place in corporate mission statement and organisational culture.
2. The HRD function is perceived as an internal consmtant to management.
3. The HRD function is perceived as ' part of the business' of the organisation.
4. The HRD function is committed to strategic planning, organi-sational change, and organisational goals.
5. The HRD function has the ability to diagnose problems and anticipate needs of human resource develop-ment.
6. The HRD function is strongly committed to facilitating ful-filment of objectives of line and staff Departments.
7. The members of the HRD Staff should d_velop themselves as experts.

High level of HRD Staff teamwork, creativity and flexibil-ity, is expected from them.

Steps to Gain Top Management Support

The Organisation recognises the business importance of HRD by:

- Developing a corporate plan for HRD activities that is monitored by top management;
- Allowing HRD staff to participate in operations and budget planning .
- Using an investment/benefit model to assess the results of HRD and providing resources for evaluating HRD programmes;
- Holding all managers accountable for the training, education, and development of their subordinates.

The Organisation shows that it values HRD efforts by:

- Considering HRD critical to developing and sustaining workforce competencies;
- Demonstrating through written and verbal communication an understanding and acceptance ofHRD terminology.
- Funding and staffing the HRD department at levels that reflect its importance .
- Offering the HRD director the compensation and rank appropriate to the position's level of responsibility.
- Placing high-quality professionals in HRD positions and considering those positions as career enhancing.
- Making HRD staff eligible for rewards and recognition.
- Using HRD activities to link the cultural segments of the organisation.

The organisation communicates with the HRD Staff by:

- Seeking HRD solutions to organisational and individual performance problems;
- Continuing to interact with HRD staff beyond strategic or budget planning;
- Allowing HRD staff access to senior management and to the organisation's informal leaders.

Problems of HRD and Challenges For Future

1. Organisational environment is not generally conducive to the application of the knowledge gained by the trainees in the training programmes.
2. The training needs are not properly identified.
3. Considerable number of training packages and video-cassates developed in advanced countries are not of much use to train-ees due to language and cultural differences.
4. The main stress is on lecture method. the use of audro visual aids, case studies, groupwork and project work is rather lim-ited.
5. Training profession is not honoured and career progression is not lucrative. As such , really dedicated and competent persons are reluctant to join the training/HRD department.
6. The internal faculty members on various subjects donot get interested, within the organisation a.c; financial and other in-centives are inadequate.
7. The external faculty is also inadequate and generally lack expertness and competence.
8. There are inadequate number of advanced training institu-tions to cater to various industrial undertakings.
9. Many organistaion are not HRD conscious and do not make available adequate resources and funds for HRD activities.

10. The emphasis is on more on-the-job training rather than on the developmeiifof employees"to assume higher responsibil-ity or meet the challenges of change in technology/environment.

11. Lack of expertise in the line supervisors and engineers for imparting proper on-the-job training to their subordinates.

12. Rate of technology change and advancement in the world is much faster than the rate of technology transfer and understanding among the developing countries as the gap is growing.

13. Lack of interest in the line supervisorslmanagersto develop their subordinates as this factor has almost no weightage for ,!!Ie Eromotions_(b_ased on annual ~_fm-._~__e=—aEP!._Cre:

.PQrts) ... - —

14. Lack of interest in organisation's Managers to develop exper-tise in the training methodology in HRD staff.

15. The educational systems on the nationll regional level lags behind the requirements of the industry ..

Challenges to Organizations and to HRD Professionals

Many challenges face organizations as a new century unfolds before us. Michael Hitt and his colleagues have identified increasing globalization and the technolog-ical revolution (in particular, the Internet) as two primary factors that make for a new competitive landscape. They suggest a number of actions that organizations can tab to address the uncertainty and turbulence in the external environment. These actions include, developing employee skills, effectively using new technology, developing new organizational structures, and building cultures that foster learning and innovation. These obviously have a great deal to do with human re-source development. We will add to and build upon their list to present five chal-lenges currently facing the field of HRD. These challenges include:

1. Changing workforce demographics,
2. Competing in a global economy,
3. Eliminating the skills gap,
4. Meeting the need for lifelong individual learning, and
5. Facilitating organisational learning.

Each of these challenges and their potential impact on HRD will be briefly discussed below and further amplified in later chapters.

Changing Workforce Demographics

The workforce has become increasingly more diverse, and this trend toward di-versity will continue. According to a report by Judy and D'Amico titled Workforce 2020, the following changes are predicted to occur by the year 2020:

- African Americans will make up about 11 percent of the U.S. workforce -the same as in 1995.

- Hispanics will increase to 14 percent of the workforce-up from 9 percent in 1995.

- Asians will increase to 6 percent of the workforce-up from 4 percent in 1995.

- Whites will decrease to 68 percent—down from 76 percent in 1995.45

The racial/ethnic shift will not happen uniformly across the country, but is pre-dicted to occur most significantly in the West and the South. Women are predicted to increase from 46 percent of the workforce in 1995 to about 50 percent in 2020. The biggest shift will be in the age composition of the workforce. Overall, older Americans will make up a greater percentage of the workforce. People aged 55 to 64 are predicted to increase from about 10 percent of the workforce to about 20 percent in 2019, and people aged 65 and older are predicted to increase to over 5 percent of the workforce during the same period.

These trends have several implications for HRD professionals. First, organiza-tions need to address racial and ethnic prejudices that may persist, as well as cul-tural insensitivity and language differences. Second, with the increasing numbers of women in the workforce, organizations should continue to provide developmental opportunities that will prepare women for advancement into the senior ranks and provide safe-guards against sexual harassment. Third, the aging of the workforce highlights the importance of creating HRD programs that recognize and address the learning -related needs of older workers.

Competing in a Global Economy

As U.S. companies prepare to compete in a global economy, many are introducing new technologies that require more educated and trained workers. In fact, in the United States today, over one-half of all jobs require education beyond high" school. Thus, successful organizations must hire employees with the knowledge to compete in an increasingly sophisticated market.

Competing in the global economy will require more than educating and training workers to meet new challenges. In addition to retraining the work-force, successful companies will institute quality improvement processes and in-troduce change efforts (e.g., high involvement programs). The workforce must learn to be culturally sensitive to communicate and conduct business among different cultures and in other countries. Developing managers to be global leaders has been identified as a major challenge for organizations in this decade. Developing globally competent managers will be discussed in more in next chapters. Additionally, employers are learning and implement-ing new ways of managing their employees.

Eliminating The Skills Gap

As we discussed, for companies to compete successfully in a global economy, they must hire educated workers; however, portions of the U.5. Public education system are in' need of considerable reform. Almost 30 percent of today's high school stu-dents fail to graduate, and employers must confront the fact that many young adults entering the workforce are unable to meet current job requirements. Even though the United States has one of the highest standards of living in the world, the Upjohn Institute for Employment Research reports that between 25 and 40 percent of hourly employees have some basic skills deficiency.

This skills gap poses serious consequences for American companies. For ex-ample, how can trainees learn how to operate new equipment if they cannot read and comprehend operating manuals? Furthermore, how can new employees tie taught to manipulate computer-controlled machines if they do not understand basic math? Obviously, tpe business community has a vested interest in educa-tion reform. There are some encouraging signs, however. For example, the Los Angeles public school system is offering a guarantee to employers, stating that if any high school graduate is found to be deficient in basic skills, such as compu-tation and writing, the school system will retrain the graduate at no cost to the employer.

Other industrialized nations have made systematic changes in order to bridge the skills gap. For example, Japan and Germany, two of the United States' biggest competitors, have educational systems that do a better job of teaching students the basic skills needed by most employers. Among other things, Germany empha-sizes vocational education and school-to-work transi-tion programs, so that school-age children can begin apprenticeship programs as part of their formal ed-ucation. These and other approaches will be discussed in more detail in next chapters.

The Need for Lifelong Learning:

Given the rapid changes that all organizations face, it is clear that employees must continue the learning process throughout their careers in order to meet these chal-lenges. This need for lifelong learning will require organizations to make an ongoing invest-ment in HRD.

Lifelong learning can mean different things to different employees. For example, for semiskilled workers, it may involve more rudimentary skills training to help them to build their competencies. To professional employees, this learning may mean taking advantage of continuing education opportunities. This is partic-ularly important for certified professionals who are required to complete a certain number of continuing education courses to maintain their certificates. To man-agers, lifelong learning may include attending management seminars that address new management approaches.

The challenges to **HRD** professionals is to provide a full range of learning op-portunities for all kinds of employees. One way that some organizations are meet-ing this challenge is by establishing multimedia learning centers (sometimes on the organization's intranet). These centers offer a variety of instructional technolo-gies that can be matched to each trainee's unique learning needs. Individual as-sessments can determine academic deficiencies or gaps in employees' perform-ance capabilities, while also pointing out their preferred learning styles. For instance, self-motivated employees found to be deficient in arithmetic might be trained in an interactive video program allowing them to set their own pace: A multimedia learning center could also provide teleconferencing facilities for tech-nical and professional employees to participate in a seminar that is being con-ducted thousands of miles away. These and other different approaches to learning will be discl1ssed in future chapters. What is clear, however, is that whether they use multimedia or other training approaches, organizations must

find a way to provide lifelong learning opportunities to all of their employees,

Facilitating Organisational Learning

Organization development scholars such as Chris Argyris, Richard Beckhard, and more recently Peter Senge, author of the best-selling book The Fifth Discipline, have recognized that if organizations are going to make a fundamental change, they must be able to learn, adapt, and change. Senge advocates that a learning organization must embrace the following five prin-ciples: systems thinking, person mastery, men-tal models, building shared vision, and team learning. In recent years, there has been tremendous interest in the concept of a learning organization. For example, a 1995 survey of 'HRD executives reported that 94 percent of the respondents felt that it is important for an organization to become a learning organiza-tion, the next chapter includes a discussion of how macro level organization transformation approaches can be used to help-an organization adopt the principles of a learning organization.

Although such principles emphasize the organizational level, they also have implications at the group and individual levels, One challenge to HRD profession-als is to facilitate the transition of traditional training programs to an emphasis on learning principles and tactics, on how learning relates to performance, and more important1y, on the relationship between learning and fundamental change.[51] To do this, HRD professionals must develop a solid understanding of learning theory and be able to' devise learning tools that enhance individual development. These concepts and tools will be discussed in more detail in the coming chapters.

Exercise/Assignment

Interview an HRD Professional

Conduct an information interview with an HRD professional, this could be someone working in the areas of training and development , career development, or organisational develop-ment. Some of the questions you might ask include

1. What do they do in their job?
2. What has changed in their job over the past five to ten years? And
3. Where do they see the HRD field going in the next five to ten years?

Your instructor will give you guidelines as to the appropriate length and format for the written document you turn in for this assignment.

LESSON 11:
APPROACHES TO HRD

Learning Objectives

- Approaches to HRD
- HRD in Indian Organizations-Current perspectives and future Issues

Hello students! can any body say what are the approaches to HRD that you think.

In recent years, HRD has emerged as a distinct area of concern in organizations. This paper presents an overview of HRD practices in a variety of Indian organizations and identifies areas that need attention of HRD managers and academicians.

There are three distinctly identifiable approaches among Indian organizations that have formal HRD programmes:

1. Man-Centred Approach,
2. Reciprocal Approach, and
3. Selective Approach.

Although in practice there are overlaps among these approaches, this classification Is useful for discussing the various patterns of HRD initiatives.

Man-Centred Approach

Based on humanistic considerations, HRD according to this approach is a philosophy shared by organizations that believe development of people to be their primary responsibility. This belief governs personnel, welfare and other organizational policies and practices concerning its employees. Factors such as promoting trust, open communication, Authenticity, the interpersonal relationships, and welfare of employees and their families are given top priority. Development of people thus becomes an end in itself in such organizations.

The assumption underlying this approach is that improving an employee's capability and developing him/her is the responsibility of the employer and, therefore, should be pursued as a programme. This style of management favours personalized relationships. It is more likely to be found in family-managed organisations than in those managed by paid chief executives. Such organizations have progressive welfare practices for employees and their families and a managerial orientation, which can be described as paternal. They follow practices that are way beyond what is required by law with respect to matters like health, education, housing, retirement benefits and canteen facilities. J.N. Tata, Shri Ram, Walchand Hirachand, T.V. Sundaram Iyengar and a few other industrialists started welfare practices much before legislation on these matters was even framed. This approach emphasizes the salience of extrinsic job factors. Management-employee relationships are generally informal. The senior management staff attends to the well-being of employees at all levels. Trust and confidence ' between employees and employer jUe built through personalized relationships. This often enables managers to practice openness in their relationships. The most important feature in such

organizations is the confidence the employees have in the chief executive. He is a father figure and is' respected by employees at all levels. Some typical examples from companies that have followed this style of management are given below:

After a prolonged discussion with the General Manager of a company regarding punishment meted out to some employees, the union leaders requested the chief executive to intervene and told him that his decision in the matter would be accepted by everyone. The chief executive was considered by employees as being impartial and one who would be fair to all. He was not perceived as fitting into the managerial hierarchy.

- The chief executive of an organization was away for about six months on an assignment. The employees felt that they owed it to the "head of the family" to keep peace in the organization while he was away. On his return. However the employees were anxious to know whether he would come back to the company and give it the same attention he had given earlier as various problems that could threaten the harmony of the or_1zatlon had developed in his absence.

- When a company was doing poorly. a large number of, employees offered to accept a cut in their salaries until profits improved. Accordingly their salaries were cut and were restored only when the company's fortunes improved. The chief executive did not draw any salary during this period.

- The chief executive of a company believed that poor financial performance of the company was due to inadequate planning. poor assessment of market demand and failure to improve production technology for which however higher management was responsible. Therefore he decided that workers should not be denied their bonus if they had worked as hard as the did in the previous years.

Organizational Characteristics

The organizations that successfully use the Man-centered Approach consciously follow certain methods of developing managers who would preserve the system. Some common features of these organizations include:

Building a Coterie

The chief executive develops a group of people around him who are totally loyal to him and who are included in private discussions. The approach adopted by Shri Ram of DCM is a case in point. An examination of Shri Ram's biography and the private correspondence between him and his general managers at Jay Engineering Works shows how these loyal persons were sent to various units of the organization and groomed for their positions. Shri Ram would also discuss various matters of the company with his general managers at early morning walks or at meals. The managers were given opportunities to observe Shri Ram in his business and social interactions. They could thus

learn his style of managing company affairs (Dayal, Srivastava and Alfred. 1972). The company a1sCI recruited many people as apprentices and the best among them were picked out by the leader for key positions in the organization. Once an employee became a member of the coterie, he was treated more like a family member and less like an employee.

Visibility
The leader is visible. He takes regular rounds at the factory and meets a large number of people during the course of each day. For instance, the General Manager of Jay Engineering Works, T.R. Gupta who was groomed by Shri Ram knew most of the 2.500 employees by name and visited their houses on festivals' and other special occasions.

Autonomy
The general manager is not required to explain his actions. There is little interference with lUs plans and decisions. He is encouraged to feel more like an owner and less like an employee in the organization. In turn, he develops more managers in the pattern set by his mentors. For example. in his personal letters to T.R. Gupta, Shri Ram repeatedly asked him to take necessary decisions himself as he was on the site and knew the situation best. Mandella. chief executive of the successful Birla enterprise, has stated that apart from sending periodic reports to the headquarters, he was totally free to manage the plant.

Symbolic Gestures
Symbolic gestures indicative of family-like relationships are built into the social system of the organization. Organizations evolve unique patterns to emphasize this aspect. Shri Ram, for example, made it a point to celebrate Holi with his employees every year because it is an important festival for them. The organization also arranged Ram Lila celebrations every year where attendance was compulsory. The chief executive of the 1VS group invites the family members of employees to visit the factory on special occasions. The employees are also given food packets to take home. These ritualistic gestures help to reinforce family-like affiliations and paternal styles of relationships in organizations.

Welfare Activities
Many welfare measures for employees and their families are instituted by some organizations. In most cases, these measures are way ahead of the legal provisions in such matters. For example. companies like Tata, DCM. 1VS and Kirloskar have been pioneers in introducing many measures for the security and well-being of their employees and their families.

HRD Philosophy
The patterns of relationships at work reflect the HRD philosophy. In some organizations, the practices and philosophy of HRD are perpetuated by the managers who are encouraged to follow the role model of their seniors. In the process of organizational Globalization, they internalize the values and attitudes of their leaders. The entire process is thus institutionalized. This is somewhat akin to the kind of "apprenticeship" prevailing in Japanese organizations to prepare young persons for pos1t1ons of responsibility.

Problems

The **first and perhaps the most important difficulty** with this approach relates to leadership change in the organisation. The strength of such organizations lies in the special relationship built by people at the top with their subordinates. When there is a change in leadership, realignment in relationships has to take place. If the succeeding leader· does not believe in this style of management or does not recognize its relevance or virtue, the relationships of trust are rarely sustained. For instance, when Lala Charat Ram succeeded his father as chairman of Jay Engineering Works, the organ1zation went through a long period of adjustment as he had a very different style of leadership· (Dayal, Srivastava and Alfred, 1972).

The **second difficulty** arises when there is a change in technology. The new technology may require a high level of technical knowledge rather than experience, and this may necessitate changes in recruitment practices, work flow relationships, and in the existing social hierarchy. With the introduction of computers, the accountant is no longer the sole repository of financial information as he was in the earlier system. Some family-managed organizations have handled these problems effectively. In Sundaram Clayton. for instance, promotions are now given on merit and not on seniority.

The **third difficulty** arises due to changes in the aspirations of the young. The youth in general today want more individual recognition and independence and do not like social differentiation and stratification. They are on the whole less comfortable with paternal styles that create dependency and prevent development of an independent identity. These attitudes and personal values often cause conflicts in organizations based on paternal styles of management.

Reciprocal Approach
This perspective comes partly from humanistic and partly from business interests. It regards development of people as the most important asset for either improving or sustaining organizational performance. The emphasis of the HRD programme here is on developing roles, role relationships, appraisal systems, training, job design, etc. In some cases. most of the traditional personnel functions are included in the HRD system. This approach assumes that HRD is important for growth of the organization. Since growth of an organization is linked to growth' of people. it is in the interest of the organization to develop human resources ..

In general organizations take, up HRD at times of diversification. intensive growth and declining profits. The HRD strategy and the focus of the programme are broadly linked to the circumstance of the enterprise. Some examples are given below:

- ITC took up HRD at the time of diversifying its business from cigarette manufacturing to other products. The company concentrated on improving its appraisal system and providing training so as to identify and rapidly develop managers for new projects.

- Crompton Greaves resorted to HRD when it faced a slump, in business and decided to take up additional projects in new locations. The focus of its programme was role clarity so that responsibility for results could be vested

with profit centre managers. It refined the appraisal system as well.

- The HRD programme at L&T was associated with its programme of organizational development.

- The programme at SBI centred around training and appraisal following its reorganization and rapid growth (Silvera. 1988: Rao et at. 1988; Rao and Pereira. 1986).

- HRD in LIC followed its reorganization and sustained growth.

- These examples show that HRD in most organizations is part of an overall strategy for improving its performance; it is not an isolated programme. L&T. SBI. LIC. ITC and many others took up comprehensive programmes for reorganizing. reorienting corporate activities prior to or simultaneously with their HRD programme.

Organizational Features

The practices followed by organizations for growth of individuals differ considerably. They range from job redesign. e.g. Bharat Heavy Engineering Corporation where responsibility for planning and results now rests with the employees on the shop floor to counseling, job rotation, training and the like. Both in focus and variety HRD in each organization is, designed to serve its own needs and follows an approach that is unique.

Some HRD practitioners have developed HRD systems which include mainly functions that earlier well-developed personnel departments carried out in organizations (Strauss and Sayles. 1985; Pigors. Myers and Malm 1959; Athreya. 1988). Athreya suggests that an HRD consists of the following 12 elements: Corporate Planning, Manpower Forecasting, Selection, Induction and Placement, Role Analysis, Appraisal, Counseling, Self-development, Career Planning, Succession Planning, Job Rotation, Training, and Data Bank. It is assumed that these functions will be carried out with a developmental orientation and will have a sharper humanistic perspective.

A review of HRD programmes in organizations suggest that three distinct features differentiate HRD from traditional personnel management:

The growth of the individual as a total human being is seen to be the most important aim of an HRD programme. In whatever activity the organization may be involved. One significant output should be growth and development of individuals who are engaged in that activity. Therefore involvement exercise of discretion in performing the job, autonomy, job design. Etc. become areas of concern for HRD programmes.

The individual is seen to be a total person and not an employee in an assigned job. Hence development of individual's total capabilities. and not skill alone assumes importance in HRD initiatives.

The growth of the organization must form an integral part of an HRD programme. Growth of individuals without that of the organization is not sustainable. Hence the HRD programme should aim at development of the system as a whole. In this respect organizational analysis often becomes an important concern for the management. Hence. a programme

with individual growth as the objective and linkages that enable and sustain organizational growth are necessary

Processes Involved

Several studies show that growth occurs when an individual is able to acquire new' perspectives about his work, the job, the environment, and relationships. Often the individual gains fresh understanding of his job when he assesses his particular contribution; he also gains new insights through interactions with other people. Four conditions are required for fostering individual growth:

- Personal desire to grow

- Experiencing a wide range of interactions with people and the environment

- Assimilating this experience to derive a new meaning of things. relationships and situations

- Assessing the results wit_ a view to knowing one's ability/ potential and using this in planning future action.

Briefly, a concern for development must be generated from within. The individual should be able to identity his strengths and weaknesses, his needs for learning, and how he could improve his capabilities. The organization would have to provide scope for learning; the job should enable an individual to experiment with new skills, relationships at work, and an opportunity to assess his strengths and, weaknesses. While the individual would have to assume responsibility for his growth, the work organization would have to be flexible enough to respond to the individual's growth needs. This requirement also suggests that the HRD programme will be less effective if opportunities to arrange work flexibly are unavailable. For example, it should be possible to redesign work on the shop floor for some persons, even if such changes are not made for all.

In Glacier studies Brown and Jaques (l965) developed the rationale of work organization before undertaking specific programmes of interpersonal relationships. The work organization covered identification of roles, role relationships, representative and executive systems policy framework to guide all aspects of work activity and the like. They felt that a rational work organization is necessary before taking up an intervention programme to develop human relationships. The two cannot be separated. This point is important when developing HRD.

Another aspect that contributes to work culture is the design of work organisation. It should give the employee control over such aspects of work as influence results. In such a system inter-departmental cooperation also becomes easier. If a person has to constantly depend upon other units. as on a conveyor belt. he becomes dependent upon others for results. The socio-technical systems developed during the past 30 years have been extensively used in the organization of work Socio-technical concepts were used in the reorganization of BHEL. SBI. LIC and others.

The initiative for self-development would therefore depend upon several things the most important among them being:

- The explicitness of the social organization, work roles, the patterns of interaction among its members and the values and attitudes that the organization represents.

- The cooperation among people and achievement of results that the design of the work organization promotes.
- The decision-making and problem-solving systems through which the management conveys its concern for human growth to individuals performance.

HRD is not an isolated exercise. Organizational development or other programmes are invariably taken up with it. The interdependence between individual growth and work ro_s is not noticed in many HRD programmes. The programme to rationalize the work 0f organization has, in many cases, preceded HRD. This haS been observed with regard to SBI, LIC, Crompton Greaves, Bank of Baroda, IOCL and others.

Future Directions

HRD deserves increased attention of both managers and the academicians. HRD in organizations is necessary for effectively coping with changes in the environment, expectations of the new breed of employees, and the need for adjustment to rapid changes in technology. Sustained leadership of organizations is likely to depend on the success of their HRD programmes.

HRD is also important in the societal context. Lack of development at work is reflected in unsatisfactory re1ationships in the family and society. Alienation at work contributes to growing discontent among the young and a feeling of anger for established institutions; Positive experiences at work are necessary for developing collaborative societal relationships.

Areas of Concern

Considering the importance of HRD for organizations, it is necessary to identify the areas or issues that need examination.

Some of these are identified here:

1. What is the difference between traditional personnel functions and HRD? If HRD is merely a change in terminology, the position should be clearly stated. If the two are different, the distinction should be highlighted. Experience shows that even when HRD philosophical reorientation is given to traditional personnel functions, they do not, o _ their own, lead to development of individuals.

   An attempt has been made in this chapter to draw the difference between HRD and the traditional personnel functions. I hold the view that HRD will have a greater impact on organizations if it is distinguished from personnel functions. This view is based on the premise that HRD has to be action-oriented and rooted in the problem areas. The scope of HRD is wide and it would be more effective if it is a separate function. The decision to set up HRD as a separate unit will depend primarily on how the programme is conceived and the purpose it meant to serve.

2. Is HRD dependent upon OD? If they are linked, should they be handled simultaneously or sequentially? Would HRD have less impact if it is not linked to OD? From the literature on HRD. the difference between HRD and 00 is not clear (National HRI? Network Papers, 1989).

3. How should operators in routine tasks such as clerical employees be involved in HRD? Does the nature of their,

work contain intrinsic motivational factors? Job redesign has been attempted in some places but the exercise is difficult and time consuming. It is unlikely that large organizations will frequently undertake a job redesign exercise. What· are the other ways of adding intrinsic attributes to clerical jobs?

4. How should a common or' shared - philosophy develop in a decentralized, widely spread out organization? If the success of HRD is dependent on the conviction that a manager has about people, what are the most effective ways of developing these convictions in a dispersed area? What are the strategies likely to be more useful in the Indian context? These questions would need serious experimentation by managers and academicians alike.

5. How should management identify an appropriate entry point for HRD intervention? What are the diagnostic tools for determining the most appropriate strategy for HRD? Singh (1988) has suggested a typology. Further studies in this respect are necessary.

I believe that more organizations are now concerned with HRD than they were a few years ago. I think the difficulty is in translating the concept of HRD into a concrete plan of action. We need in-depth studies and a great deal of experimentation to evolve an appropriate strategy for action

Some useful studies are already being undertaken by HRD Academy at Ahmedabad. Action research in Life Insurance Corporation is reported later in this book. Management Development Institute, Gurgaon has undertaken a study of five organizations. The study shows that some organizations have integrated HRD philosophy in their management systems, while others have programme-based approach. Survey of HRD practices in Indian organizations are available in many publications (Silvera, 1988; Rao, Verma and Khandelwal. 1988). We would need more evaluative and action research studies.

LESSON 12:
PLANNING AND ORGANISING OF HUMAN RESOURCE DEVELOPMENT

Learning Objectives

Planning the HRD System:

HRD philosophy

Subsystems

Objectives

Policies and

Action plans

Organizing the HRD System

Forms of HRD

Tasks of HRD Department

HRD-Whose Responsibility?

Attributes of HRD Manager

Some Do's and Don'ts for HRD Manager

Students, today let us discuss how the HRD system does the Planning and Organsing in the organisation.

Planning and Organising The HRD System

In the preceding chapters, we have studied the concept and functions of human resource development. This chapter describes some aspects related to the planning and organising of the HRD system.

Planning The HRD System

Every orgnisation that hires people to carry out its work, whether it be a business, a school, a government department or a hospital needs a human resource development plan in which various phases of HRD work are tied together into an integrated programme.

The **HRD plan** must incorporate information on the following subjects:

- HRD philosophy,
- HRD sub-systems,
- HRD objectives,
- HRD policies, and
- HRD action plans.

HRD Philosophy

Perhaps the most fundamental part of an HRD plan is that which deals with HRD philosophy. It represents those basic beliefs, ideals, principles and views which are held by the management with respect to the development and growth of its employees. A well-established HRD philosophy plays two important functions. First, it gives rise to what one may call 'style of management'. A manager develops his practices on the basis of his philosophy. Second, it makes organisational goals more explicit. For example, in orgnisations that have unshakable belief in the development of human potential, though profit may still be the most important goal, investment in human resources also becomes a powerful sub-goal.

Following beliefs are essential for the success of any HRD programme.

1. Human beings are the most important assets in the organisation.

2. Human beings can be developed to an unlimited extent.

3. Employees feel committed to their work and the organisation if the organisation develops a feeling of 'belonging' in them.

4. Employees are likely to have a feeling of 'belonging' in them if the organisation adequately cares for the satisfaction of their basic and high-order needs.

5. Employees' commitment to their work increases when they get opportunity to discover and use their full potential.

6. It is every manager's responsibility to ensure the development and utilisation of the capabilities of his subordinates, to create a healthy and motivating work climate, and to set examples for subordinates to follow.

7. The higher the level of a manager the more attention he should pay to the HRD function in order to ensure its effectiveness.

8. A healthy and motivating climate is one, which is characterised by openness, enthusiasm, trust, mutuality and collaboration.

Guided in its HRD programme by the philosophy and ideas of its founder Jamshedji Tata, the Tata Iron and Steel Co. is one example of an ideal HRD philosophy. It believes that it can effectively discharge its obligations towards its employees only:

- By a realistic and generous understanding and acceptance of their needs and rights and enlightened awareness of the social responsibility of industry;

- By providing adequate wages, good working conditions, job security, an effective machinery for speedy redressal of grievances, and suitable opportunities for promotion and self-development;

- By promoting feelings of trust and loyalty through a humane and purposeful awareness of their needs and aspirations; and

- By creating a sense of belonging and team-spirit through their close association with management at various levels.

Another excellent example of a company's HRD philosophy is provided by the well-known Indian Tobacco Co. This company has, from its original business of cigarettes and tobacco, diversified into several new areas such as cottage sector products, edible oils and oilseeds. The group employs over 15,000 people. Following is the company's statement on its HRD philosophy.

Human Resource Philosophy of Indian Tobacco Co. Ltd.
The human resource philosophy statement of the company lists seven cardinal beliefs as under.

1. Self-managing resource. We believe that the human being is a fundamentally different and unique resource in that he/she is simultaneously a source, a resource and the end of all economic and social activity. He is the means as well as the purpose. He is capable, willing, and in the normal course of evolution, developing.

2. Potential we believe in the inherent potential of people. There are different kinds and degrees of potential, which can be developed and utilized in the context of task challenges, responsibility and commitment.

3. Limitations. We believe that any apparent limitations in people are the result of a variety of circumstances and factors and can be overcome with support, awareness and correction, following which, the potential has a chance to flower again.

4. Quality of work life. We believe that ITC as a business institution can provide a high quality of work life for all its members through opportunities for a meaningful career, job satisfaction and professional development. Through this ITC members will contribute to quality of life in their interface with society.

5. Meritocracy. We believe that people accept meritocracy as a just and equitable system, and contribute best under conditions of open opportunities and challenges and different rewards commensurate with performance.

6. Membership. We believe that people can blend harmoniously the components in their membership of ITC, namely, leadership, fellowship and peer ship.

7. Actualization. We believe that the design, implementation and update of human resource management systems, enhancement of skills and creation of an enabling climate will facilitate the self-actualization of us as individuals and of ITC as a valued business institution,"

HRD Sub-systems

After laying down the HRD philosophy the plan must specify the various sub-systems or mechanisms, which are to be used. We have seen earlier topics that there are 15 sub-systems, which are generally used for purposes of HRD. Of these, training is considered to be the most vital sub-system so much so that many organisations consider it as synonymous for HRD. This, however, is not correct because training alone is not enough to bring about the desired change in an organisation's culture. It needs to be inevitably backed by other sub-systems to produce the desired change.

HRD Objectives

Having described the HRD sub-systems, the next important step is to lay down the HRD objectives or goals. These are the ends towards which all HRD activity is planned. In defining these ends consideration should also be given to the objectives of other departments and of the company as a whole and to social objectives. It is bad enough when goals do not support and interlock with each other. It is tragic when they interfere

with each other. What is needed is a 'matrix' of mutually supportive goals.

In general, the objectives of most companies are service, efficiency and profits. The objectives of employees are good wages and working conditions, economic security, opportunity for advancement and self improvement. The objectives must be so described that they become 'verifiable' or 'operational'. If there is some way of determing whether and to what extent a goal is being realised by a particular sequence of adtivities then the 'verifiability' is to put objectives in quantitative terms. Even when the objective is highly qualitative and. therefore, cannot be quantified it can be made verifiable by spelling out those operational sub-objectives, which have some plausible linkage to the basic objective. For example. if the objective "to maintain high morale and better human relations" has a low degree of verifiability or operationally a few operational sub-objectives may be laid down such as (i) reducing the absenteeism and turnover rate of the organisation, (ii) requiring the various supervisory levels to slick to a time-bound procedure of settlement of grievances, and so on. The objective of maintaining high morale and better human relations would then be measured in terms of these more tangible criteria.

HRD Policies

The next important part of an HRD plan is that which deals with policies. These are general statements, which guide thinking and action in decision-making. Being only guides to thinking and action in decision- making they have always room for discretion. Otherwise they would be rules.

Sound HRD policies are an essential base for sound HRD practice. They provide the base for management by principle as contrasted with management by expediency. In their absence decisions are taken on an ad hoc basis, which results many times in improper emphasis being given to significant characteristics, criteria or circumstances of a problem.

HRD policies can be formulated to cover the following subjects:

- Selection.
- Training
- Compensation.
- Arrangement for work.
- Employee services and
- Industrial relations.

Selection: The selection policy of an organisation should provide clear guidelines on the following points:

- Reservation of seats for scheduled castes and scheduled tribes,
- Employment of local people or family relations or of people working in competing firms,
- Promotions from within or outside the organisation.
- Preference to be given to handicapped persons.
- The basis (length of service or efficiency) to be followed in discharging an employee,
- Role, if any, to be given to the union in the recruitment and selection of workers. In some western countries some orgnisations have 'closed shop' clauses in their collective

agreements with the unions. This means that the organisation agrees to hire only the members of the union and recruitment of non-members is ruled out.

- Preview of the job lo be given to applicants. Some organisations give an unrealistic preview. This is not a correct policy. The applicants should be informed about both the positive and negative aspects of their jobs. For example, they may be told that they win be supervised quite closely in their first job or that some aspects of their jobs will be boring, and so on. Researches have shown that the disclosure of such unfavorable information about the job to the applicants does not materially affect their job acceptance rate.

- Expenditure to be incurred on selection. This may include advertisements, test, training and traveling expenditures.

Training: With regard to training, the basic policy issues to be decided are:

How are training needs to be decided?

How should training curriculum be designed?

How should follow-uP and evaluation be done?

How should post-training support be given?

Compensation: On the question of compensation the major policy issues to be decided are:

- the relation of wages to the market and to the industry rates, i.e., whether the employees are to be paid a higher or lower wage level than that prevailing in the community or industry,

- the relation of wages paid to different employees within the company and

- recognition to be given to differences in individual performance.

Arrangement for work: Here the employer should formulate policies about hours of work, number and duration of rest pauses, vacations and working conditions.

Employee Service: Here the employer should formulate policies about organising co-operative societies, festival celebrations, recreation centres and sports and family budgeting.

Industrial Relations: Here the employer should explicitly express the extent of his faith in collective bargaining and the right of workers to decide the union and the union leader they want. He may also lay down the organisation policies regarding third party (e.g .. police) intervention in industrial disputes.

HRD Action Plans

In the last stage an action plan must be prepared for every sub-system of HRD. It must give details about the way the sub-system is going to be implemented. It must also give information about the phases of the programme and the sources from which it is going to be funded.

Integration of HRD Policy with Corporate Policy

Now it is widely acknowledged that integration of HRD policy with corporate policy is vital for organisational success. HRD policy embedded in corporate policy serves to attain the organisational objectives more effectively by giving direction and coherence to HRD program-mes. To achieve this integration the HRD department must playa two-fold role in policy formulation. On the one hand, it must be involved in formulating the corporate policy (even when it does not involve people) and on the other it should develop its own policy consistent with the policy of the organisation. In fact, the two roles must be played simultaneously in a parallel process.

Schein advocates a model aligning strategic human resource development with life cycle stage of an organisation as shown in the following table:

Schein, E: (1985) Orgatlisariorlal Culture and Leadership, Boston: Jossey Bass.

Life Cycle Stage, Culture/Strategy and Implications for HRD Activities

Life Cycle stage		Key Culture/Strategic		Implications for Strategic HRD
Embryonic	•	High levels of cohesion	•	Owner may not perceive need for HRD
	•	Dominant role of founder	•	Limited management expertise succession problems
	•	Outside help not valued	•	Changes may be unplanned/ad
		Lack of procedures and planning systems	•	HRD may have to market its aggressively
	•	Politics play an important role		
Growth	•	Large variety of cultural changes	•	Initiation of career development activities
	•	Levels of cohesion decline	•	Inducting new recruits
	•	Emergence of middle management	•	Management development
	•	Tensions/conflicts may arise organisations	•	Development of high performing teams
	•	Need to get people to accept new ways of thinking	•	Involvement in the management of change
		Diversification of business activities		Reinforcement and maintenance cultural values and beliefs
		Line/Staff differences		Dealing with ambiguity and
Maturity		Institutionalisation of values and beliefs		HRD function should be well established
		Evolutionary rather than revolutionary changes		Maintenance of HRD activhies be more appropiate
		Inertia may emerge in tion		Lack of career opportunities may require novel HRD approaches
Declin		Culture may act as a defence against a hostile environment		Management of
		Major decisions may have to taken		Reassure employees that are being tackled
		Readjustment necessary		Organising problem-centred project/task activities

Notwithstanding its importance, the linkage between the corporate policy and the HRD policy rarely exists. Even in the United States it has been estimated that less than 20% of HR plans are formulated and integrated with the business strategy of organisations.[2] In a study (comparing the influence of various functions on strategic decision-making) Hegarty and Hof-fman found that on a scale of 0 to 5, Managing Director had the score of3.8, Marketing 0£3.2, Finance of2.8 and HR of less than 2 indicating very little influence.)

Organising the HRD System

HRD can be more productive and less costly if it has some kind of organisation structure, i.e., a formalised intentional relation-ship between various sub-systems and roles. As believed by some people, formalisation does not always make a structure inflexible nor does it make the structure incapable for taking 'advantage of creative' talents. On the contrary, it makes the individual authority and bounds of discretion more clear and thus channelises all human effort in the right direction. Organising is, then, a process by which the manager brings order out of chaos, removes conflicts between people over work or responsibility, and establishes an environment suitable for teamwork. Implicit also is recognition of human factor that jobs (or roles) must be designed or redesigned to fit people and that people must be motivated.

Forms of HRD Organisation

The HRD function in an organisation can be structured in 4 different ways depending upon the size of the organization, nature of its activities, the structure of the organisation and so on. These four ways are:

1. Performing the HRD function through the existing Personnel Department;

2. Performing the HRD function through a separate department;

3. Performing the HRD function through a committee or a task force; and

4. Performing the HRD function through the Chief Executive Officer.

If the existing personnel department of an organisation is already performing the HRD functions there is no need to create a separate HRD department. But for the purposes of role clarity it is worthwhile to separate those individuals who are perform-ing HRD functions from those who are doing administrative personnel functions. For this purpose the former group can be officially designated as the HRD group within the Personnel Department. But most of the time it may be found that although the existing personnel department has the mandate to perform HRD functions, it does not have the necessary competence, credibility and motivation. In such a case it should be remembered that although competence and motivation can be acquired or developed it is not easy to acquire credibility. Thus it may become imperative for an organisation to start a new department with HRD title are a separate HRD department is being created special consideration should be given to its size. It is always advisable to keep the department's size small with flat structure and low profile. All members of the department may be designated as HRD managers though they may be given different salary grades and responsibilities for carrying out specific tasks. This is necessary for keeping the, HRD climate envy-free. The HRD department must have direct structural link with the chief executive to facilitate easy reporting and action and to keep the **HRD** function going on even when there is a change of headship. The department should also have strong linkages with all its sub-systems and other departments in the organisation.

In medium-sized and small organisations the HRD function may be assigned either to

a committee or a task force or to the chief executive officer. In the former case the credibility of the members, who are generally line managers with HRD as their additional responsi-bility, is very important for the effectiveness of the team, every member of the team should have positive attitude to the HRD function and should be trebled sufficiently in HRD skills. This form of organisation for HRD is likely to be effective if there is committee culture in the organisation and the members are able to set aside a good part of their time for HRD work.

In organisations where CEO is assigned to perform the HRD function, there are two risks.

One, the HRD function may come to be viewed with consider-able scepticism by the lower levels of the organisation. Two, the CEO'S other activities may leave him with very little time for HRD work. In order to avoid this risk the CEO should appoint some senior person as a second man to took after the HRD activities. He should also prepare a checklist of HRD activities and keep reviewing this list to remind himself of his HRD duties.

Points to be remembered in designing a new Human Resource Development System The following points must be kept in mind at the time of designing a new HRD system:

1. The system's main aim should be the overall development of the total organisation. The system should focus on improving the organisation's diagnostic and problem-solving capabilities and on making the orgnisation more open so that maximum commitment of the employees may be obtained.

2. The system should take into account the various contextual factors and the existing culture of the organisation. Under contextual factors we may include the size and techno-logy of the organisation, the skill level of its people, organisation's support to HRD and availability of outside help. A small organisation can combine several HRD functions into one whereas a large organisation may require each function to be dealt with separately as a specialised sub-system within the HRD system. Similarly, the type of work being done in the organisation and the technology followed in the organisation also influence the design of the HRD by emphasising some components of HRD much more than others. For ex-ample, appreciation of customer needs may need to be given special consideration as a sub-system in a service organisation but not so in a university or government department. In organisations where people's skills are low the HRD need to be introduced slowly. Organisation's support determines the

amount of resources which are available for the intro-duction of HRD and through this the design of the system. Availability of expert help from outside ensures proper monitoring of the system. If the HRD is being designed as an intervention to change the existing culture of the organisation, it is necessary to do enough careful planning, monitoring and follow-up. It may be helpful to do force field analysis of the facilitating and inhibiting forces. After the force field analysis has been completed, forces which are in favour of the change may be strengthened while designing the system. For example, if the culture of an organisation favours informality, openness, objectivity, etc., the same can be strengthened by the proposed new system.

3. In designing a human resource development system enough attention should be paid to building linkages between the various sub-systems. These linkages provide feed-back to the various sub-systems. The Human Resource Development system in Larsen & Toubro perhaps best illustrates the linkages, which need to be created between the various sub-systems of HRD (See Appendix). For example, the Performance Appraisal sub-system of the organisation is linked with Data Storage, Potential Appraisal. Career Planning, and Training. Mechanisms commonly followed for establishing linkages and feedbacks are the seuing up of standing committees for various purposes (with membership from various sub-systems and levels of the organisation). task groups, and ad hoc committees for specific time-bound tasks.

4. In designing a human resource development system mechanism for monitoring should also be provided for. A periodical review may be planned for this. Persons from other functions may also be taken in the review and assessment effort.

5. In designing- a human resource development system. it is essential to see that its various subsystems are introduced into the organisation in stages. Rushing the introduction of all sub-systems in one lot may limit the effectiveness of HRD. Each sub-system should be planned carefully with sequenced phases built one over the other. This may include:

   (i) Geographical phasing: introducing the sub system in a few parts of the organisation and slowly spreading it to other parts.

   (ii) Vertical phasing: introducing the sub system at one or a few levels in the organisation and expanding\.Ip or down gradually.

   (iii) Functional phasing: introducing one function or sub-system. followed by other functions.

   (iv) Sophistication planning: introducing simple forms of sub-systems, fol1owed after some time by more sophisticated forms.

Tasks of HRD Department

1. The first and foremost task of HRD department is to come to grips with the existing philosophy and beliefs of the top management. If it finds that these beliefs are running counter to the HRD philosophy it should influence top management to change its beliefs.

2. It should apply necessary inputs to the Personnel Department or the top management for formulating the right type of personnel policies.

3. It should inspire line managers to constantly learn and develop.

4. It should continuously design and experiment with new methods to build the right type of HRD climate and achieve organisational goals. HRD should not be at the cost of these goals. Task orientation (in the form of increased productivity and profits) should come before human concern. It is because very few HRD managers put this emphasis that the credibility of their effort goes down.

5. It should effectively monitor the working of its various sub-systems and the state of the organisational climate by collecting feedback, organising review workshops and so on.

6. It should make efforts to win the confidence of employee unions by removing their distrust, fear and suspicion towards its activities and inspire them to work for its success.

HRD-Whose Responsibility?

Notwithstanding the staff role of an HRD manager HRD is the joint responsibility of line managers and HRD personnel. While the HRD departments can design and provide instru-ments or mechanisms for use by line managers, the line managers have the responsibility for using these instruments to develop their subordinates. If the line managers do not make demands on the HRD departments and do not take follow-up action, HRD efforts in an organisation are not likely to succeed. Thus it is the responsibility of the line managers:

To request the company's HRD expert to design and introduce participatory systems like autonomous workgroups, quality circles, appraisal and review system. com-munication system, stress management programmes and so on.

To implement various HRD mechanisms, identify the difficul-ties experienced in and the support needed for getting success.

To analyse with the help of HRD manager the implications of various HRD mechanisms for generating a climate of mutuality, openness and trust in the organisation.

To provide continuous on-the job coaching to their subordi-nates and help them develop problem-solving skills.

To invite outside experts to know about their experiences in the areas of HRD and Q.D.

To provide sufficient budget for HRD purposes.

Attributes of HRD Manager

HRD manager must possess the following attributes:

1. He should have faith in the capacity of people to change and develop at any stage of their life.

2. He should have constant desire to learn and develop himself. Some common ways are reading, experimenting, showing experiences with others, attending conferences and visiting other organisations. However, he should not

become so much obsessed with his own learning that the learning of others in the organisation begins to suffer. He must remember that the success of his function depends more on his correct attitude than on his high sounding qualifications.

3. He should have high extension motivation, i.e., a desire to help others. He should be prepared to sacrifice his own personal goals for group goals.

4. He should possess good communication skill to sell his ideas to others in the organisation.

5. He should be a good listener.

6. He should be proactive, i.e., he should take initiative in introducing and implementing new ideas.

7. He should have enough patience to wait till his actions bear fruit

8. He should be free from bias. He should soon shed his impressions about others which he may form on the basis of any incidents.

9. He should have leadership qualities. He should be able to lead by personal example so that his preaching's to others have credibility.

10. He should have respect for and knowledge of others' functions in ·the organisation. He should be able to work with others as a team. He should maintain good relations with every department including the top management. This however does not mean that he should blindly support all their actions. If he finds any of their actions threatening HRD values he must boldly oppose them.

11. He should have knowledge and understanding of individual and group behaviour.

12. He should have professional knowledge of the various HRD subsystems, how they are designed, introduced and implemented.

Some Do's and Don'ts for HRD Manager

1. The. HRD manager should never lose sight of his mission which is to create a learning environment/development climate in the organisation. Many HRD managers unwittingly allow themselves to be lost in the routine jobs of recruitment, promotion, transfers, rewards etc. These functions do satisfy their ego and power needs but they leave hardly any time for creating proper climate in the organisation.

2. The HRD manager should always be on his feet interacting with the employees and the line managers, knowing their problems, inviting suggestions and building rapport with them. Many HRD managers think that their job is simply to launch various sub-systems, starting, of course, with performance appraisal. Once these sub-systems are introduced they think that their job is over. Then they sit back on their tables and indulge in all sort of paper work without caring to know what is going on in the minds of employees and line managers. This is wrong. In fact, they should spend most of their time in the field to get new ideas for correcting and improving the HRD system. At Steel Tubes of India Ltd. the HRD manager is selected by

the workers. thus emphasising the point that he has to have the ability to take people along with him.

3. The HRD manager should not allow himself to be surrounded by sycophants. Once an HRD manager is known to have become close to the chief executive as a result of his direct access to him people start perceiving the HRD manager as a potential source of promotion and reward. They then begin playing on his time, telling him what they feel he should hear and not what is correct. Sometimes, people may even begin envying his power and may hold back cooperation and information from him.

4. The HRD manager should not overindulge in introducing HRD sub-systems at the cost of HRD spirit He must always remember that these sub-systems are only the means and not the end. Therefore, they should not be unduly stressed. For example, the HRD manager should not waste his time in collecting information about how well the appraisal forms are filled, number of people rotated, number of people trained. number of programmes organised and so on.

5. The HRD manager (if he is invited from outside) must work for his early withdrawal.

Unlike other managers he should not try to entrench himself permanently in the organisation. He should remember that his object is to develop the right organisational climate to such a level where his continuance becomes unnecessary. (In the beginning an external consultant may be necessary for a successful HRD effort because he not only brings expertise with him but can also objectively confront several issues in the organisation which an internal person may find difficult to do. But in due course, the external consultant should withdraw from the organisation and the internal people should take over.

LESSON 13:
HRD: THE INDIAN EXPERIENCE

Learning Objectives

- HRD: The Indian Experience
- Integrating HRD with Corporate Plan
- Few approaches to HRD

Hello students today shall we discuss the experiences of HRD in Indian sector.

Introduction

Dr Mrityunjay B Athreya, the Delhi-based management adviser, has made a significant' contribution toward s strengthening the image and role of HRD in India. He has-done this not by building a new cult, but by de-mystifying the subject and disabusing it of the false notions of superior status and infallibility with which many theorists have invested it, His emphasis on integrating the HRD function with strategic planning has helped bring the entire workforce within the operational ambit of human resource development. He is an exception among the experts in advocating a total Human Resource Management (HRM) approach extending right down to the unionised worker.

Athreya does not argue for HRD departments and systems as ends in themselves. The pre-eminence, which HRD practitioners seek for their departments and for themselves, he allots to the goals and mission of the company. In the Indian Oil Corporation, for instance, he helped add credibility to the HRD effort by making it productivity and task oriented. As he puts it, "My view has been that because IOC is a commercial organisation serving the society, on balance if there were to be a competition between task orientation and human concern, I would emphasize task orientation. HRD for the employees should not be, at the cost of the company's goal of service to the customers and society. It is because very few change agents put this emphasis, that the credibility of the' whole effort goes down."

Dismissing the academic squabbles over terms like HRD, HRM etc as mere quibbling with words, Athreya goes on to outline a concept and a model of HRD which is based on a firm and unshakeable belief in human potential.. "Human Resource Philosophy," he explains, "is the most comprehensive umbrella. It is rooted in a belief in human potential, which can be identified and developed independently, and by overcoming weaknesses and limitations that human beings have." The philosophy is put into practice through Human Resource Management, which covers the whole gamut of activities from acquisition and development to utilisation of human resources. HRD along with Personnel, IR and Welfare functions is part of HRM.

"The point is that if HR philosophy is widely understood and dispersed in a company, then you can achieve most of what you want through the existing structures and the departments of personnel, welfare, industrial relations and so on. Through an emphasis on the potential of every employee and the possibility of developing it through the very process of utilising it, HR philosophy provides a self-fulfilling prophecy to the organization. The mere belief in potential exerts a tremendous developmental pressure. The nomenclature really does not matter. It is the commitment to the HR philosophy, which is of prime importance.

Holistic Approach

In a presentation at the National Conference of the HRD Network, at Madras (September, 1987) he elaborated the HRD concept as having to do with living life fully: "The ultimate aim of HRD is the full participation of the individual in job and life. Modern industry, formal organization, technology and similar impersonal forces may tend to create alienation in the individual. An intense form of this is self-alienation, where the person is not even aware of die damage his alienation is causing to himself. HRD aims to move executives and workmen towards fuller, participation, so that their potential can be utilised to the benefit of themselves and the organization."

This holistic approach is evident in Athreya's recommendation that even if an HRD Department is created, it should be integrated with the total Personnel function, with the HRD manager reporting to the Chief of Personnel. "It should be under an HRM umbrella which covers IR, Personnel Administration, Training and Development, Manpower Planning etc." The role of the HRD Department is one of articulating and disseminating the HRD philosophy throughput the company and creating a climate for self-development and learning. After this first stage, the HRD Department would get down to creating and establishing an HRD system which would integrate every wing of Personnel and the line managers.

Mere climate building for HRD can lead to disenchantment, warns Athreya. Therefore it is very vital that systems should be institutionalized. He places strong emphasis on clarifying roles because this provides for people's aspirations and goal setting. "We could also include in this goal-setting, a self-development plan. Ultimately all development is self-development. It may be stimulated or facilitated. You cannot take the line that over a period of time it will automatically happen. Another dimension is that self-development is facilitated if the boss himself is engaged in self and subordinate development."

In the ideal situation, Dr Athreya argues that "we could ever take the path of the differentiation and integration model of Lawrence and Lorsch and say that over" a five to even year time span the HRD department may come into being, create a climate and systems and go out of existence."

This approach explains the emphasis not solely on top management involvement but on having 'internal change agents', whom facilitators like him would support from the outside. The role he envisages for the internal change agent is

not one of hankering after top management backing, as of innovating, widening the horizon, raising the sensitivity and awareness of top management, which includes not just the Chief Executive, but members of the Board, Divisional and Regional Managers etc.

The importance of this role perception cannot be over-emphasized because managements tend to respond to personnel issues from a 'technical' point of view - as matters to be fixed, repaired and corrected. "It is a cumulative hangover from the days of time and motion studies, work study, industrial engineering, scientific management and Theory X approaches. The assumptions here run counter to HR theory because the manager thinks he has all the potential and the talent and the subordinate has all the limitations."

Therefore the internal change agent should first come to grips with the assumptions top managers have about people and then illustrate "how their cherished goals of output, productivity, increased turnover and profits are, in fact, being held up by the kind of assumptions that have percolated from them into the ranks of the company." He can show how the absence of any HRD initiative can cause problems like succession gaps, stagnation and dehumanizing waste of human potential. Gradually, the change agent has to get top management in tune with the new value of HRD so that they come to believe that HR philosophy is not only an effective business strategy which helps in achieving return on investment, but one which brings about a change in the quality of the transactions in the company.

Push for Growth Strategies

The systems model for HRD designed by Dr MB Athreya calls for more than mere oral commitment from top management. It makes active involvement imperative. By integrating HRD strategy with the corporate plan, the system makes the human resource potential of the organization a springboard for expansion, diversification and growth strategies of the company. By developing people's potential, HRD helps meet" the needs of the company for the right quantity and quality of key personnel at the right time. The developmental activity also provides a push for growth strategies. As he sums it up, "Corporate Development is the balanced synergy of Strategic Management and Organization Development. The key system for Strategic Management is the Corporate Planning System. The key system for Organization Development is Human Resources Development system."

His award-winning paper Strategy, OD and Systems propounding the Corporate Development Model in India for the first time at the Annual Conference of the Indian Society for Training and Development (Bhopal, 1980) has helped many top managements understand HRD as a hard-headed business proposition, as well as .a humanistic initiative. He developed the model at the Scottish Business School, Glasgow in 1976.

When the groundwork has been laid at the level of corporate strategy and management, the next stage takes the HRD manager on a round of canvassing with the existing Personnel, IR and related departments. Athreya underlines the role of the HRD professional 'in complementing the existing practitioners of IR, Personnel Administration, Welfare ... because they have

come a long way in their areas and the HRD Department is a support to them by way of confirming their positive experiences, enlarging the scope of their successes through integration of the existing systems and introduction of new ones. Simultaneously, the HRD manager's efforts should be directed at increasing HRD awareness and skills of the entire line management as also of the trade union leaders and the workers.

One of the refreshing aspects of this HRD approach is that it is not marred by theoretical dichotomies, which posit HRD as I superior because it is proactive, and Personnel or IR as inferior, reactive and useless. He does not divide the world of O1an management into good guys and bad guys, us and them, Personnel vs HRD. His approach is more Indian in that it integrates and amalgamates as against the standard approach of Western logic, which dissects, dismembers and pits good against evil, black against white.

As a starting point he recommends the reinforcement of existing sub-systems of HRD, followed by introduction of new ones with a view to integrating the old and the new into a total system. He avoids the trap of a closed system; one that is fixed for all times. As he explained in a paper Formal HRD Systems presented at the NIPM Conference at Hyderabad in November, 1984, "There is a widening range of sub-systems in HRD. As the conceptual knowledge and techniques advance, existing sub-systems gain in depth and new ones are added:" He then gave a fairly comprehensive list of 11 sub-systems: Role Analysis, Selection and Placement, Transfer and Rotation, Reward and Punishment, Appraisal of Performance and Potential, Feedback and Counseling, Training and Development, Career Planning, Succession Planning, Participative-Devices and HRD Data Bank.

Pragmatism has obviously taken precedence over the academic's tendency to finalise and freeze systems models - to complete the circle. Athreya also hastens to point out that it is not as if the systems existing before HRD is formally introduced are all-useless. Quite often, they suffer from an ailment which HRD systems themselves are prone to, after the initial novelty has worn off : namely, systems neglect and indiscipline. In fact, the more dramatic the pronouncements and HRD formulae, the stronger the possibility of their shying away from the big, bad world outside and hiding behind the glossy covers of superbly designed 'reports to the top management'. Athreya avoids the common pitfall of putting the system on a pedestal· and endowing it with godly qualities of omniscience, and validity for all times and in all situations. He warns of the danger of systems degenerating into rigid bureaucracies, malfunctioning or simply getting obsolete. He, therefore,· advocates informal backup in the form of frequent and wide-ranging consultations between boss and subordinate, counseling and informal exit interviews. He puts a strong emphasis on review and audit of sub-systems once every two to three years and a total systems audit at least once in five years.

He advises inculcation of six basic skills to ensure effective implementation of the Human Resource Development system, once a positive organizational climate has been established. These are the skills of Goal Setting, Appraisal, Counselling, Reviewing, Learning and Self-Development.

Athreya's systems model for HRD includes linkages with Corporate Planning and a derived Manpower Forecast. The role of HRD is to develop competencies at all levels, from: top management (sensitivity to stakeholders, boundary management etc) through middle and junior management to workmen (participative skills etc). Besides its organization development role, HRD can aid the process of institution building by covering in its scope 'business stakeholders other than employees', like dealers, suppliers, shareholders, customers and even communities around company offices/plants and the public at large.

Where the predominant trend is towards hi-profile, management oriented HRD, focuses on the more bothersome area of HRD for the worker. "The existing emphasis on HRD is quite elitist," he says. "In confining it to managers we are only scratching the surface. The only thing to be said for working with managers is that they may become better 'leaders' and hence more effective instruments of industrial and economic development. HRD however is a total activity for the company and there is a strong need for reallocating the resources to people lower down." Dr Athreya in fact made a suggestion at the AIMA Convention in 1987-88 that managements should make the year a zero management training year and instead re-allocate the entire budget for workman training.

In the sphere of trade union relations, he suggests a balanced triangle of manager-worker relations, member-trade union relations and management-union relations, which complement each other. The manager-worker relationship needs to be, strengthened; the management-union adversarial relationship has to give way to realism; and the need of trade unions to maintain relations with members has to be appreciated.

While managements are inclined to be obsessed with union intransigence resulting from preoccupation with monetary rewards, self-aggrandizement, rivalry of leaders etc as a major block to industrial harmony, Dr Athreya points out the additional blocks resulting from worker alienation (due to the urban environment, the assembly line monotony and so on), executive blinkers (negative view of workers and unions) and the absence of a company strategy for 'industrial harmony'. The short-term fire-fighting approach to IR only vitiates the situation, leading to confrontation and appeasement, divide and rule scenarios.

He recommends a corporate HR strategy with an Industrial Relations Strategy component, within an overall perception of the company as a 'collective'.

After pointing out that employees come together in a number of collectives ranging from unions to craft and diploma based collectives, social collectives and so on, he makes a case for a broad based company collective. In a paper titled HRM for Industrial Harmony presented at the Annual Conference of the National Institute of Personnel Management at Bombay (March, 1985) Dr Athreya writes, "Perhaps the most important single step here is to create a larger identity for all employees, from the Chairman to the cleaner, of belonging to the company collective. All other smaller, specialized identities need not be submerged in this larger identity. But this larger identity must inspire and inform all other identities. It need not be in conflict with them. Those identities have their own contribution to make. They can strengthen .the larger identity."

More participation of workers through autonomous workgroups, quality circles, working groups on cost reduction, suggestion schemes, consultation in decisions affecting shop floor layouts and shutdown, greater emphasis on communication, fostering of values - these are among the devices recommended for integration of workers in the company collective.

Absence of an HRD strategy for the entire company leads to "a mixed bag of individual motivation or alienation, growth or regression." A comprehensive HRD strategy should be supported by HRD systems extending right down to the workman. It is important to keep scanning the environment for HRD opportunities, for problems that might be building up on the IR scene so that new responses and initiatives can be developed as part of strategic HR planning.

By integrating HRD with corporate planning, Mrityunjay Athreya provides a pragmatic rationale for the new humanistic movement in man management.

Some Approaches

The approaches to HRD are governed by the particular orientation of the management its history and the kind of problems that it faces. In our studies we have found that the programmes vary significantly in their approach and emphasis. Broadly the emphasis may be classified in three respects as follows:

    (1) Emphasis on Philosophy

    (2) Emphasis on Programmes

    (3) Emphasis on Leader Behaviour

1. Emphasis on Philosophy

Some organizations have articulated their beliefs about people and have operationa1Jzedthem in personnel systems and managerial practices in the organization. Two clear examples of these in our sample are CMC and Eicher. Their practices are people-oriented. The logic of this section is based mainly on data from the Project on HRD at the Management Development Institute, Gurgaon, undertaken by a team consisting of Ishwar Dayal, Punarn Sahgal, Parv1nder Kaur, A.K. Sen and Rashmi Jain. The findings are briefly reported In an article by Sahgal and Jain (1992). Their approach will broadly be thus: If we have faith in our employees, how should we treat them? We should share our ideas with them, respect their opinions and sensibilities give them freedom to decide upon things that concern them allow them to be responsible for results and so on. Our relationships and our managerial practices should be governed by these· considerations. The personnel practices should assume that they are adults and would normally behave in ways that are in the pest interest of the corporation. It is possible that some individuals would deviate from what is expected of them but for the sake of a few exceptions, the majority should not be put in a straitjacket. These stray cases should be handle as cases and in best possible ways. Such organizations generally do not make a distinction between what Is commonly found in India, Class I. U. ill and IV. Organizations such as CMC and Eicher have to review their beliefs and examine the implications of these beliefs on a regular basis.

CMC for example do it in their top and senior management seminars. Keep their doors open for people to say what they feel and take corrective measures wherever necessary. Eicher do it through carefully planned employee surveys and use the data to, evaluate how well the system is operating.

HRD is not seen to be a programme but a way of life.

The sentiment pervades through the entire organization and covers all employees. HRD in such organizations is measured in terms of how seriously employees involve themselves in the affairs of the corporation and how they show responsibility for the tasks they perform. Employees do not wait for instructions from higher levels - they take decisions and consult superiors where they feel help is needed. Emphasis in this approach is on the appropriateness of the managerial systems.

2. Emphasis on Programmes

Most organizations integrate their HRD initiatives with the problem areas identified by them. ITC had need for managers with diverse capabilities for their diversification programme. The initial thrust in their HRD initiatives was appraisal training and decentralization of responsibility for results. The programme spread later to all areas of significance. Crompton Greaves had need for geographical dispersal and emphasized role c1arity and autonomy at managerial levels.

E.I.D. Parry likewise had to rehabilitate the company from a state of sickness and felt that building up the employee morale and trust in management were necessary. They initiated several policy measures and started intensive training programmes from higher to lower levels of management. Their effort was to create a family-like relationship which inc1uded concern for helping families to solve their problems such as family budgets, alcoholism and the like. The management clearly articulated the goal, but the programmes to achieve .the purpose developed as the need was felt and the problems got identified. In all these efforts three aspects are common:

  I1. The management felt that employee-orientation is necessary for organizational improvement.

  II. The managers widely shared faith in the capability of employees.

  III. Active Involvement of employees in the programme was considered essential by management.

3. Emphasis on Leader Behaviour

Leader behaviour is important in any organizational programme. In some situations, however, leader behaviour regarded as the central feature· of HRD initiatives. In the literature this is referred to as transformation leadership. 5ingh and Bhandarkar (1990) provide detailed studies of leaders who were able to transform their organizations by extraordinary personal involvement. Examples given are hat of Russi Modi in TISCO who enthused pe9ple at all levels to set high goals of achievement and provided continuing encouragement to achieve results. Similar examples are given of S.V.S. Raghavan at MMTC, Sinha at Western Coalfields at Pench, S.N. Jain at National ferti11zer and S.P. Sharma at IFFCO. Phulpur. In all these Examples the transformational leaders are able to create through personal leadership an environment in which employees could improve their capabilities and achieve an impressive

growth. Their strategy consisted of enabling employees to do what they are capable of doing by removing obstacles that prevent them from doing their lest, and by recognizing their achievements and encouraging them in this direction.

In practical terms, the design of HRD interventions I'i1l have to take four aspects into consideration:

1. What managerial practices would create an environment of growth for people in the organization. This refers to creation of HRD environment.

2. What are the organizational imperatives, which can best be handled by involvement of people. This refers to identification of organizational priorities.

3. How should HRD interventions be integrated into the work system so that they become an integral part of the work organization? This refers to developing a way of life, a philosophy of working.

4. How should the effectiveness of the programme be measured? This will enable the programme to remain dynamic.

The designer of HRD interventions has to conceptualize the organizational problems and identl1Y what kind of social interventions would help to solve these problems. In most critical areas the intervention strategies will have to initiate simultaneous action at organizational, departmental and individual levels.

The diagnosis of problem and the approach to HRD would have to consider the total enterprise though planning of action may be carried out in appropriate stages. Indeed action to improve all aspects of the organization at one time could, in most cases, be counter-productive.

This does not mean that the overall plan should be frozen because experience of operating the programme may suggest changes that can lead to rethinking about some aspects of the programme. But it is necessary that the initial plan has the perspective of the totality, and different components of the plan should emerge from and fit into the total programme.

Lastly, the implementation strategy would have to be thought through in detail. Understanding of both the concept and the programme by managers in key managerial positions is necessary. A major difficulty in many organizations is that they have a history of confrontation rather than a balanced relation-ship or a strategy of consensus building. Consensus on the goals of HRD is difficult to develop in some organizations because of mutual suspicion caused by the strategy of confrontation on the part of both the management and the union. At corporate level this aspect will have to receive special attention. The other handicap is that the goals of human development are seen to be abstract and seem unrealistic to many. It is only through experience that conviction in. the programme develops. I think an experimental approach is necessary for the programme to mature and for conviction about it to grow widely among people. The most difficult part of implementa-tion in most organizations is the scepticism that people have about intentions underlying such programmes. These aspects can be handled through a continuous dialogue and discussion. It is, however, necessary to deal with these aspects because

change in the minds of men is possible only through questioning.

Different people in the organization would have different concerns. They would have to be identified. St»me of the common concerns are likely to be the following:

(i) Need for knowing more about the programme and the rationale

(ii) Personal anxieties caused by feelings of inadequacy, disbelief, distrust and the like.

(iii) Genuine disagreement with the approach.

(iv) Organizational practices that discourage action.

The implementation strategy would have to identify these and other problem areas and effectively deal with them. It w1ll need patience, understanding and perseverance to manage the programme. ,

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LESSON 14:
HRD IN INDIAN INDUSTRY

Learning Objectives

Article on Emerging HRD in theory and practice approach

Article

Toward A Critical HRD in Theory and Practice

Adult Education Quarterly; Washington; May 2004; Tara J Fenwick

Abstract

Drawing from critical management studies and critical pedagogy, this article proposes principles and practices to support the emerging critical human resource development (HRD) field as one stream among existing theories and practice of HRD. A critical HRD would challenge the subjugation of human knowledge, skills, and relationships to organizational or shareholder gain and focus on transforming workplaces and HRD practice toward justice, fairness, and equity. Because both HRD practices and critical perspectives themselves are so diverse, a critical HRD must be formulated in sufficiently broad terms to encourage a variety of conceptual developments including discursive, gendered, material-ist, and anti-racist lines of analysis. Theoretical dilemmas of a critical HRD are discussed, such as ideological contradictions between the radical orientation of critical theory and the managerialist or performative frames to which much HRD practice is accountable. Possible configurations of a critical HRD are described, as these might play out in contexts of HRD practice. [PUBLICATION ABSTRACT]

Keywords: human resource development; critical pedagogy; critical management studies; work place learning; emancipatory learning; neflexivity

The field of human resource development (HRD) practice and research describes itself as emphasizing three major areas in workplace organizations that arguably overlap adult education's focus on learning: training and development, career development, and organizational development (De Simone, Werner, & Harris, 2002). Indeed, schools of education are where HRD programs boast the fastest growing enrollment (Kuchinke, 2002). However, adult education theorists have taken up an antagonistic position to the HRD field through a sustained attack from diverse critical perspectives. But what if these energies were diverted to support a space within HRD to nurture critical questions about power, interests, and equity and to articulate critical challenges of oppres-sive organizational structures and knowledge legitimation? A critical HRD stream would not presume to supplant existing conceptions of HRD in a totalizing fashion but would develop as one among the multiple paradigms coexisting in this pluralistic field. A critical HRD might even open a middle space in schools of education-a site where those committed to critical perspectives in adult learning, workers' lives, organization studies, leadership, and human development could inform and support one another's research and practice. In this middle space, critical adult educators might find fruitful alliances with their HRD colleagues toward just, equitable, life-giving, and sustainable work.

Existing Critiques of HRD

Critics of HRD challenge the field's supposed allegiance to human capital theory (Baptiste, 2001; Coffield, 1999; Collins, 1991), the consequent commodification and subjugation of human development to exploitive organizational interests (Cunningham, 1993; Fenwick & Lange, 1998; Hart, 1992; Howell, Carter, & Schied, 2002; Spencer, 2001), and the concomitant deployment of HRD technologies wielding soft control through surveillance, classification, normalization, deficit assumptions, cultural engineering, workers' self-regulation, and learning demands (Fenwick, 2001 ; Schied, Carter, & Howell, 2001 ; Townley, 1994). There is also a certain "preemptive cringe" (Coffield, 1999) of critics toward any project appearing to merge learning with market or managers.

The HRD critique has been voiced so many times in adult education literature with so little opening for dialogue or future possibilities that some deadlock has resulted. Critics justifiably have been accused of limiting their diatribes to the converted; furthermore, they are often removed from practical difficulties of organizational dynamics and insulated from difficult debate with business and management interests (Alvesson & Willmott, 1996). Graduate students of HRD are presented with an apparently unbridgeable schism between academic critical theorizing and employment as HRD practitioners in organiza-tions. Furthermore, erroneous assumptions of an identifiable HRD have created an illusionary entity that is unified and fixed as an impenetrable opponent-a perspective that fails to recog-nize its heterogeneous and fluid character.

Yet HRD theorists have themselves noted problems in their periodic reviews of the state of the field. Although multiple theoretical paradigms have emerged in HRD literature including psychological, intervention, and systems or complexity perspec-tives as well as economic theory (Ruona & Lynham, 1999; Swanson, 2001) and although the profession increasingly incorporates notions of ethics, integrity, and sustainability (Hatcher, 1999; Lee, 2001; Swanson, 2001), some conclude that HRD research still is dominated by a positivistic paradigm. In 1998, Chalofsky argued that HRD had yet to reach the level of a mature profession because practice was based on guesswork, outdated thinking, or what the client wants rather than on research-based theories. More recently, in setting out current challenges facing the HRD profession, Short, Bing, and Kerhahn (2003) conceded that, despite their commitments to ethical engagement and socially responsible workplaces, HRD professionals are more than ever expected to deliver shareholder value through employee performance.

In their review of 600 articles presented to the Academy of Human Resource Development (AHRD) from 1996 to 2000, Bierema and Cseh (2003) concluded that HRD focuses little on

issues of social justice in the workplace or larger social context. Women's experiences as well as those of other diverse groups is [sic] ignored, as are asymmetrical power arrangements. Gender/race/ethnicity is not used as a category of analysis-even when data are collected by gender. Organizational "undiscussables" such as sexism, racism, patriarchy, and violence receive little attention in the literature yet have considerable impact on organizational dynamics. Finally, HRD research has only weakly advocated change, (pp. 23-24)

Bierema and Cseh (2003) ended with a call for critical perspectives in HRD practice and research: for greater focus on how HRD might reproduce power relations in organizations, for questions about who benefits from HRD, and for strategies that address gender and equity issues. The first explicitly critical session at an AHRD conference was held in 2002 with the intent of unpicking assumptions and challenging "the predominantly performative and learning-outcome focus of the HRD field" (Elliott & Turnbull, 2002, p. 971). The U.K. Critical Management Studies (CMS) Conference inaugurated a human resources management stream in its 2003 annual conference; the call for articles expressed puzzlement that HRD "has largely slipped outside the gaze of critical management analysts," particularly given "its multifaceted and ubiquitous nature" (CMS, 2002, para. 3). Presenting at that conference, Sambrook (2003) argued the importance of bringing discourses of "being critical" to bear among current conflicting eclectic discourses of HRD without privileging the critical iconoclast pitted against the HRD "other."

The purpose of this article is to support and amplify these nascent beginnings. Given that HRD writers describe their field as "in search of itself (Kuchinke, 2002), a "becoming" rather than a static ontology (Lee, 2001), the conditions appear to be fertile for encouraging a stream of critical HRD. This is not an act of reifying HRD; the HR field is already well established and growing and appears committed to a continuous self-critical search for discriminating and robust theories and practices.

Defining Critical

Obviously, the meaning of critical requires definition. In analyzing the confusion resulting from proliferation and fragmentation among diverse critical perspectives in organization and management studies, Antonacopoulou (1999) synthesized common themes into the following definition: providing voice for the repressed and marginalized, exposing assumptions and values, revealing the use of power and control, and challenging inequities and sacrifices made in the name of efficiency, effectiveness, and profitability through a self-reflexive critique of rhetoric, tradition, authority, and objectivity. This position obviously draws from ideology critique but also reflects feminist and poststructuralist emphases on difference, equity, and language and pursues organizational democracy rather than revolutionary social change. In a similar vein, Brookfield (2001) integrated ideology critique with pragmatism in his definition of a critical theory of adult learning. The central concern, he concluded, is "to democratize production to serve the whole community, and ... to reconfigure the workplace as a site for the exercise of human creativity" (Brookfield, 2001, p. 5). This is a project requiring a "defensive flexibility" and "a self-

critical, self-referential stance" (Brookfield, 2001, p. 5). These dimensions of challenging ideology, recognizing hegemony, and unmasking power with self-reflexivity, pragmatic flexibility, and purposes of democratic reform advocated by Antonacopoulou and Brookfield are at the core of what is meant by critical in this argument.

The following discussion proposes principles and examples to continue the dialogue toward a critical HRD space that might invite participation of both critically minded HRD professionals and adult educators. But because HRD is a of practice, this discussion also must undertake to confront the enormous difficulties and deep contradictions of enacting critical HRD in contemporary organizations. These difficulties largely may be anticipated in what many would argue are the diametrically opposed interests of working people (labor) and organizations/management (capital). The fundamental contradiction of melding an emancipatory perspective with a practice embedded in the exploitive labor relations of a capitalist market may ultimately mitigate against a sustainable field of critical HRD. However, as will be argued later, there are sufficient if infrequent examples of critically oriented development work going on now in organizations to suggest that sites of critical HRD already exist in practice if not in name, however peripherally. Furthermore, recent work in CMS suggests radical shifts under way in rethinking management, work, knowledge, and certainly organizations. A critical HRD would contribute a necessary perspective to this work and derive strength from it toward the continuing reconceptualization of developers entangled within the complexities of workers' lives and organizational webs.

Toward a Critical HRD: Some Foundations

Precedents for a critical approach to HRD exist in CMS, a small but vigorous field within management research and education (Alvesson & Wilmott, 1996; Clegg, 1989; Fournier & Grey, 2000) that challenges fundamental inequities, oppression, and violence in organizations wrought through the apolitical, economically focused, instrumental, and unitarist reasoning of mainstream management science. CMS remains marginalized in the United States, argued Grey and Willmott(2002), pointing to the historical "grip of positivism" (p. 414) and lingering aversion to Marxist thought in U.S. management research. However, outside the United States, notably in the United Kingdom, Europe, and Australia, CMS is becoming a distinctive institutionalized movement, evident in its widespread installment in business schools of the academy and "a proliferation of conferences, workshops and textbooks utilizing the banner of CMS" (Grey & Willmott, 2002, p. 411). CMS is not without internal tensions and practical difficulties, but it appears to have successfully created and sustained a space for activity that its promoters argue to be important: formulating challenges to managerial orthodoxy and organizational inequities, connecting pluralistic critical perspectives committed to organizational democracy, and exploring viable critical practices of management within existing organizational constraints (Alvesson & Willmott, 1996; Fournier & Grey, 2000; Grey & Willmott, 2002). Given certain common interests shared by HRD with organization and management studies, it makes sense to begin the conception of a critical HRD by examining approaches and

dilemmas experienced by CMS while retaining the autonomy and unique purview of the HRD field.

CMS suggests that organizational critique such as a critical HRD can survive if it is located in the academy as a field of study and practitioner education. But given HRD's primary existence as a field of practice, like CMS, a critical HRD stream must also maintain close links with organizational contexts and commitments. Otherwise, critical HRD might relegate itself to railing, elitist disregard for practitioners' knowledge, platitudinous solutions, or research that but swipes the surface of real complexity.

What separates critical from noncritical will remain as contested as it is in management studies, adult education, and other social sciences. Because both HRD practices and critical perspectives themselves are so diverse, critical HRD studies must be formulated in sufficiently broad terms to encourage wide-ranging conceptual developments by focusing on discursive, gendered, materialist, anti-racist, or other lines of analysis. Within this broad rendering of critical studies in HRD, positional distinctions must not be confused. For example, labor process critics or Marxists might argue that anything short of revolutionary action for worker control of the means of production is not emancipatory, others advocating critical social learning and praxis may argue for broader recognition of complex identities and diverse interests beyond class, and poststructural critics might contest altogether such realist assumptions about organizations for ignoring the discursive construction of workers, production, and emancipation.

This same theoretical pluralism flourishes in CMS, a pluralism that Fournier and Grey (2000) characterised according to two main lines of tension. One is essentially an ontological tension concerning the nature of power: Unresolved tensions fuel continuing debates between those arguing for a materialist understanding of power based on Marxism and those devoted to more discursive analyses of circulating cultural power. Another tension concerns the nature of scholarly engagement with practice. Fournier and Grey showed that although CMS writers argue over whether a pragmatic orientation dilutes critical integrity or whether a purist academic stance is self-righteously elitist and insular, practitioners juggle uncomfortably with both pragmatism and purism. Obviously the conflicts between and within critical orientations are more complex and far reaching, but a full explication of these is not germane to this argument.

Suffice to note that among these orientations, certain common principles may be advanced for a critical HRD. Drawing from CMS and critical pedagogy, a twofold position is proposed. First, a critical HRD fundamentally opposes the subjugation of human knowledge, skills, relationships, and education to organizational gain and goals that are primarily economic or instrumental. Second, a critical HRD is devoted to the transformation of organizations and HRD practice toward, in Kincheloe's (1999) view, a more just, equitable, life-giving, and sustainable workplace. Working from these two principles, the following four dimensions are proposed for a critical HRD as a site for study and practice:

1. **Political purpose:** organizational reform for justice, equity, and participation. The primary purpose of a critical HRD

would be reform-of both workplace organizations and development practices directed toward individuals and groups. Although this is not unique within HRD studies and conduct, a critical HRD would work toward reform aligned with purposes of justice, equity, and participation. Specific purposes might advance social transformation through naming mechanisms of cultural power, fostering resistance, and supporting collective action. A primary first step in such reform is to help expose and reverse those dimensions of HRD theory that may be complicit in unjust, inequitable, or life-draining commodification of human minds and souls.

2. **Epistemology:** workplace as contested terrain. In a critical HRD, workplace organizations are conceptualized as contested terrains of relations and knowledge concealed by unitarist illusions of homogeneous identities, alignment between worker/manager interests, and false naturalization of imperatives such as globalization, competition, and performativity. Social and organizational positions crisscrossed by different genders and sexes, knowledge, ethnicities, generations, histories, and cultural commitments are carefully examined. This diversity is not cast as difficult people requiring management but understood as the source of both organizational ingenuity and sustainability as well as suffering and oppression.

3. **Inquiry:** focused on power and history. Explanations of human or organizational development in a critical HRD would center on power and control issues and seek to understand how sociopolitical processes historically have come to constitute elements that appear to comprise structures that appear inevitable: performance measurement, human development, and shareholder value.

4. **Methodology:** exposure, iconoclasm, and reflexivity. Practices to be encouraged through a field of critical HRD would expose and challenge prevailing economic ideologies and power relations constituting organizational structures of inequity. Familiar critical questions about whose interests are served by development, how knowledge is constructed, what knowledge counts, and who influences its assessment would underpin pedagogical activities. Reflexivity, both philosophical and methodological, is central to critical perspectives to challenge the ironies of those committed to equity imposing emancipatory efforts on the so-called oppressed as well as exposing the controlling apparatuses normalized in existing HRD technologies.

To pursue a critical human (resource) development, these dimensions must somehow be brought together with the broader HRD objectives of individual development, organizational development, and career development within workplace organizations. This is where the most difficult questions emerge about the viability of critical HRD.

Dilemmas of a Critical HRD
Several dilemmas immediately appear in constructing theoretical and practical foundations for a critical HRD stream that enacts these purposes of justice, equity, and participation; assump-

tions of the workplace as contested terrain; inquiry focused on power and history; and methodologies of exposure, iconoclasm, and reflexivity. These dilemmas are threaded across all four dimensions, for in theory and practice, political purposes, epistemological assumptions, inquiry foci, and methodological approaches become blended. The following discussion of dilemmas, therefore, treats these four dimensions as integrated.

Contradiction of performance orientation with critical purposes and methods. A glaring dilemma exists in the signifiers comprising HRD, as Schied (1995) and others have long pointed out, that reflect the origins of HRD as performance enhancement. Humans objectified as resources, argued Schied, are continually reconstructed in an exploitive and alienating relation with their so-called developers. Furthermore, development signifies a hierarchical rather than cooperative relation where the other is constituted in the developer's gaze as progressing from incompleteness to wholeness. In the tradition of HRD, this process has been driven by organizational performance needs and conducted through technologies of control, as Townley (1994) described HRD practices. Radical commitments denounce this hierarchical management of human learning and subjugation of human lives to organizational productivity and support worker-centered definitions of meaningful work and growth. Furthermore, radical educative approaches aim not to develop humans' exchange value but to liberate them from exchange relations. This liberation is not conducted through imposed technologies but through participatory dialogues in dialectic with collective action. Thus, there appear to be profound ideological contradictions between the radical orientation of critical dimensions and the performance-development orientation of much mainstream HRD practice.

Potential subversion or appropriation of radical purpose, inquiry, and methods. Perhaps worse, critical practice may be subverted by being domesticated through management declarations of support for nonhierarchical structures and continuous learning to explain reengineering efforts. This is most evident in populist management literature positioning itself as resistant to rationalization, hierarchical authority, and control-and-compete models but advocating instrumental reengineering that, in fact, reifies the old problems of inequity and undemocratic power relations. Radical calls for change are lost when confined to spaces for so-called worker voice without substantive avenues for change or used as yet another tool to subjugate workers (as in the use of worker confessionals presented as so-called democratic dialogues). As Gee, Hull, and Lankshear (1996) noted, workers are usually quite constrained in terms of the actions they could take, the decisions they could make, and the influence they could have despite organizational resolves for empowered, self-directed teams and a thinking workforce. Amid prevailing structures of authority, critical practice can be quashed by punitive management measures. Further, empowerment as a concept has long been co-opted in popular management literature for purposes of building human capital. Those exercising empowerment outside core values and prescribed procedures soon discover the tight leashes and potential backlashes under girding rhetoric calling for organizational transformation.

Incommensurable assumptions. Some critical theorists (i.e., Hoist, 2002) might argue that emancipatory educative practice within capitalist institutions is completely untenable and that what emerges would always be a domesticated shadow of critical struggles against oppression, exploitation, and inequity. Others arguing the same incommensurability but with different intents have shown that trying to pursue a critical practice within organizational contexts is inordinately difficult, and they point to legions of wounded warriors who have tried (Brooks, 2002).

It is all very well to say that critical studies and practice should be married, but without further theorizing of fundamental contradictions and their political play in workplace organizations, little may be gained except perhaps further disillusion or duplicity. A critical HRD must address these very contradictions by drawing from critical studies already flourishing in professional fields of economics, management, law, and social sciences for insights and hope. At the same time, critical HRD must align itself with people's needs and experiences working in organizations. To disengage from practice, confining critique to the academy or to carefully controlled research that samples but does not involve practitioners and their knowledge, is to commit the old sins of hermetic scientism. Those who might defend such an exclusive posture in the name of intellectual integrity still must find ways to understand the complex relations and needs of workers and to move beyond naive prescriptions.

Inadequacies of critical conceptualizations. A further dilemma may be anticipated through contemporary critiques of critical educative approaches. These have highlighted the inadequacy of conceptualizing singular groups in the workplace intentionally wielding domination and control or understanding clear binaries to separate managers and workers as if these were unitary and fixed positions. In the workplace, these assumptions are insupportable amidst complex variations in interests and power produced by occupation, education, language, race, gender, sexual orientation, and so on. It is more difficult than it may seem to point to clear centers and peripheries in organizations or power situated unambiguously in any one position. Too often managers are portrayed as homogenous or unproblematically as the oppressors. The fixed, rational agent-subjects upon which much critical theory rests have been persuasively contradicted both by theoretical postmodern critique (Edwards & Usher, 2000) and by the increasing workplace flexibility of jobs, identities, and knowledge.

Finally, emancipatory educators assuming powerful positions as self-elected social doctors are generally accepted to be a significant problem within critical theory itself. As Alvesson and Deetz (1996) pointed out, "The irony of an advocate of greater equality pronouncing what others should want or how they should perceive the world 'better' is not lost on either dominant or dominated groups" (p. 195). Feminist educators in particular have shown the patriarchal relations that can be reproduced in critical education. In some ways, the zealous critical educator is no less presumptive or damaging in terms of fostering human well being, learning, and liberation than the well-intentioned HRD practitioner.

Potential dilution of critique in practice. In CMS, this dilemma is voiced in debate between those advocating for developing a practical critical agenda and those worried that such engagement dilutes the critical project. Among those seeking a practical agenda are Grey and Willmott (2002) who asserted that the point is to transform management practices in tandem with transforming business schools, encourage managers and students to think critically about leadership, and show opinion leaders (politicians, policy makers, regulators, and senior executives) how critical analysis reveals contexts and configurations of work organizations within global and national political economies. Alvesson and Willmott (1996) argued that engaging critical theory within organizations helps avoid replacing old, instrumental, unitarist management dogma with new critical ideology. Critical projects worked through messy organizational realities also avoid, wrote Alvesson and Willmott, a theoretical tendency toward simplistic iron-cage depictions of organizations or broad Utopian visions that ignore micro-problems and possibilities persisting in organizations.

In addressing the difficulties of enacting a critical theory of adult learning in sites such as workplaces, Brookfield (2001) suggested reengaging the ideology critique of critical theory with pragmatism focusing on the experimental improvement of contemporary conditions. His argument is that the latter's unanticipated contingency and openness to continuous reformulation helps ensure the flexibility and responsiveness of critical practice to its circumstances such that it neither establishes a new orthodoxy nor neglects its own reflexivity. Although critics worry that the contexts of practice are inherently conservative or promiscuously eclectic, thus returning us to the problematic possibility of eroding the power and integrity of critical practice, Brookfield asserted that a critical pragmatism offers a "flexible pursuit of beautiful consequences" (p. 20). In the context of work, these might include democratized production and a workplace reconfigured for freedom and human creativity constructed through multiple experiments, ways of reflecting, and focuses of critique.

Practical difficulties of implementing critical HRD. However, the question of how to integrate critical theory with organizational practice continues to cause trouble. Fournier and Grey (2000) identified three themes to guide practice within CMS that suggest fruitful directions for the concrete practice of critical HRD. Non-performative intent is the first, questioning the alignment between knowledge, truth, and efficiency. Performativity means, following Fournier and Grey's interpretation of Lyotard, "the intent to develop and celebrate knowledge which contributes to the production of maximum output for minimum input" (p. 17). Although some may argue that performativity actually structures organizational existence, Fournier and Grey were most interested in highlighting their argument that "noncritical management study is governed by the principle of performativity which serves to subordinate knowledge and truth to the production of efficiency" (p. 17). second is denaturalizing mainstream management theory and mainstream understandings of existing social and organizational arrangements, division of labor, and management authority as natural and inevitable. Third is reflexivity, which, when exercised continually by critically educated managers, may

help germinate more liberating practices and more widespread critical cultural analyses of existing conditions. Specific possible enactments of these three in HRD activity will be discussed further on.

In fact, a critical HRD may experience fewer contradictions and peer disparagement than CMS in undertaking the agenda that CMS is attempting to pursue. After all, human resource developers are in a different position than management in most organizations-they often have more immediate formal commitment to worker well-being and their interests are not directly tied up with preserving control or current hierarchical relations. Furthermore, the tradition that HRD has established for itself in its brief history is a fluid coupling of academy-based theorizing and knowledge production with organizational practice and experimentation. Indeed, this very fluidity may have contributed to a certain vulnerability of HRD as an academic discipline perceived with skepticism and even open attack by other disciplines.

New Configurations: Critical HRD in The Workplace

Nonetheless, the survival of a critical HRD is not possible without clear strategies, mindful of the considerable dilemmas, for defining and constructing critical practice within the workplace. What might notions of emancipatory and radical actually look like when linked with individual, career, and organizational development? As a practice, critical HRD is difficult to envision fully without dissolving into Utopian prescriptions. However, sufficient concrete examples of critical workplace practice exist, as reported in the fields of CMS, labor education, and critical workplace education, to suggest a viable way forward. Four approaches will be outlined here: emancipatory action learning, emancipatory projects, critical workplace education, and HRD reflexivity. These approaches illustrate in different ways Fournier and Grey's (2000) notions of nonperformativity, denaturalization, and reflexivity.

One of the most common approaches to critical practice in organizations currently being debated are forms of emancipatory action learning.' Loosely based on a combination of Freirian-like problem posing and action learning (where groups learn through collaborative problem-solving processes of naming, analyzing, exploring action-based solutions, and critically reflecting), studies of emancipatory action learning (Alvesson & Willmott, 1996; Foley, 2001) have shown its potential for both individual workers' critical assessment of oppressive or unfair work conditions and organizational improvement through action to address these conditions. Furthermore, the facilitator in emancipatory action learning is interpolated in the group as a collaborative participant rather than as an authoritative assessor and prescriber, which flips the gaze and direction of HRD toward the collective and away from individual development.

Although inspirational in hypothesis, such a stance has proven difficult in practice, sometimes reinforcing existing powerful interests or further subjugating workers to organizational needs without assiduous reflexivity. The protocols of action learning were originally formulated to serve organizational purposes of productivity and efficiency, sometimes even employing manipulative techniques akin to workers' public confession (Schied et

al., 2001). Projects also must avoid excluding workers at lower ends of organizational hierarchies, whose work may be more highly routinized and training opportunities more prescribed. Furthermore, in some environments that are particularly nonconducive to radical projects, managers may invoke punitive measures. So-called emancipatory action learning may reinforce workers' coercion without enabling real voice while keeping them further in the dark about their organizational position.

Thus, caution and reflexivity are demanded of practitioners. In examples offered by Foley (2001), it is clear that non performative intent (as Fournier & Grey, 2000, defined it) is essential in emancipatory action learning. That is, the organizational problem-solving focus of conventional action learning needs reversal to emphasize such dimensions as equity, fairness, job conditions, and politics of knowledge legitimation that are embedded in problems of organizational bottlenecks and communication blockages. Willmott's (1997) examples show that a non elitist version of emancipatory action learning is possible when conducted flexibly and reflectively through multiple experiments and varying collaborations.

Examples also exist showing how small, locally focused projects can combine pragmatic action and critical analysis to denaturalize existing relations and promote more just, life-nurturing organizations. Meyerson's (2001) work on small wins and tempered radicalism reports many instances of strategic actions launched by individuals or small groups of individuals such as directly challenging meeting protocols that favor dominant voices. These small wins effectively interrupted everyday organizational events, challenged naturalized inequities, and brought forth change without risking severe consequences to individual jobs and well-being. Alvesson and Willmott (1996) argued that this sort of micro-emancipation as they term it-that is, small projects that target specific oppressive practices-does catalyze change toward more just organizational structures. As an example of the complexities of such work, Meyerson and KoIb (2000) described a participatory feminist project they undertook to both promote gender equity and to increase organizational effectiveness. They reported great difficulty in sustaining their critical gender focus for reasons related as much to research design as to underestimation of powerful organizational discourses. Yet the researchers' analysis revealed partial success in their critical agenda. Of their three-layered approach of critique (of dominant gendered discourses and processes), experimentation (with concrete changes to interrupt gendered practices and improve work effectiveness), and narrative generation (constructing collective stories of the change process), the narratives opened a fruitful site for critical learning. Both workers and some managers participated in critical questioning of these collective narratives and then generated subversive narratives and alternative scenarios that moved toward some initial changes in gendered organizational structures.

Tosey and Nugent (1997) offered another example of a micro-emancipatory project. Their study showed how a shift from problem-focused to critical inquiry-focused forms of action learning helped transform the management team of a failing small manufacturing company to think creatively about strategy and to change the way they related to one another to be more supportive, caring, and challenging. These examples do not attempt radical transformation of existing structures approaches but suggest that critical practice may require selective trials in small spaces of particular organizations.

The practical barriers as well as the possibilities of doing critical HRD can be also glimpsed through the practices of those who are already doing critical workplace education. Their analyses of this difficult work point to the tensions of questioning structures within organizations focused on measurable outcomes and the openness to questioning of those footing the bills for workplace education. Nash (2001), for example, described her participatory approaches to workplace literacy education as a delicate negotiation of liberatory activities within existing workplace and training structures. She wrote, "Use every opportunity to inquire about how the workplace runs and how it affects our lives" (p. 190); for example, when mapping workplace processes, have learners investigate why work is organized the way it is, what history and priorities it reflects, and what imaginative alternatives might be generated. Like Nash, Barndt (2001) described critical education with workers in terms of emphasizing connections as well as encouraging people to work participatively to name their conditions and to make their worlds by reclaiming production. Barndt's practice engaged people in participatory photo-story making in contexts such as English education in the workplace. Tensions of this work are inevitable: Barndt detailed these and showed how she engaged them directly and creatively as contradictions. Lakes (1994), another critical workplace educator, showed ways of politicizing vocational education in schools as well as work organizations to empower youths and workers as critical learners and thus as potential catalysts for the democratic transformation of industry. A frequently referenced resource among these and other radical workplace educators is Learning Work in which Simon, Dippo, and Schenke (1991) described critical education through work-based projects and internships rooted in Freirian pedagogy.

The real question to be confronted by those who develop a critical HRD is not if it can be done-examples abound showing that radical participatory development may be undertaken anywhere-but what might be its consequences and whether these are ultimately beneficial. The weighing of consequences is an ethical-moral undertaking, not an instrumental one. So to decide if a practice of critical HRD is possible or sustainable, one must determine how to judge what purposes are most worthwhile, what costs are bearable for these purposes, and exactly what counts as a benefit for the few as well as for the many.

Finally, self-reflexivity is one of the prominent recommendations for HRD reform as a field of theory and practice offered by Townley (1994) in her in-depth poststructural analysis of the subjugation wielded by contemporary human resource practices. In particular, Townley exhorts HRD researchers and professionals to deconstruct the oppressive effects exercised through what are taken-for granted HRD practices: surveillance and thus regulation of workers through performance appraisal and classification, repression of diversity through standardized

measurements and training of workers, and workers' self-regulation promoted through discourses of continuous learning and quality management. all of these practices render workers knowable and thus subject to control in ways that everyone involved accepts as utterly natural. In all of its initiatives for individuals' and organizational development, Townley emphasized that HRD must remain critically attentive to issues of voice, equity, differential interests, and the manipulative power embedded in its own practices.

Perhaps this reflexivity will offer the most important starting point for a critical HRD stream in promoting questions about itself: What does it mean to be human i n an organization? What is wrong with the presumption of developing or managing the development of humans? Who is naturally excluded in such practices? What other ways can humans and their work be understood than as resources for organizations? Living out a critical orientation to HRD in organizational practice as well as in academic study and education is clearly complex. Yet despite the contradictions and difficult negotiations, these complexities appear to provide an important site for the further evolution of organizational, career, and individual development in work and its possible rethinking as part of the radical shifts arguably occurring in the intersected worlds of work, organization, management, and knowledge.

Conclusion

Existing critique of HRD, management, and workplace education has opened important questions and sites for resistance to the more controlling subjugations of human resource technologies. Unfortunately, some of this critique is unfair, inaccurate, or couched in such inflammatory terms that it succeeds only in polarizing all sides. The critical, theoretical underpinning is sometimes blind to its own colonizing agendas and to the heterogeneity of existing HRD theories and practices. This is not to deny that there is much to disparage in certain configurations of HRD. But in the interests of providing a way forward that does not succumb to simple dualities, a critical HRD would take up position as a legitimate stream of human resource research, education, and practice within the broader field of HRD. This stream would dedicate itself to workplace and human resource reform by navigating a difficult meld between central commitments of critical pedagogy and critical social action with the tenets of individual, career, and organizational development in work-based contexts. Critical HRD would pursue activity as a field of study, an approach to practice, and as preservice education, cautious of Fournier and Grey's (2000) warnings about becoming a token voice or "degenerating" into (uncritical) activism, leading to quick dismissal from wider HRD worlds of theory and practice. Sustenance can be drawn from both CMS and critical adult education as well as from political allies in social movements. As Welton (1995) insisted,

The potential of the workplace as a site for emancipatory learning remains at least partially open . . . introducing public spheres of discussion and decision-making into the sphere of socially necessary production [involving] educators arguing for non-coerced, free communication pertaining to the organization, control and purposes of work. (p. 152)

Welton (1995) maintained that such a possibility exists only for a relatively small percentage of employees whose workplaces demand increasingly complex forms of knowledge and call for exercise of autonomy and collective responsibility. If this small percentage happens to be human resource developers acting in various roles (facilitators, planners, boundary spanners, job redesigners), a great deal of influence on other spheres of workers and managers is possible.

Immediately, difficult questions appear that guarantee a rich future of study and experiment. A first task presented by this discussion will be to explore apparent fundamental contradictions between managerial performance and radical orientations neither representing human resource managers as the unequivocal oppressors nor slipping into naturalized illusions of unitary worker/manager interests or the existence of unproblematic safe dialogic spaces among them. Particular vigilance might be needed to keep distant from current soft humanistic management recipes for empowerment-what Alvesson and Willmott (1996) disparaged as "a fatally crippled, ideologically polluted version of 'emancipation' that merits harsh critique" (p. 229).

In pursuing these issues, we might discover fundamental reasons prohibiting a middle space of critical HRD where adult education and HRD could converge. Dialogue across these fields ultimately might be unproductive or near impossible. But in its trial, we venture into unexplored networks that are at least likely to open greater respect and voice for each other's positions, humility for our own myopia, and joint responsibility for shared problems.

LESSON 15:
FUTURE OF HRD

Learning Objectives
- HRD in Indian Industry
- Suggestions to make HRD Effective in Indian Organisations
- Article on Emerging HRD in theory and practice approach

HRD in Indian Industry

Since the early 1970's when the concept of HRD first began to be recognised by some organisations in India, a large number of organisations in the country have begun to display an interest in HRD. While many organisations appear to have simply relabelled their personnel departments as HRD depart-ments or HRM departments to keep up with the fashions of the times, there are some which seem to have done considerable work in setting up HRD systems. On the basis of some studies done on this subject it can be inferred that the main factors behind the setting up of a separate HRD function in any organisation are the philosophy of its top management and the nature of its business. The more diversified the business of an organisa-tion and the more the amount of faith and commit-ment of top management in HRD, the greater is the tendency to set up separate HRD departments. Some important organisations in our country which have introduced HRD are as under:

1. State Bank of India,
2. Bank of Baroda,
3. Larsen and Toubro,
4. Voltas,
5. Crompton and Greaves,
6. Indian Oil Corporation,
7. Steel Authority of India, and
8. Bharat Heavy Electricals.

From a study of 29 business organisations (5 from the public sector and 24 from the private sector) done by the Centre for HRD, Xavier Labour Relations Institute and the National HRD Network in 1987 the following information was revealed:

1. Of the 29 organisations studied, 12 (constituting about 35%) had separate departments to look after the HRD functions as distinct from the traditional personnel administration and industrial relations function. Several others had only named or renamed their departments dealing with the conventional tasks, as HRD or Human Resource Management Departments.

2. The HRD function seemed to receive greater importance by organisations, which had a diversified product range and differentiated multi-divisional structures because out of 6 such organisations as many as 5 had separate HRD functions. No significant relationship was found to exist between the HRD functions and such other variables as ownership (whether public sector or private sector), age (young or old organisation) and size (in terms of number of employees or sales turnover).

3. It was the philosophy of the top management of an organisation which was the main factor behind the setting up of a separate HRD function. Of the 12 organisations, which had separate HRD function, 10 had direct formal linkages with top management. That is, in each of these 10 organisations, the head of the HRD department reported directly to the chief executive or to his assistant.

4. With the exception of training most other HRD activities such as counselling, performance appraisal, etc., were found to be in operation only with regard to the managerial and supervisory cadres. A critical drawback was the failure to involve employee unions in HRD related activities. In the end, it may be said that while a lot of progress has been recorded in the field of

5. HRD in the last 25 years, there is a lot more that needs to be achieved. So far the efforts have largely been limited to large sized profit organisations only. Even here the focus of all HRD activities has been on executive development. Worker development has been mostly neglected. Service sector organisations and government departments still treat HRD as synonymous with training. Organisations in the small-scale sector have not even thought of HRD.

Future Directions

HRD deserves increased attention of both managers and the academicians. HRD in organizations is necessary for effectively coping with changes in the environment, expectations of the new breed of employees, and the need for adjustment to rapid changes in technology. Sustained leadership of organizations is likely to depend on the success of their HRD programmes.

HRD is also important in the societal context. Lack of develop-ment at work is reflected in unsatisfactory re1ationships in the family and society. Alienation at work contributes to growing discontent among the young and a feeling of anger for established institutions, Positive experiences at work are necessary for developing collaborative societal relationships.

Areas of Concern

Considering the importance of HRD for organizations, it is necessary to identify the areas or issues that need examination. Some of these are identified 'here:

What is the difference between traditional personnel functions and HRD? If HRD is merely a change in terminology, the position should be clearly stated. If the two are different, the distinction should be highlighted. Experience shows that even when HRD philosophical reorientation is given to traditional personnel functions, they do not, o_ their own, lead to development of individuals.

An attempt has been made in this chapter to draw the difference between HRD and the traditional personnel functions. I hold the view that HRD will have a greater impact on organizations if it is distinguished from personnel functions. This view is based on the premise that HRD has to be action-oriented and rooted in the problem areas. The scope of HRD is wide and it would be more effective if it is a separate function. The decision to set up HRD as a separate unit will depend primarily on how the programme is conceived and the purpose it meant to serve.

1. Is HRD dependent upon OD? If they are linked. should they be handled simultaneously or sequentially? Would HRD have less impact if it is not linked to OD? From the literature on HRD. the difference between HRD and 00 is not clear (National HRI? Network Papers, 1989).

2. How should operators in routine tasks such as clerical employees be involved in HRD? Does the nature of their, work contain intrinsic motivational factors? Job redesign has been attempted in some places but the exercise is difficult and time consuming. It 1$. unlikely that large organizations will frequently undertake a job redesign exercise. What· are the other ways of adding intrinsicattributes to clerical jobs?

3. How should a common or' shared - philosophy develop in a decentralized, widely spread out organization? If the success of HRD is dependent on the conviction that a manager has about people, what are the most effective ways of developing these convictions in a dispersed area? What are the strategies likely to be more useful in the Indian context? These questions would need serious experimentation by managers and academicians alike.

4. How should management identify an appropria‿e entry point for HRD intervention? What are the diagnostic tools for detemlining the most appropriate strategy for HRD? Singh (1988) has suggested a typology. Further studies in this respect are necessary.

I believe that more organizations are now concerned with HRD than they were a few years ago. I think the difficulty is in translating the concept of HRD into a concrete plan of action. We need in-depth studies and a great deal of experimentation to evolve an appropriate strategy for action

Suggestions by some professionals to make HRD Effective in Indian Organisations:

1. There should be an explicit corporate policy on human resources. The corporate policy on human resources should be stated explicitly, explained down the lines and pursued vigorously. In this connection, it may be interesting to note that in a survey conducted by the Xavier Labour Relations Institute Centre for HRD in 1986 covering 53 organisations it was found that as many as 30 organisations did not have any explicit corporate policy on human resources.

2. The top head should show his commitment to HRD by his actions because actions speak louder than words. His actions may take the following forms:

    (i) He may attend the initial HRD orientation programmes given to line managers;

    (ii) He may periodically review the progress in implementing HRD;

    (iii) He may himself chair the HRD task force; and

    (iv) He may commit a reasonable amount of resources for HRD purposes.

    (v) In the above context, leadership styles may be classified into three categories: benevolent (or paternalistic), critical (or task-centered and theory X type), and developmental (or self-dis-pensing).

A benevolent chief executive is one who is like father figure-a 'giver' and a 'satisfier' of the needs of his employees. He believes that the best way to manage people is by constantly understanding their needs, building them like a parent, giving them instructions and treating them with warmth and affection. He is nurturant, and values relationships at times even at the cost of tasks.

A critical chief executive is one who believes that people are generally lazy and tend to avoid work unless they are closely supervised. He, therefore, tends to keep a close watch on his subordinates, at times reprimanding them or expressing his dissatis-faction.

A developmental chief executive is one who believes in educating his subordinates and making them independent. He believes that the test of his success is in making himself dispensable. According to McClelland such an executive has the following characteristics:

(i) He may attend the initial HRD orientation programmes given to line managers;

(ii) He sets personal example to others;

(iii) He exercises self-discipline;

(iv) He has a keen sense of justice in rewarding those who work and sacrifice for the organisation; and

(v) He builds up good morale and positive culture in his unit by 'empowering' his subordinates.

The first two types of leadership, *viz* **benevolent and critical**, are not conducive for human resource development. Benevolent leadership makes subordinates feel dependent on their leader and critical leadership makes them feel incompetent. Hence these styles should be used only in certain situations or with certain people. The style which should be used generally is the developmental style.

3. HRD needs of the organisation should be seriously examined and an action plan for HRD should be prepared. Organisations usually differ in their needs in respect of human resource development. An infant organisation's needs of human resource development are not the same as those of a mature organisation. In a new organisation where most of its employees are still young and want career paths, there is need to provide more and more opportunities for promotion, advancement, etc. But in an old organisation whose employees have reached the end of their career there is need to check frustration. to develop alternative forms of work satisfaction, retirement assistance, etc. Once the HRD needs of the organisation have been identified, action plans giving details of the

various HRD mechanisms which the organisation plans to use may be prepared.

4. HRD departments should be headed by competent persons and should be placed c/o'e to the chief executive on the organisation chart. Sometimes the tendency is to appoint a person who is not wanted elsewhere as the head of HRD department. This lowers the credibility of HRD function in the organisation and makes people suspect the good intentions of the top head. In fact, only such persons should be appointed as head of this department who have demonstrated their capabilities elsewhere and are of proven reputa-tion and goodwill.

The head of the HRD department should nave direct reporting relationship with the top head. This not only lends importance to the function but also keeps the top head informed about his employees.

5. Conducive climate should be developed. A minimal positive developmental climate is essential for the success of all HRD effort. Some important features of a positive developmen-tal climate are as follows:

   (i) Openness or freedom to express one's ideas and opinions,

   (ii) Collaboration or team spirit,

   (iii) Trust,

   (vi) Authenticity or positive correlation between words and actions,

   (v) Autonomy or certain degree of freedom of action for each individual, and

   (vi) An interest in confronting issues and solving them rather than hiding them.

   HRD efforts not only promote the above type of climate but also depend on it for their success. Hence periodical surveys may be carried out to examine changes occurring in this climate. Feedback from such surveys could be used to change HRD activities in subsequent years.

6. Heads of various departments which are dealing with HRD efforts should be en-couraged to share their experiences and develop professionally. Behavioural knowledge is, growing every day. New frontiers are being reached in the realm of performance appraisal, training, O.D., etc. Hence it is essential that instead of each unit in the organisation separately rediscovering the wheel all units pool together their experiences and learn from each other. The HRD Network recently set up in our country can serve as a good common platform for this purpose. Every organisation can write about its HRD experiences in the Newsletter which is brought out by the Network. The Indian Society for Applied Behavioural Sciences can help in developing process competencies in HRD managers.

Following are the addresses of some important professional bodies:

1. Na/ional HRD Nerwork-pubJishes HRD Newsletter

   Add: Secretary, National HRD Network. ECE House. 28-A. K.Q. Marg, N.D.-tIOOOI.

2. Indian Society' for Training and development-publishers II Journal: Indian Journal for Training and Development.

   Add: ISTD, B41, Institutional Area, New Mehrauli Road. New Delhi-IIOOI6

3. Indian Society for Applied Behavioral Science.

   Add: ISASS, C/o BHEL HRD Institute, Jeevan Tara Building 5, Sansad Marg. New Delhi-IIOOOI.

4. National Institute of Personnel MCI/Jagernem-publishes a Journal Add: NIPM, 45-Jhowtala Road. P.B. 10275. Calcutta-7000t9

5. Indian Society Individual and Social Development.

   Add: ISISD. Sudeep. Navneet Park, Polytechnic. Ahmedabad-380015

LESSON 16:
HRD INFLUENCE ON EMPLOYEE BEHAVIOUR

Learning Objectives:

- Framework for the HRD process

- Employee Behaviour

Today let us discuss more on HRD instruments. Before that, lets see the framework for the HRD process.

A Framework for The HRD Process

HRD programs and interventions can be used to address a wide range of issues and pI'o5tetm_iKjili 6rgatd_tiori, They are used to orient and socialize new employees ip_,_as:iN:tatioi1, provide skills and knowledge, and help individuals arid group:sbeconit!"tnOte effective. To ensure that these goals are achieved, care must be,.ta_h. when designing and delivering HRD programs.

Designing HRD interventions involves a process, which includes a four-step se-quence: needs assessment, design, implementation, and evaluation. For ease of memory, this can be referred to as the "A DImE" framework (assess, design, im-plement, and evaluate). In this book, we will use this four—phase process approach to describe HRD efforts: needs assessment, design, implementation, and evalua-tion (see Figure 1_5).52

Needs Assessment Phase

HRD interventions are used to address some need or "gap" within the organiza-tion. A need can either be a current deficiency, such as poor employee perform-ance, or a new challenge that demands a change in the way the organization oper-ates (new legislation or increased competition). For example, in 1997, when the extent of sexual harassment and sexist behavior in the U.s. Army became dear, the Anny added

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one week to its eight-week basic training for new recruits to provide training in the values that the Anny felt were necessary to end this behavior and ensure that its mission will be fulfilled. Similarly, in the 1980s, it became obvious to the Ford Motor Company that the poor quality of its cars and trucks was a major reason the company was losing market share to foreign competitors. In re-sponse, Ford boosted spending on HRD programs to train employees in quality improvement and problem-solving techniques.

Identifying needs involves examining the organization, its environment, job tasks, and employee perfonnance. This information can be used to:

- Establish priorities for expending HRD efforts

- Define specific training and HRD objectives

- Establish evaluation criteria

Design Phase

The second phase of the training and HRD process involves designing the HRD

program or intervention. If the intervention involvessometypeof training or devel-opment program, the following activities are typically carried out during this phase:

- Selecting the specific objectives of the program

- Developing an appropriate lesson plan for the program

- Developing or acquiring the appropriate materials for the trainees to use

- Determining who will deliver the program

- Selecting the most appropriate method or methods to Conduct the program

- Scheduling the program

Once the assessment phase has been completed, it is important to translate the issues identified in that phase into clear objectives for HRD programs. This should also facilitate the development of clear lesson plans concerning what should be done in the HRD program. Selecting the proper person to deliver the HRD pro-gram is also an important decision, and it can be difficult, depending on the re-sources available. If the organization employs a group of full-time HRD profes-sionals, the choice will depend largely on the expertise and work schedules of those professionals. However, if the organization does not have an HRD staff, it will have to rely on other people, including managers, supervisors, coworkers, or outside consultants. Using such individuals raises a host of issues, including their willingness, ability, and availability to train, as well as cost issues.

The design phase also involves selecting and developing the content of the pro-gram. This means choosing the most appropriate setting for the program (on the job, in a classroom, online, etc.), the techniques used to facilitate learning (such as
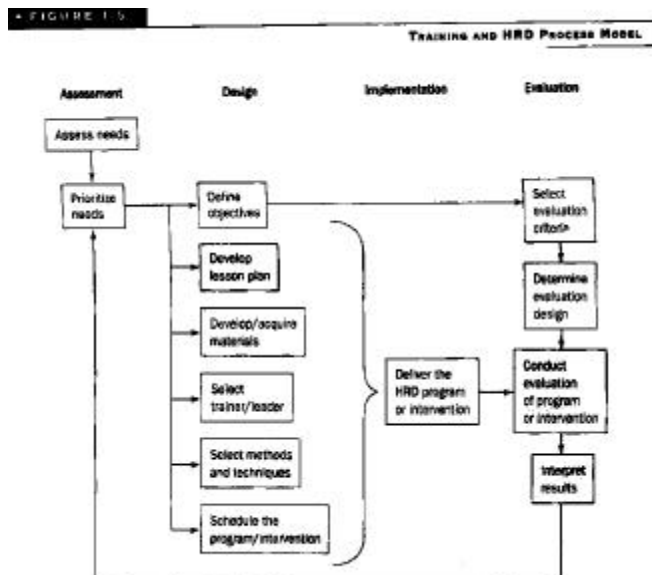
lecture, discussion, role play, simulation), and the materials to be used in deliver· ing the program (workbooks, job aids, Web-based or Web-enhanced materials. films, videos, PowerPoint presentations, etc.). Inherent in these decisions is the issue of whether to develop the program in-house or purchase it (or parts of it) from an outside vendor.

Implementation Phase

The goal of the assessment and design phases is to implement effective HRD pro-grams or interventions. This means that the program or intervention must be de-livered or implemented, using the most appropriate means or methods (as deter-mined in the design phase). Delivering any HRD program generally presents numerous challenges, such as executing the program as planned, creating an envi-rorunent that enhances learning, and resolving problems that may arise (missing equipment, conflicts between participants, etc.).

Evaluation Phase

Program evaluation is the final phase in the training and HR'D process. !his is where the effectiveness of the HRD intervention is measured. This is an important but often ignored activity. Careful evaluation provides infonnation on participants' reaction to the program, how much they learned, whether they use what they learned back on the job, and whether the program improved the organization's ef-fectiveness. HRD professionals are increasingly being asked to provide evidence of the success of their efforts using a variety of "hard" and "soft" measures, that is, both bottom line impact, as well as employee reaction.53 This information allows. managers to make better decisions about various aspects of the H'RD effort, such as:

- Continuing to use a particular technique or vendor in future programs

- Offering a particular program in the future

- Budgeting and resource allocation

- Using some other HR or managerial approach (like employee selection or

- Changing work rules) to solve the problem ,"

It is important that HRD professionals provide evidence that HRD progtams im- . prove individual and organizational effectiveness. Armed with this informatidn, HRD managers can better compete with managers from other areas of the organiza-tion when discussing the effectiveness of their actions and competing for resoutces.

Influence of HRD on Employee Behaviour

Introduction

Have you ever wondered:

- Why a coworker behaves the way he or she does?

- Why people so often live up (or down) to the expectations that others have of them?

- Why managers seem to develop relationships of different quality with different subordinates?

- Why some work teams develop more trust and cohesiveness than others?

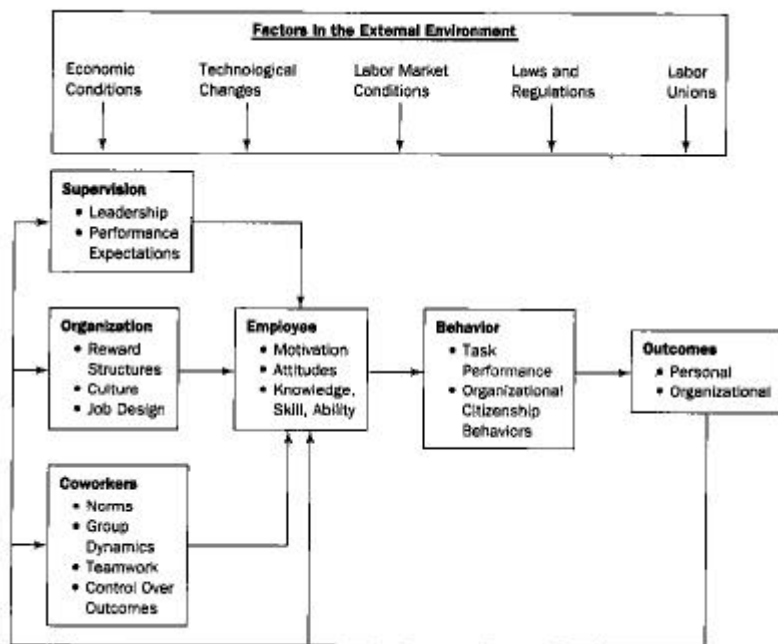- How motivation influences employee behavior?

- whether there are some gmeral frameworks or models that can help il1 Imderstrmding the various influences all employee behavior?

The overarching goal of Human Resource Development interventions is to pro-vide activities and other mechanisms that assist employees and organizations in attaining their goals. HRD professionals can help employees meet their personal goals by providing programs and interventions that promote individual devel-opment, for examrle, career development activities, mentoring, and fonnal training and educational opportunities. Concerning organizational goals, the ul-timate objective of most, if not aU, HRD programs is to improve organiZi1tiOttill performance. HRD efforts are not the only contributors to organizational perform-ancej however, thel are increasingly recognized as a critical component of orga-nizational success. Further, a major focus of most HRD interventions is an effort to change employee behnvior. That is, the hope is that providing employees with the skills and behaviors they need to perform successfully should lead to the greatest accomplishment of both employee and organizational goals. Thus, the field of HRD has had (and continues to have) a strong focus on employee be-havior. In order to change any behavior, we must first understand the factors that cause employees to behave the way that they do. Armed with this knowl-edge, we can more accurately diagnose performarice problems, understand what makes effective performance possible, and design HRD programs to create the behavior we want.

Identifying the causes of employee behavior is no easy task. The factors con-tributing to any behavior are numerous, complex, and difficult to ascertain. Yet a thorough understanding of employee behavior and its causes is critical for any HRD program to be effective. The purpose of this chapter is to introduce readers to the major factors influencing employee behavior and their implications for HRD. Students with backgrounds in organizational behavior or applied psychol-ogy wiD find that this chapter provides an important review and an opportunity to relate these issues to topics within HRD.

Model of Employee Behavior

The model of employee behavior shown in Figure 2-1 presents what we consider to be the key factors affecting employee behavior and their corresponding rela-tionships. It includes two main categories: 1) external forces-that is, those found in the external clluirollmcnt (outside the organization) and in the work environment (inside the organization), induding leadership/supervision, aspects of the organ-ization itself, coworkers, and the outcomes of perfonnance (such as praise); and 2) internal forces-that is, those within the employee, induding motivation, atti-tudes, and KSAs (knowledge, skills, and abilities). The model assumes that exter-nal and internal forces interact or combine to produce a given behavior, and that employee behavior has a direct relationship to the personal and organiza-tional outcomes that are obtained. Although it may be possible in some cases to trace the cause of a behavior to one or two dominant forces, we believe that o\'erall patterns of behavior can best be eXplained by the combination of many factors.

Factors in the External Environment

Economic Conditions	Technological Changes	Labor Market Conditions	Laws and Regulations	Labor Unions

Supervision
- Leadership
- Performance Expectations

Organization
- Reward Structures
- Culture
- Job Design

Employee
- Motivation
- Attitudes
- Knowledge, Skill, Ability

Behavior
- Task Performance
- Organizational Citizenship Behaviors

Outcomes
- Personal
- Organizational

Coworkers
- Norms
- Group Dynamics
- Teamwork
- Control Over Outcomes

The model is relatively simple for purposes of clarity and relevance to HRD.

Our gmil is not to cover all of the possible causes for employee behavior, but to in-clude only those most critical to designing, delivering, and using HRD programs. Additional relevant concepts will be presented in later chapters. The remainder of this chapter will focus on the elements contained. within the model.

Major Categories of Employee Behavior

If HRD efforts are primarily intended to change employee behavior, then it is use-ful to first ask what types of behavior they are intended to change. Recen't research

and writing strongly suggests that individual-performance is multidimensiona1.[2] While many different aspects or dimensions of individual performance have been identified, one vital distinction is between those behaviors that are central to per-foming one's job (often called task performance), and other behaviors that are less central yet still valuable for the effective functioning of the team, department, or organization as a whole.[3] Many training efforts have focused on the first group of behaviors, namely those relating to perforrning the critical tasks associated with a given job. _ut the second category of behaviors is also important. Behaviors in this category have been given different labels (such as organizational citizenship behaviors, discretionary behaviors, or contextual perforrnance).[4] A central aspect of such behaviors (we will call them organizational citizenship behaviors) is that in the aggregate, they also contribute to organizational effectiveness.![> For exam-ple, HRD efforts to inculcate a culture of innovation and initiative taking would be focusing more on this second category of behaviors. Similarly, team-building ef-forts that seek to promote cooperation and teamwork emphasize such citizen-ship behaviors. Alternately, coaching or mentoring efforts often seek to promote be-haviors that are helpful to the organization as a whole, yet are not "enforceable re-quirements" of a given

job.[6] The motivational issues discussed later in this chapter are particularly critical in determi.ning the extent to which employees engage in behaviors that are" above and beyond" their formal job require-ments. As Daniel Katz wrote many years ago, "An organization which depends solely upon its blueprints of prescribed behavior is a very fragile social system."[7] As we seek to present you with a "systems" perspec-tive on human resource development, we think it is necessary to begin our discussion by highlighting these two critical as-pects of individual employee behavior. Next, we will describe the major factors that influence such behavior.

External Influences on Employee Behavior

Factors in the External Environment

Influences from outside the organization, that is, the external environment, clearly influence employee behavior. Further, factors within the work environ-ment also playa strong role in determining employee behavior. Factors from the external environment include the general state of the economy (e.g., the rate of in-flation and the level of unemployment), the various govemmentallaws and reg-ulations, what other organizations or competitors are doing, plus the many global and technological issues mentioned in Chapter 1. Our model in Figure 2-1 depicts these as general forces that influence the organization and all parts within it.[s] Even organizations with strong internal work environments and high levels of employee behaviors can be negatively impacted by external factors such as a downturn in the economy or a sudden technological change. Two factors that have their roots in the external environment deserve special mention, namely downsizing and mergers and acquisitions. These are labeled as external

factors primarily because the forces that lead organizations to consider either one are generally outside of the organization (such as global competition or techno-logical advancement).

Downsizing refers to voluntary actions on the part of organiza-tions to reduce the overall size of their workforce, generally to reduce costs.[9] A huge number of companies have reduced their workforce over the past two decades, including AT&T, Boeing, DuPont, IBM, Xerox, and United Technologies (the organiza-tion highlighted in the Opening Case). Despite the widespread nature of downsizing over the past twenty years, there is in fact little solid evidence concerning its effec-tiveness as a business practice.[10] For example, a survey conducted by Watson Wyatt Worldwide found that 46 percent of the companies surveyed met their ex-pense-reduction goals after downsizing, fewer than 33 percent met their profit ob-jectives, and only 21 percent increased their return on investment for shareholders.[ll] A study by Wayne Cascio of companies that downsized more than 3 percent in a given year between 1980-1990 found no improve-ment in financial or stock performance as a result of downsizing.[12] An ASTD survey found that dow;n-sized organizations reported lower organizational performance, lower quality products or services, and lower employee satisfaction compared to organizations that had not downsized.[1J]

In order for organizations to ensure their future success, they must maintain their investment in their workforce, even when they are restructuring or downsiz-ing.[14] This includes training the "survivors" of downsizing on how to carry out their responsibilities after downsizing has occurred,[15] but can also include deci-sions to retrain rather than layoff employees. For example, Digital Equipment, Eastman Kodak, Hallmark, Pacific Bell, and Raychem have all been cited for their efforts to retrain workers who would otheTW"ise be laid Off.[16] Similarly, amid all the layoffs at AT&T since its court-ordered breakup in 1984, AT&T developed a Safe Landing program to assist their employees in obtaining other positions, ei-ther within AT&T or elsewhere.[17]

The ASTD study cited above found that organizations did best when they emphasized both organizational and individual performance. In particular, three individual-level practices were more common in companies designated as high performance work systems, namely coaching and mentoring, individual development, and multirater feedback. Further, companies with the most exten-sive high performance work systems were nearly three times less likely to cut their workforces than were compa-nies with less extensive usage of such prac-tices.[18] It should be clear from this brief discussion that downsizing has enor-mous implications for human resource development, and conversely, that HRD efforts can have a significant impact on the effective-ness of organizational downsizing. A leading HRD scholar, Warner Burke, has argued that HRD pro-fessionals should playa more active role in challenging or redirecting corporate downsizing efforts.[19]

Mergers and acquisitions (M&As) are increasingly reshaping modern organ-izations. The argument for one organization to acquire another, or for two firms to merge into one is that such efforts "create value when they enhance the strategic capabilities of both firms, improving the'competitive position of either or both, resulting in improved financial operating results.,,20 Unfortunately, in the majority of cases, mergers and acquisitions fail to live up to expectations, or worse, can be classified as "outright failures.,,21 While changes in the economy can contribute to some of this, the consensus seems to be that merger faill,!res (and disapJ;0intments) are most often the result of the mismanagement of peo-ple issues. 2 Problems can occur in communications (before, during, and after the merger), in retaining key employees, and in managing the integration of the two organizations (including the respective cultures of each). HRD profession-als, especially those with expertise in organiza-tional development and change (see Chapter 14) should be actively involved in such integration efforts. Sadly, a 1999 survey found that only 19 percent of human resource executives felt that they had sufficient technical expertise to properly assist top management in the merger and acquisition process. According to Clemente and Greenspan, "This lack of knowledge and experience is ostensibly the reason HR is not being brought in by senior management to directly support acquisition strategy and target company evaluations.,,23 HR professionals need greater competency in the area of strategic management. Further, HRD professionals can be actively in-volved in the communications and training needed to carry out a successful merger or acquisition. For example, employees and managers at

all levels of the organization need information on what to expect at each phase of the M&A process?4 With the skills and competencies described in this book, HRD profes-sionals should be in a prime position to facilitate the successful completion of a merger or acquisition.

Factors in the Work Environment

In addition to factors in the external environment, there are also factors within the organization that influence employee behavior. We will empl;\asize four sets of forces within the work environment that affect employee behavior: outcomes, the supervisor, characteristics of the organization itself, and coworkers. Table 2_1 pre· sents a list of these forces and some of the issues found in each.

Outcomes: Outcomes occur as a result of a given employee behavior. Outcomes can be personal or organizationaL Personal outcomes are those that have value to the individual, such as pay, recognition, and emotions. Organizational outcomes are things valued by the organization, such as teamwork, produc-tivity, and product quality. These outcomes are what the organization would ultimately hope to achieve by the collective efforts of all organizational members. The word value in this context should not imply that outcomes are always positive or desirable. Be-havior can also result in outcomes that employees fear or dislike. Embarrassment, disciplinary actions, transfers, loss of payor privileges, and ostracism are all pos-sible unpleas-ant outcomes of employee behavior.

Figure 2-1 presents these outcomes as following from employee behaviors. That' is, though clearly other factors influence individual and organizational outcomes, (Here comes the following table in page 9 in file framework1.)

we have limited our discussion to those things that influence employee behaviors, and the subsequent influence that these behaviors have on personal and organiza-tional outcomes. However, it is also important to note the likely influence that or-ganizational outcomes have on employee behaviors (this is actually the reverse of the ordering presented in Figure 2-1). For example, several of the motivation the0-ries that we present later in the chapter propose that employee perceptions of out-comes are important determinants of behavior. Consider two examples:

1. Expectancy theory states that people will perfonn behaviors that they perceive will bring valued outcomes. If employees fulfill certain obligations to the organization but do not receive promised outcomes (such as promotions or pay raises), they may reduce their expectations about the link between their performance and the desired outcomes and thus choose to behave differently. Further, if outcomes are not as rewarding as anticipated, the employees may revise their ju_ents about the value of that OJ1ocome and perform different behaviors.

2. Equity theory states that outcomes are evaluated by comparing them to the outcomes received by others. If employees perceive an inequity, they may change their performance or cognitions, or both, to reduce the inequity. In addition, outcomes can serve as a form of feedback to employees. Bonuses and recognition, for example, let

employees know if they have performed appropriately and if their performance is valued. by the organization.26

Outcomes and outcome perceptions are important to HRD. If employees do not believe that attending a training platform will lead to valued outcomes, they may choose not to attend the program, or they may devote little effort to learning and using the skills being taught. If an employee perceives that company training will require increased individual effort with no greater personal outcomes than what other employees receive, the training may be seen as unfair. As a result, the em-ployee may resist participating in the program.

It is often the outcomes of performance (such as embarrass-ment or a poor eval-uation) that serve as attention getters, convincing an employee that training or de-velopment is needed. For example, if a nurse who treats patients rudely never experiences any unpleasant outcomes as a result (such as complaints to the super-visor or disciplinary actions), it is wilikely that the nurse will perceive any need to change this behavior. Similarly, if college professors who have not kept current in their field continue to receive support and recognition for their work in the class-room, they may perceive that their behavior is acceptable and see no reason to at-tend professional seminars or engage in other developmental actions.

Thus, it is important that supervisors and managers remain aware of the out-comes of their subordinates' performance, as well as how their subordinates view these outcomes. This knowledge can be useful in detecting needs for training, mo-tivating employees to participate in training, and in ensuring that what employees learn in training is applied to their jobs.

Supervision and leadership: The immediate supervisor plays an important role in the employee's work life, delegating tasks and responsibilities, setting ex-pectations, evaluating perfor-mance, and providing (or failing to provide) feed-back, rewards, and discipline. Even with the shift toward greater use of teams, including more self-directed work teams, supervisors continue to playa critical role in the success of most organizations.27 Although the influences supervisors have on subordinates are numerous and sometimes complex, two factors deserve comment: self fulfilling prophecy and leadership.

Research on self-fulfilling prophecy, or the Pygmalion effect, has shown how the expectations a supervisor establishes can influence a subordinate's behavior. FiJSt demonstrated in classroom settings, sell-fulfilling prophecy states that expec-tations of performance can become reality because _ple strive to behave consis-tently with their perceptions of reality. If supervisors (or trainers) expect good performance, their behavior may aid and encourage their subordinates (or trainees) to raise their own self-expectations, increase their efforts, and ultimately perform well. The opposite would happen if supervisors or trainers expected poor performance.

Dov Eden and his colleagues have demonstrated in a variety of work settings that raising managers' performance expectations results in higher levels of per-formance in their employees.[29] Interestingly, research to date has failed to demon-strate that self-fulfilling prophecy occurs when females are leaders; confirmatory evidence has only been obtained when males are leaders.3D 111f> ii. ;lications for supervisors and HRD

professionals who conduct training pn>gI<t.IDS are clear: All must be aware of their own expectations and what they communicate to others, while taking advantage of the benefits resulting from high but realistic expecta-tions. In addition, supervisory expectations play a key role in the coaching process, which will be discussed. in greater detail in Chapter 10.

The supervisor's approach to leadership can influence employee performance as well Leadership is the use of non coercive influence to direct and coordinate the activities of a group toward accomplishing a goal?1 There are almost as many definitions of leadership and theories about it as there are leadership researchers! Two examples serve to demonstrate the effect a supervisor's or managers or leadership may have on employee behavior.

First, Robert House argued in his path-goal theory that a leader's role is to identify goals and clarify the paths employees may take to reach these goals. If this is done effectively (accord-ing to the theory, by applying one of four possible leader styles, depending on employee characteristics and environmental factors), then motivation, job satisfaction, and employee performance are all predicted to increase. Subsequent research has provided support for the theory's predictions regarding job satisfaction. In Second, George Graen's Leader-Member-Exchange (or LMX) model of leader-ship (earlier called the vertical-dyad linkage approach) observes that supervisors tend to develop different quality relationships with different subordinates.34 In early research, this was depicted in terms of two extremes, that is, those employ-ees with high quality relationships with the supervisor (the "in-group"), and those with low quality relationships (the less favored "out-group"). In-group members have relationships with their supervisors characterized by respect, liking, mutual trust, and influence; the opposite is true of relationships for out-group members. In-group members tend to have higher performance and satisfaction than out- group members, lower turnover, and more positive career outcomes.3S More re-cent writing on LMX has focused on improving the leadership exchange relationship with all employees. As Graen and Uhl-Bien write, the emphasis is now placed "not on how managers discriminate among their people but rather on how they may work with each person on a one-on-one basis to develop a partner-ship with each of them.,,36 Supervisors should work to develop effective dyadic relationships with each employee under their supervision.

These and other leadership theories highlight the effect the immediate super-visor can have on employee behavior. Subordinates look to their managers and supervisors for cues about appropriate and inappropriate behavior. If a manager or supervisor speaks and behaves in ways that indicate training and develop-ment are unimportant, employees will likely have little enthusiasm for these ac-tivities. Alternatively, if managers and supervisors take these activities seriously and reward employees for learning and using new skills, techniques, and atti-tudes, HRD efforts will be more effective, and ultimately the em-ployee, manager, and organization will benefit. Leadership is also a key aspect of management de-velopment. Many organiza-tions use management development programs (discussed in Chapter 13) as a way to improve the leadership skills of managerial employees.

In organizations that use teams as the primary way to accomplish tasks, some of the influences supervisors ordinarily control can be controlled by team members or the team leader (if one exists), or by both. There is evidence that the differential quality of exchange relationship among team members can influ-ence team cohesiveness, satisfaction with coworkers, and general job satisfac-tion. Although the dynamics of a self-managed team are more complex than the traditional supervisor-subordinate relationship, the impact of expectations and leadership will likely be similar.

The organizat'ion: The organization itself can influence employee behavior through its reward structure, culture, and job design. Reward structure focuses on

- The types of rewards an organization uses (material, social);

- How rewards are distributed (equally to all relative to each individual's

- Contribution, or on the basis of need); and

- The criteria for reward distribution (results, behavior, or nonperformance issues, such as seniority or tenure).

Further, rewards include not only tangible things, such as financial bonuses and plaques, but also intangible things, such as recognition and acceptance.

Reward systems should ideally provide the outcomes desired by members of the organization. Similar to our discussion of "outcomes" above, motivation theo-ries can serve as the foundation for organizational reward systems as well That is, motivation theories can help to explain why reward systems sometimes fail. As expectancy theory and reinforcement theory predict, employees tend to do what they are rewarded for. The management does not carefully design and implement the reward system, then it may unintentionally reinforce undesirable behavior in employees (such as lack of initiative, acceptance of the status quo, and low participation rates in HRD programs). Also, when reward systems are perceived too strongly as "control mechanisms," this can serve to reduce employee motivation and performance.39

Therefore, it is important for supervisors and HRD profession-als to understand what the organization's reward system is intended to do, how it is put into prac-tice, and how employees respond to it. Some performance problems may be solved simply by adjusting the reward system. It must also be understood that a major reason why many employees become involved in HRD programs is to ob-tain valued rewards, such as promotions, pay increases, and more desirable as-signments, As mentioned earlier, some organizations choose to highlight the linkages between desired rewards and HRD as a way to pique employee interest in them. Rewards and their effective distribution can also be a topic of training, particularly in supervisory and management development programs. And in some instances, access to HRD programs can be used as a reward, or access may be perceived to be a reward. An organization's culture also can have a strong effect on individual behavior. Organizational culture is a set of values, beliefs, norms, and p?" _J of behavior that are shared by organization members and that guide their behavior of individu-als who

understand an organization's culture are better able to accurately interpret organizational events, know what is expected of them, and behave in appropriate ways in novel or unfamiliar situa-tions. Organizations that have a strong culture try to perpetuate that culture by selecting individuals who already share the culture (as Southwest Airlines does in its efforts to recruit people who have a "fun," team_ oriented attitude) and by socializing new members so that they accept these norms and values.

Two examples can illustrate the impact of organizational culture on individual behavior. If an organization firmly embraces the idea of continuous improvement as the way to ensure high levels of quality (as is done in total quality management efforts), employees should be motivated to find ways to improve quality, engage in HRD programs to improve their knowledge and skills, and focus their efforts on trying to satisfy customer needs and expectations. Similarly, in organizations committed to diversity (where individuals from all 'cultural backgrounds are viewed and treated as full organizational members and partici-pate fully within the 'organization), employees will strive to appreciate one another's differences and behave in ways that encourage active participation and acceptance of all members in achieving the organization's goals.

One clear implication of organizational culture for HRD is that HRD can be a means through which an organization's culture is perpetuated or changed, and HRD can also be influenced by the organization's culture (in terms of HRD content, importance, and acceptance).

Job design is the development and alteration of the compo-nents of a job (such as the tasks one performs and the scope of one's responsibilities) to improve productivity and the quality of the employee's work life. As proposed by Richard Hack-man and Greg Oldham, when jobs contain factors that satisfy employees' personal growth needs or provide elements that generate feelings of responsibility, mean-ingfulness, and knowledge of results, employees will be more satisfied and more productive. Job design has received considerable attention and research support.41

The implication of job design for HRD is two fold. First, the wayan organiza-tion chooses to construct its jobs can affect an employee's behavior and attitudes. Second, to improve an employee's performance and attitudes (or reduce excessive stress), the focus can be on altering the job rather than the employee. Job design will receive more attention in our discussion of organizational development in Chapter 14.

Coworkers and teams: Coworkers, and especially team members, can exert a strong influence on an employee's behavior in at least Ithree ways. First, coworkers control some of the outcomes valued by an employee, and may use those outcomes to influence the employee's behavior. For example, if an em-ployee behaves in a way coworkers value, they may reward or reinforce that behavior by offering friendship and recognition. Similarly, coworkers may choose to react to behavior they disapprove .of by withholding desired out-comes or punishing the employee through insults, ostracism, or threats. This is especially true in team situations, where mem-bers hold one another accountable for behaviors and

performance, and where access to rewards is based on team performance.

Second norms, or informal rules for appropriate behavior established wil"hifl work groups. can serve as guidelines for appropriate behavior, if the employee chooses to comply.42 Norms send a clear message about what behavior is expected and may lead employees to behave in ways that differ from typical patterns.

Third, because HRD programs are often administered to groups of employees and employees must perform newly leamed behaviorS in group settings, HRD professionals need to understand the effect of group dynamics on behavior. Group dynamics influence the wayan employee may behave when interacting in a group. Dynamics such as groupthink and social loafing show that the performance of in-dividuals within groups can differ from their behavior alone.43 Groupthink occurs when group members are primarily concerned with tmanirnity. making poor deci-sions by failing to realistically assess alternatives. Social loafing is the tendency for group members to reduce their effort as the size of the group increases. The impli-cation of dynamics such as social loafing and groupthink is that consideration must be given to how employees will behave when they are in group settings. Care should be taken when designing and implementing HRD programs to ensure that group dynamics do not undermine the leaming process. Teamwork both amplifies the importance of coworkers' influences on individual behavior and brings other dynamics to the forefront Two teamwork issues are trust and cohesiveness. Trust has todo with expectations that another person (or group of people) will act benev-olently toward you. There is a certain vulnerability or riskiness to trust, in that the other party may not fulfill your expectations. Yet, research has demonstrated strong links between interpersonal trust and employee performance (including cit-izenship behaviors), problem solving. and cooperation. 44 Cohesiveness is the members' sense of togetherness and willingness to remain as part of the group. Given team members' high level of interde-pendence, they must trust one another and feel a sense of cohesiveness if the team is to work together and be successful.

-Similarly, group and team dynamics should be taken into account when plan-ning actions designed to ensure that what is learned is transferred back to the job. Supervisors, managers, and team leaders can monitor potentially destructive dy-namics, as well as the level of trust and cohesiveness, and act to address them to maximize the chances that what employees learn in training and development ac-tivities will be used. Involving coworkers and team m_bers in the learning process, as partici-pants or trainers, can increase their acceptance of newly 1eamed skills and the likelihood. that they'll use them on the job. Likewise, managers and supervisors should pay attention to, employee attitudes toward training and to-ward using new methods and skills.

LESSON 17:
HRD INFLUENCE ON EMPLOYEE BEHAVIOUR-MOTIVATION

Learning Objectives

- Motivation-Influencing factors on Employee Behaviour
- Theories of Motivation

Students, as we all know that the motivation is one of the very important elements of human behaviour. Hence today we shall discuss " how motivation influences Employee behaviour".

Motivation: A Fundamental Internal Influence on Employee Behavior

Motivation is one of the most basic elements of human behavior. Motivational theories attempt to explain how effort is generated and channeled. Terry Mitchell synthesized many definitions of work motivation as "the psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal directed.

This definition makes several important points. First, work motivation pertains to the causes of voluntary behavior-the nature of nearly all behaviors performed in the workplace. Even in situations where employees feel they do not have a choice, their behavior reflects their consideration of the perceived consequences of their actions.

Second, motivation focuses on several processes affecting behavior:

- Arousal or energizing-The generation or mobilization of effort
- Direction-Applying effort to one behavior over another
- Persistence-Continuing (or ceasing) to perform a behavior

Third, motivation at work is usually seen as an individual phenomenon be-cause all people have unique needs, desires, attitudes, and goals.46 Most motiva-tional theories recognize these differences, and often include components that describe how they affect the motivational process.

Understanding motivation is critical to HRD. The success of many HRD pro-grams and processes depends in part on whether the individual is motivated to participate, learn, and use what is learned to improve performance. The reason a person chooses to attend a training class but then fails to use the skills learned in training back on the job may be rooted in motiva-tion. Programs designed with an eye toward motivation can explicitly address these issues. In addition, motivation theories are useful in diagnosing the cause of performance problems and often serve as the basis for designing or choosing HRD programs to remedy those problems.

There are an abundance of theories of work motivation available. Although some theories share common processes and constructs,47 there is still no single, in-clusive, and widely accepted explanation of work motivation.48 In general, ap-proaches to explaining motivation can be grouped into the three categories displayed in Table 2-2: need-based, Cognitive, and noncognitive. After we present various prominent motiva-tional theories, we will use a diagnostic model of moti-vation to synthesize these various theories.

Need-based Theories of Motivation

Several motivational theories are rooted in the concept of needs. Needs are defi-ciency states or imbalances, either physiological or psychological, that energize and direct behavior. Henry Murray proposed that humans experience a la_ number of needs, such as aggression, affiliation, autonomy, and achievement. Al-though needs are internal states, they can be influenced by forces in the envi-ronment. The opening case, for example, suggests that forces in the global econ-omy and the potential for layoffs within an organization may heighten an employee's need for security, thereby reducing motivation to learn or engage in educational opportunities.

Approach
Need-Based Underlying needs, such as the needs for safety or power, drive motivation.

Cognitive Process
Motivation is a process controlled by conscious thoughts, beliefs, and judgments.

Noncognitive
Motivation is explained as aD interaction bet1Ne<:>n behavior and external events without appealing to internal thoughts or needs.

Theories

Maslow's Need Hierarchy Theory

Alderfer's Existence, Relatedness, and Growth (ERG) Theory
Herzberg's Two-Factor Theory

Expectancy Theory Goal-Setting Theory Social Learning Thevry
Equity Theory

Reinforcement Theory

Needs are said to drive behavior through the combination of need activation and need satisfaction, a process depicted in Figure 2-2. A need becomes acti-vated when a person lacks something necessary for maintaining psychological or physi-ological equilibrium. The activated need is felt as tension. The tension may be a recognizable feeling such as loneliness, or it may be more general, such as anxiety. Because tension is unpleasant, the person will look for ways (i.e., he or she will perform behaviors) to reduce the tension by eliminating the deficiency that is causing it. That person will continue to perform different behaviors until one is found that effectively reduces the tension and, thus, satisfies that need. Only activated needs can be motivational, because only an activated need pro-duces the tension the person is motivated to eliminate. Once the need is satisfied, the tension is gone and the need is no longer felt.

Two widely cited need based theories of motivation, Maslow's need hierarchy theory51 and Alderfer's existence, relatedness, and growth (ERG) theory,S2 sug-gest that needs are arranged in a hierarchy. They propose that needs emerge in a particular pattern, in which certain groups of needs (those important to physical survival) emerge first and must be satisfied before other needs (psychological and social needs like affiliation and esteem) can emerge and affect behavior. Once the currently activated needs are satisfied, the next most powerful group of needs are felt and thus will drive behavior.

Maslow's need hierarchy lists five categories or levels of needs: physiological, safety and security, love, status and esteem, and self-actualization. Alderfer's ERG theory reduces Maslow's hierarchy to only three levels of needs: existence, relatedness, and growth. More important, ERG theory proposes that if a person becomes frustrated trying to satisfy the currently activated needs, this frustration will cause previously satisfied needs to be activated and drive behavior.

Another widely discussed need-based theory is Herzberg's two-factor the-ory.53 Herzberg claimed that people have two sets of basic needs, one focusing on survival and another focusing on personal growth. He argued that factors in the workplace that satisfy survival needs, or hygiene factors, cannot of themselves provide job satisfaction-they only prevent dissatisfaction. Alterna-tively, motivator factors, which satisfy the growth needs, can create feelings of job satisfaction, but their absence will not necessarily lead to dissatisfaction. Following the two-factor theory, workers can be motivated by ensuring that hygiene factors are present, thereby preventing dissatisfaction, and then adding motivator factors to create job satisfaction. This strategy is referred to as **Job enrichment**.

FIGURE 2-2

THE NEED ACTIVATION-NEED SATISFACTION PROCESS

Need-hierarchy theories have been popular with managers and students in part because they are easy to understand and are intuitively appealing. They seem to make sense. But it is unclear whether these theories are valid explanations of motivation. Need-hierarchy theories are difficult to rigorously test, in that they re-quire measuring internal states that people find difficult to accurately identify and explain. While most of the studies of Maslow's theory have failed to support it, much of this research has not been conducted properly.54 Although some research has been conducted to test the ERG theory, there is insufficient evidence to sup-port or reject the theory.55 Needs exist, but a generalizable hierarchy explaining the relationships among them is not yet available.

Similar problems exist with two-factor theory. Herzberg's initial studies sup-ported the notion that there are two separate sets of factors that affect job satisfac-tion differently.56 But other researchers could not replicate these results using other meth-ods. The theory became embroiled in controversy.57 While there is some support for job enrichment as a way to motivate employees, the validity nf the Ivm-factor theory remains unclear.

So while need-based theories of motivation provide some insight into one cate-gory of possible forces that drive behavior, they have proven difficult to test and apply and are insufficient as an explanation of motivation. Even so, HRD pro-grams based on need-based theories, such as job enrichment and achievement motivation training, have been used in organiza-tions with some success.

Cognitive Process Theories of Motivation

Few of us would deny that our conscious thoughts playa role in how we behave. A second group of motivation theories, called cognitive process theories, recog-nizes this and argues that motivation is based on a person's thoughts and beliefs (or cognitions). These theories are sometimes referred to as process theories be-cause they attempt to explain the sequence of thoughts and decisions that ener-gize, direct, and control behavior.

Cognitive motivation theories have direct relevance to HRD. Most HRD pro-grams include attempts to change employee behavior by influencing their thoughts, beliefs, and attitudes. Learning, which lies at the heart of HRD, is often seen as a cognitive process (learning will be discussed in Chart_r 2.;. We can do a better job of designing and implementing HRD programs if we understand how employees' thoughts and beliefs affect their behavior.

In the section below, we will briefly review four cognitive theories of motivation: Expectancy theory, Goal-setting theory, Social learning theory, and Equity the-ory. Each theory has relevance for the practice of HRD.

Expectancy theory: Expectancy theory was first pro_ by Victor Vroom and assumes that motivation is a conscious choice process.58 According to this theory, people choose to put their effort into activities that they believe they can perform and that will produce desired. outcomes. Expectancy theory argues that decisions about which activities to engage in are based on the combil'\ation of three sets of beliefs: expectancy, instrumental-ity, and valence.
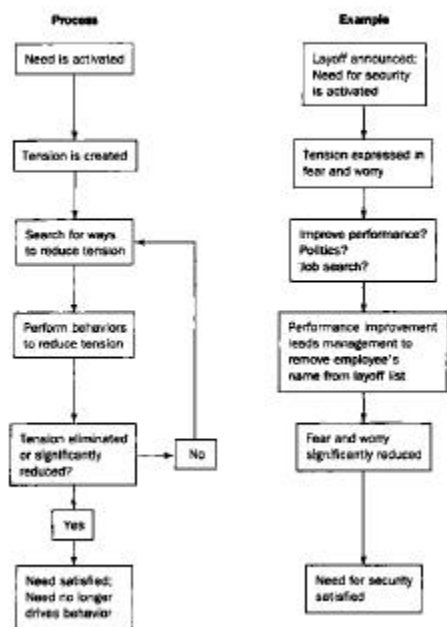
Expectancy beliefs represent the individual's judgment about whether apply-ing (or increasing) effort to a task will result in its successful accomplishment. Stated another way, people with high expectancy believe that increased effort will lead to better performance, but people with low expectancy do not believe that their efforts, no matter how great, will affect their perfor-mance. All other things being equal, people should engage in tasks for which they have high expectancy beliefs.

The second belief, called instrumentality, is a judgment about the connection the individual perceives (if any) between task performance and possible out· comes. Making instrumentality judgments is like asking the question, "U I per. form this task successfully, is it likely to get me something I want (or some-thing I don't want)?" Instrumentality ranges from strongly positive (the individual is cer-tain that performing a task will lead to a particular outcome), through zero (the individual is certain there is no relationship between performing the task and the occurrence of a particular outcome), to strongly negative (the individual is certain that performing a certain task will prevent a particular outcome from occurring).

The third belief important to expectancy theory is called valenc.e. Valence refers to the value the person places on a particular outcome. Valence judgments range from strongly positive (for highly valued outcomes), through zero (for outcomes the person doesn't care about), to strongly negative (for outcomes the person finds aversive).

Expectancy theory states that employees will make these three sets of judg· ments when deciding which behaviors and tasks to engage in. Specifically, the theory predict_ that employees will choose to put effort into behaviors they

- Bbelieve they can perform successfully (high expectancy) and

- Believe are connected (high instrumentality) to outcomes they desire (high valence) or

- Believe will prevent (negative instrumentality) outcomes they want to

- Avoid (negative valence).

Figure 2-3 graphically depicts this process. For example, suppose the manager of a bus company tries to motivate bus drivers to drive more safely by offering safe drivers additional vacation days. Whether this will motivate a driver to drive more safely depends on whether

1. the driver thinks he or she can improve his or her safety record to the level desired. by the manager (expectancy),

2. the driver believes the manager will give more vacation days if his or her safety record is improved to the desired level (instrumentality), and

3. the driver values having more vacation days (valence).

· FIGURE 2-3 ·

A GRAPHIC REPRESENTATION OF EXPECTANCY THEORY
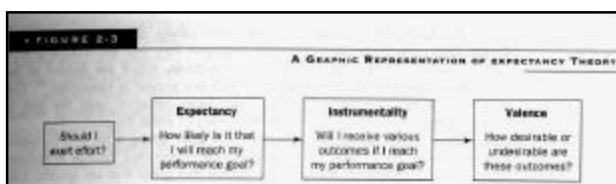
Do people behave in the way expectancy theory predicts? Empirical studies testing the theory have shown some support for its predictions.[59] However, sev-eral writers have pointed out that methodological problems in some of these stud-ies may have led to underes. -'lates of the theory's predictive ability.[60]

Expectancy theory may seem complex, and more research is needed to under-stand whether the theory accurately represents the behavioral choices we make. Expectancy theory is, however, clearly relevant to HRD. It offers a way to diag-nose perfor-mance problems and then suggests how these problems can be over-come. In addition, expectancy theory has implications for the design and effectiveness of HRD programs. For example, according to expectancy theory, em-ployees will not be moti-vated to attend HRD programs and try to learn from them unless they believe

1. Their efforts will result in learning the new skills or information presented in the program,

2. Attending the program and learning new skills will increase their job per-formance, and

3. Doing so will help them obtain desired outcomes or prevent unwanted outcomes.

Viewing employee behavior from an expectancy theory perspec-tive, supervisors and HRD professionals can design and market programs in ways to ensure that employees make the appropri-ate judgments and as a result will be motivated to attend, learn, and apply what they have learned back on the job. Some ways to do this include offering incentives such as holding HRD programs in attractive loca-tions (e.g., such as resorts), offering paid time off from work to attend, designing a program that is interesting and enjoyable, providing proof that the program is ef-fective, and making success in the program a prerequisite fl'- .motion and other desirable outcomes.

Goal-setting theory: A second cognitive theory of motivation that has rele-vance to HRD is goal-setting theory. Goal-setting theory states that perform-ance goals playa key role in motiva-tion. The theory proposes that the presence of performance goals can mobilize employees' efforts, direct their attention, in. crease their persistence, and affect the strategies they will use to accomplish a task.[62] Goals influence the individual's intentions, which are defined as the "cognitive representations of goals to which the person is committed.,,[63] This commitment will continue to direct employee behavior until the goal is achieved, or until a decision is made to change or reject the goal.

Writers on motivation generally agree that goal setting is the best supported theory of work motivation and one of the best supported theories in manage-ment overall.[64] Research convincingly shows that goals that are specific, difficult, and accepted by employees will lead to higher levels of performance than easy, vague goals (e.g., lido your best") or no goals at all. This research also demonstrates that the presence of feedback enhances the effectiveness of goal setting.[65] Further research is needed to understand how and under what condi-tions goal setting works best.[66] For example, a study on the effectiveness of as-sertiveness training gave "assigned" goals to half the trainees at the end of the training program. These trainees were told to use the key points taught in train-ing in two settings per

week for four weeks. Checklists were provided to assist these trainees in tracking their goal attainment. Interestingly, trainees who had been assigned goals liked the training significantly less right after training than those in the no goal-setting condition. However, in a follow-up session four weeks later, reactions from trainees in the goal-setting condition had improved. More importantly, they could reproduce from memory a significantly larger por-tion of the training content than could the trainees without assigned goals, and they also demonstrated more assertive behaviors in a role playing experience than could the no goal trainees. A basic point of this research is that adding a goal setting condition to an already effective training program made it even more effective.[67]

Goal setting has become an integral part of many HRD programs, particularly in helping participants understand the desired result of each program and to mo-tivate them to achieve these results. Goals can then be discussed with their super-visors back on the job to ensure that the employees use what they have learned during the HRD program to improve their performance. For example, a key com-ponent of the career development process (and many career development pro-grams) is setting career goals.[6B] According to goal setting theory, an employee who establishes career goals is more likely to advance his or her career, especially if the goals are specific, challenging, and accompanied by regular feedback on progress toward the goals. The career development program should ensure that employees set such goals and help employees and the organization establish mechanisms for regular feedback.

Social learning theory: Albert Bandura has developed a third cognitive the-ory of motivation, which is social learning theory,[69] Bandura proposes that out-come and self-efficacy expectations affect individual performance. An outcome expectation (similar to instrumentality in expectancy theory) is a person's belief that performing a given behavior will lead to a given outcome. Self efficacy can be defined as "people's judgments of their capabilities to organize and execute courses of action required to attain designated types of performances. It is con-cerned not with the skills one has but with judgments of what one can do with whatever skills one possesses."[70] A shorthand way of looking at self-efficacy is that it is a person's judgment of the likelihood that he or she can successfully perform a particular task or activity. Self-efficacy beliefs are malleable and can be influenced by one's accomplishments, observations of others, verbal persuasion, and physiological states?

The major prediction of the social learning theory is that a person's self efficacy expectations will determine

1. Whether a behavior will be performed,
2. How much effort will be spent, and
3. How long the person will continue to perform the behavior.

Bandura argues that people who have high self-efficacy for a particular task will focus their attention on the challenges of the situation and use greater effort in mastering them, thus increasing the chances of successful task performance. Con-versely, people who have low self-efficacy for a particular task will

focus their thoughts on obstacles and shortcomings, and as a result, reduce their chances of successful task performance. A model depicting the influence of self-efficacy on performance is shown in Figure 2-4. Research conducted by Bandura and others shows that self-efficacy is strongly related to task performance.[72] Furthermore, research has also shown that self-efficacy can predict performance in training programs?[3] Clearly, self-efficacy has direct relevance for success in HRD. If employ-ees have low self-efficacy expectations, it is unlikely that they will
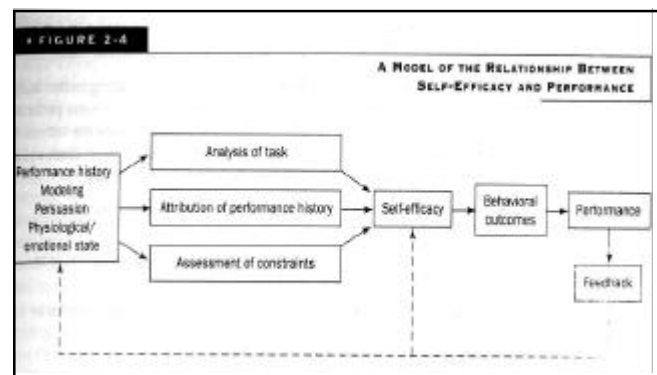
attempt to improve performance. U they do try to improve performance, they will not put forth the same effort as persons with high self-efficacy. Therefore, trainers and supervisors should behave in ways that increase the trainees' judgments of their self-efficacy.

Of particular relevance to HRD, social learning theory also proposes that most behavior is learned by observing others, a process called modeling. Research suggests that through observing a behavior and its consequences in others, individu-als can learn new behaviors and make decisions about whether to perform a particular behavior themselves. Modeling is a key component of mentoring. a de-velopmental technique we will discuss in Chapter 12.

Modeling has also been applied to HRD with great success in a training ap-proach known as behavior modeling?[4] In behavior modeling training. the trainee is told the components of the behavior to be learned (e.g., firing a poor performer) and shown a film or videotape in which an actor (the model) demon-strates how to perfonn the behavior. Then the trainee practices the behavior with feedback from others and finally receives social reinforcement for performing the behavior.

Equity theory: A fourth cognitive theory of motivation, called equity theory, suggests that motivation is strongly influenced by the desire to be treated fairly and by people's perceptions about whether they have been treated fairly. As a the-ory of work motivation, it is based on the following three assumptions:

1. People develop beliefs about what is fair for them to receive in exchange for the contributions that they make to the organization.
2. People determine fairness by comparmg their relevant returns and contri-butions to those of others.
3. People who believe they have been treated unfairly (called inequity) will experience tension, and they will be motivated.to find ways to reduce it.

Equity theory predicts that employees who believe they are being treated fairly (a judgment called equity) will be motivated. to continue their present perform-ance and behavior patterns, whereas employees who believe they are victims of inequity will search for ways to reduce their feelings of unfairness. There are at least five ways in which individuals reduce their feelings of inequity:

1. cognitively distorting views of contributions or rewards ("She must be smarter than I thought")

2. influencing the perceived rival to change his or her contributions or re-wards (e.g., convincing the person to be less productive)

3. 3 changing one's own contributions or rewards (either working harder or

4. contributing less)

5. comparing one's self to a different person

6. leaving the situation (requesting a transfer or quitting)

7. Typically, people choose the way to reduce inequity that appears to be the least costly to them.77 Figure 2-5 depicts this process.

A Graphical Representation of Equity Theory
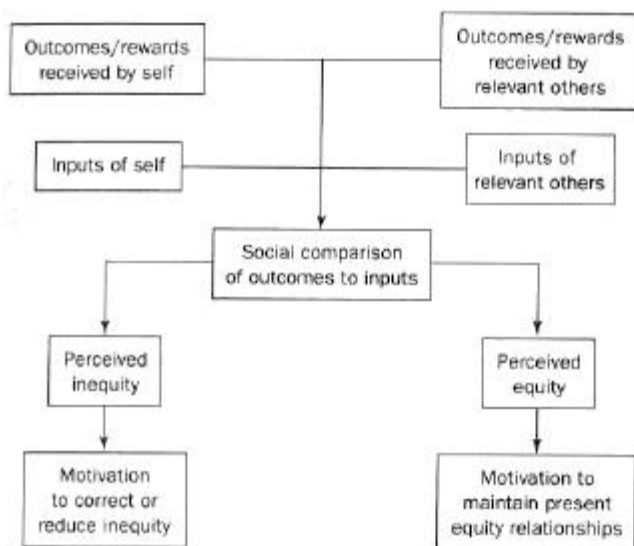
Are the predictions made by equity theory supported by research? In general, there is support for the predictions made about what people do when they believe they are underrewarded?8 There is less support for predictions about what people do when they believe they are overrewarded?9

Equity theory has clear implications for HRD, particularly in understanding how employees perceive HRD programs an.d their response to them. In some or-ganizations, participation in HRD programs is used (or perceived) as a reward for good performance or punishment for poor performance. Also, the decisions con-cerning which employees will be included in HRD programs are not without con-sequences. Equity theory

suggests, for example, that employees who consider themselves unjustly left out of an HRD program (e.g., a management develop-ment seminar) will experience inequity. As a result, those employees may attempt to reduce the inequity by lowering their job performance or becoming less com-mitted to the organization. Employees may even leave the organization for some-place where they feel their talents will be more appreciated. To prevent this from occurring, managers should make the selection criteria for attending HRD pro-grams clear and provide employees with feedback so they can see that participa-tion judgments are made fairly.

Equity theory can also help us determine whether employees Will use the skills or knowledge they have learned in an HRD program back on the job. For exam-ple, if the employees view the application of their new skills or knowledge as an input in their exchange with the employer, they may expect the organiza-tion to provide.them with certain outcomes in return. If the employees see other employ_ ees who lack the newly acquired skills receiving the same outcomes as them· selves, they may choose not to use the new skills on the job as a way to restore a feeling of equity.

Reinforcement Theory: A Non Cognitive Theory of Motivation

The last motivation theory we will discuss, reinforcement theory, is rooted in behaviorism, which attempts to explain behavior without referring to U11.observ-able internal forces such as needs or thoughts.so Behaviorists seek to explain be-havior by focusing only on things that can be directly observed: the behavior itself and environmental events that precede and follow the behavior. In short, reinforcement theory argues that behavior is a function of its consequences. This is based on the law of effect, which states that behavior that is followed by a pleasurable consequence will occur more frequently (a process called rein-forcement), and behavior that is followed by an aversive consequence will occur less frequently.81 According to reinforcement theory, a manager or trainer can control an employee's behavior by controlling the consequences that follow the employee's behavior.

Reinforcement theory can be applied by using a set of tech-niques known as behavior modification. Behavior modification suggests four choices for controlling an employee's behavior:

1. Positive reinforcement refers to increasing the frequency of a behavior by following the behavior with a pleasurable consequence.

2. Negative reinforcement increases the frequency of a behavior hy removing something aversive after the behavior is performed.

3. Extinction seeks to decrease the frequency of a behavior by removing the consequence that is reinforcing it.

4. Punishment seeks to decrease the frequency of a behavior by introducing an aversive consequence immediately after the behavior.

In addition to the type of consequence that follows a behavior, the way that conse-quences are paired with behaviors, called a schedule of reinforcement, is an im-portant part of how behavior modification can be effectively applied.

Reinforcement theory and behavior modification have received strong support in a large body of research and have helped increase our understanding of work -related behavior.82 Reinforcement theory has also had a strong influence on HRD. Methods of instruction, such as programmed instruction and some approaches to computer-based training, draw heavily from reinforcement theory (we will dis-cuss this more in Chapter 6).

Trainers and managers can also motivate employees to learn and use what they have learned back on the job by using behavior modi-fication techniques.83 While a strict behaviorist would reject any emphasis on thoughts or needs (i.e., all the methods covered above), we feel that such an approach is too narrow, and that an effective HRD professional should consider a more holistic or integrated approach to motivation.

Summary of Motivation

As we have seen, there are many approaches to explainil1g and understanding mo-tivation. Each theory we have discussed enhances our understanding of employee behavior and has at least some research support (with the strongest support going to goal setting, reinforcement theory, social learning theory, and expectancy the-ory). In addition, each approach offers valuable insight into the design and imple-mentation of HRD pro-grams.

This brief discussion of different approaches to work motiva-tion is not exhaus-tive and does not explain the complexity and interrelationships among the theo-ries. Some theories, such as expectancy theory and reinforcement theory, make many similar predictions. In addition, researchers have attempted to integrate several theories into a larger, more inclusive model (for example, the Porter-Law]er model, which combines expectancy and equity theories). One recent at-tempt to synthesize multiple motiva-tional models was proposed by John Wagner and John Hollenbeck.85 Their model can be seen in Figure 2-6. In this model, to the employee outcomes are of particular interest (these are the rectangles in the center of the model): employee desire to perform, the effort they put forth, their per-formance, and their satisfaction. Expectancy theory is used as the overarching framework to depict influences on employee motivation and performance. How-ever, the other theories described above are also used to increase our understand-ing of how this process unfolds.

For example, valence, instrumentality, and expectancy were described above in our discussion of expectancy theory. However, the various need theories can as-sist us in under-standing valences, that is, what it is that people value or want. Sim-ilarly, both reinforcement theory and social learning theory can provide guidance in understanding what employees believe will lead to the attainment of what they want, that is, their instrumentality beliefs. The various forms of reinforce-ment, as well as the vicarious learning via modeling (suggested by social learning theory) lead to such instrumentality beliefs. These then combine to produce a given desire to perform on the part of employees. As suggested by expectancy theory, this then interacts with expectancy (the judgment that one's efforts will lead to a successful outcome) to produce a high level of effort. Effort, in turn, must be accompanied by a sufficient level of

ability (described below), as well as accurate role perceptions. Goal-setting theory is useful here in providing guid-ance to employees concerning what needs to be done, at what perfor-mance level, and who has responsibility for doing it. When effort, ability, and accurate role perceptions are all present, then high levels of individual performance are pre-dicted to occur. The final outcome variable in this model, satisfaction, is predicted to follow from performance, as well as from a perception that rewards have been given out fairly. Equity theory provides a helpful framework for understanding employees' perceptions of the equity of rewards. Finally, the model portrays re-turn arrows back to valence, instrumentality, and expectancy. This is meant to portray the dynamic nature of employee motivation and performance, that is, motivation and performance can change over time. A highly motivated person can lose motivation when valence, instrumentality, or expectancy decline. On the other hand, when one of the aspects of this model is improved or increased, then higher levels of motiva-tion, performance, and satisfaction are predicted to occur. We view this model as a useful diagnostic tool to understand employee motiva-tion, as it very effectively synthesizes and summarizes our discussion of the vari-ous motivational theories.

We hope that this discussion encourages the reader to appreciate both the im-portance of motivation in determining employee behavior as well as the richness of potential applications that motivation theories have for HRD.

THE WAGNER-HOLLENBECK MODEL OF MOTIVATION AND PERFORMANCE
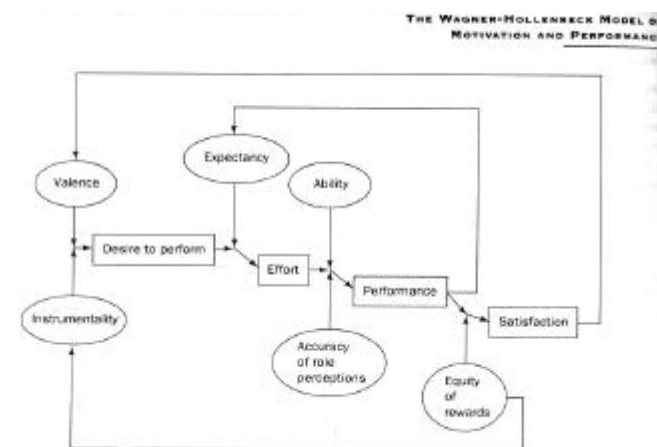
Other Internal Factors that Influence

Employee Behavior

Internal factors, in addition to motivation, that influence employee behavior include attitudes and knowledge, skills, and abilities (KSAs). Each of these factors is discussed below.

Attitudes

Attitudes are the second major internal influence depicted in our model of work behavior (refer again to Figure 2-] on page 36). Attitudes add to our under-standing of employee behavior by showing another way thoughts can influence behavior. Many HRD programs and processes, including training evaluation. management development, and organizational development, either focus on modifying employee attitudes or use attitudes as

a central component. For exam-ple, one common way HRD programs are evaluated is by means of assessing em-ployee attitudes toward the program and its content.

What is an attitude? An attitude "represents a person's general feeling of favor-ableness or unfavorableness toward some stimulus object.'0.86 Attitudes are always held with respect to a particular object-whether the object is a person, place, event, or idea-and indicate one's feelings or affect toward that object. Attitudes also tend to be stable over time and are difficult to change.81

Of particular interest to HRD is the nature of the relationship between attitudes and behavior. Although common sense tells us that attitudes often cause behavior, the reality is often more complex. If attitudes did directly affect our behavior, without any other intervening factors, our behavior should be consistent with those attitudes. Unfortunately, this is not always the case. Attitudes can be used to predict behavior, but the predictions are at best only moderately accurate. Re-searchers attempting to prove a direct relationship between attitudes and behav-ior have experienced considerable frustration.

Research conducted over the past thirty years suggests that the relationship between attitudes and behavior is not simple or direct. One widely discussed model that explains this relation-ship is the behavioral intentions mode1.88 This model states that it is the combination of attitudes with perceived social pressure to be-have in a given way (called subjective norms) that influences an individual's in-tentions. These intentions, in turn, more directly influence behavior (see Figure 2-7). When attitudes and subjective norms conflict, the stronger of the two plays the dominant role in determining what the individual's intentions will be. Ac-cording to the behavioral intentions model, then, attitudes appear to affect behav-ior only to the extent that they influence one's intentions.

One example of how the behavioral intentions model of attitudes can inform HRD practice is when measuring a program's effectiveness (see Chapter 7). Rely-ing solely on measuring attitudes to determine whether employees will apply what they have learned in an HRD program will likely produce only moderately accurate results. The behavioral intentions model suggests that it may be more useful to measure trainees' intentions to use what they have learned, because intentions incorporate attitudes and more directly influence behavior. While this is no substitute for assessing an actual change in job behavior, the behavioral in-tentions model implies that intentions, rather than attitudes alone, may be a better indicator of program effectiveness.

Attitudes are an important factor in HRD programs. Ray Noe proposed. that two types of attitudes-reaction to skills assess-ment feedback and career/job atti-htdes-can have a direct effect on the motivation to leam.⁸⁹ An empirical test of the model suggested that these factors do in fact influence motivation and learn-ing in a training program.'}!) Based on these results, a modified model was pro-posed. This model (shown in Figure 2-8) suggests that job involvement and career planning can have a significant impact on pre training motivation and motivation to learn. We believe that explicitly considering and understand-ing the effects that trainees' attitudes can have on training

effectiveness, as suggested here, is a prom-ising avenue of research-one that will likely yield new insights into ways HRD programs can be made more effective.


A GRAPHIC REPRESENTATION OF THE BEHAVIORAL INTENTIONS MODEL
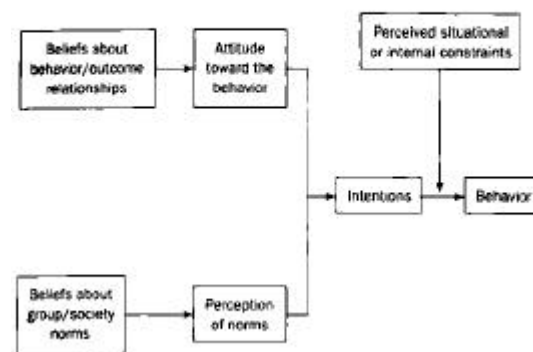
Knowledge, Skills, and Abilities (KSAS)

The third and final internal factor included in our model of employee behavior (Figure 2-1) is the employee's knowledge, skills, and abilities (KSAs). It is clear that KSAs have a signifi-cant impact on employee performance. All other things being

A MODEL OF MOTIVATIONAL AND ATTITUDINAL INFLUENCES ON TRAINING EFFECTIVENESS
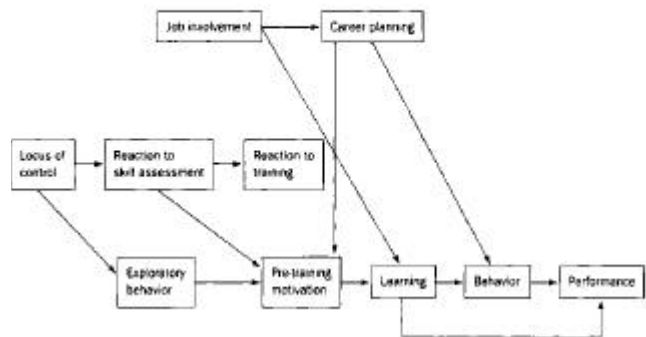
equal, if employees lack the KSAs to perform a task or behav-ior, they will likely faiL Almost all HRD programs focus on improving or renewing the KSAs of employees.

Despite the ubiquitous nature of KSAs in HRD, these factors can be difficult to define with precision. Definitions differ according to the person defining them. Edwin fleishman, a leading researcher of human abilities, defines abilities as gen-eral capacities related to the performance of a set of tasks. Abilities develop over time through the interaction of heredity and experience, and are long-lasting. Skills are similar to abilities, but differ in that they combine abilities with capabili-ties that are developed as a result of training and experience.92 Skills are often cate-gorized as psychomotor activities (while abilities tend to be more cognitive) and are typically measured in terms of the ease and precision evident in the performance of some task.93 Finally, knowledge is defined as an understanding of factors or princi-ples related to a particular subject.

Over 100 different types of abilities have been identified, including general in-telligence, verbal comprehension, numerical ability, and inductive reasoning and Some types of abilities, like general strength, have even been _artitioned into sub-categories (including explosive, dynamic, and static abilities). Researchers have attempted to develop taxonomies to describe the abilities needed to perform particular tasks. Taxonomies help HRD professionals to select and assign employees to training, choose appropriate learning strategies for indi-viduals of differing skill levels, and specify training needs and content when de-signing training programs. Fleishman and his colleagues have devel-oped one such taxonomy that has been applied to HRD.

It should be clear from the preceding discussion that motiva-tion, attitudes, and ability are critical to explaining employee behavior and to understanding and ap-plying HRD. It is the combination of these influences with the external influences described earlier that affect employee behavior.

Summary

Because **HRD** programs are generally attempts to change employee behavior, it is important to understand the factors that influence employee behavior. This chap-ter presented a number of such factors that have direct relevance to HRD, using a simple model of employee behavior to guide the discussion. The model contains two sets of factors that interact to influence employee behavior: 1) external factors, which include factors in the external environment (economic, governmental, and competitive issues), as well as those in the work environment (e.g., outcomes, the supervisor, the organization, and cowork-ers) and 2) internal factors, which in-clude motivation, ability, and attitudes.

Outcomes-the results of performing a behavior in a particular way-are an external influence on employee behavior. Both personal outcomes (relevant to the individual, like pay or recognition) and organizational outcomes (relevant to the organization, like productivity or profits) can be used to diagnose and motivate employees to attend, learn, and apply what they have learned in HRD programs. Theories of motivation, such as equity theory, expectancy theory, and reinforcement theory, attempt to explain whether and how outcomes affect employee behavior.

Supervisors, through their leadership and expectations, also influence employee behavior. A supervisor can use leadership (non coercive influence) to affect a subordinate's performance, attitudes, and motivation. According to the leader· member-exchange theory, employees who are treated by their supervisor with trust, respect, and friendship are more satisfied and perform better than those who are not. Research on self-fulfilling prophecy has shown that a supervisor's expectations of an employee can affect the way the supervisor interacts with the employee, with the employee's performance tending to live up or down to those expectations.

Two additional factors in the work environment that influence employee be-havior are coworkers and the organization itself. Coworkers provide influence through group norms, group dynamics, and teamwork, and by controlling valued outcomes. The organization can also affect employee behavior in several ways, including its culture, reward structure, and the way it designs the employee's job.

One of the key internal factors that influence employee behavior is motiva-tion. Motivation is defined as the psychological processes that energize, direct, and lead to the persistence of voluntary behavior. Theories of motivation use dif-ferent sources to explain behavior, including needs (Maslow's need hierarchy, Alderfer's ERG theory, and Herzberg's two-factor theory), cognitions (ex-pectancy theory, goal-setting theory, social learning theory, and equity theory), and the consequences of behavior (reinforcement theory). Each of these theories has implications for developing and conducting HRD programs. The Wagner -Hollenbeck model of motivation and perfor-mance was put forward as a useful means of combining the various theories to diagnose motivational and perform-ance issues.

Attitudes and the employee's knowledge, skills, and abilities (KSAs) are also important internal factors of behavior. Without ability (the capability one has to perform a set of tasks) a person will be unable to perform a given behavior, re-gardless of motivation. Attitudes, which are made up of beliefs, feelings, and be-havioral tendencies, affect behavior indirectly through intentions. According to the behavior intentions model, attitudes combine with the perception of social pressure to form intentions, which in turn directly affect behavior. Research has shown that both employee attitudes and ability playa role in the effectiveness of HRD programs.

HRD professionals, as well as supervisors and managers, are in the business of understanding and influencing employee behavior. As the sampling of concepts and theories in this chapter shows, there are many possible explanations though fewer unequivocal facts. The techniques we discuss in the chapters that follow draw upon the foundations laid by researchers of work motivation and behavior. Obviously, applying these theories to a given situation requires judgment and

Questions for Discussion

1. Describe at least three ways that factors in the external environment influence employee behavior. If you were an HRD professional involved with an action team that was charged with evaluating the likely success of a proposed merger of your organization with another organization, what factors would you want to consider in making this 'recommendation? That is, based on what you know of HRD to this point, ·how can HRD professionals impact the likely success or failure of a merger or acquisition?

2. Select a familiar problem that you have encountered in the workplace. Use the model of employee behavior presented in this chapter to seek to explain why this problem exists. Be specific.

3. Suppose that you are the recruitment manager for a medium sized bank. One of your best recruiters appears to be unmotivated lately. The number of recruits the recruiter brings in is normally above the average for effective performance but has fallen below the standard for the past two weeks. What might expectancy theory suggest is

causing the drop in the employee's performance? What might equity theory suggest? Based on your knowledge of equity and expectancy theories, develop two recommendations for helping to improve the recruiter's performance.

4. Suppose you are the HRD manager for a large electric utility company.

5. The quarterly report shows a 25 percent decrease in participation in management development programs over the same quarter last year. The number of managers employed by the company has not changed, and the company's profits have remained stable. You already hold these programs in desirable locations off-site (local hotels and conference centers) and participating in these programs counts toward the employees' annual performance evaluation. Using your knowledge of motivation theory, suggest three possible reasons that could explain why participation rates are down. H, after investigation, those reasons turned out to be the true causes, what might you be able to do to improve participation rates?

6. Compare and contrast the need-based and cognitive-based approaches to understanding motivation.

7. The HRD manager for a chicken processing plant has come to you for advice. Even though all of the employees in the plant recently completed a safety-training program, the accident rate has not improved. In particular, the manager has found that employees are not wearing safety gear (goggles, shoes with nonskid soles) consistently and are not following safe procedures. Using your knowledge of attitudes and supervisory expectations, develop two possible reasons to explain the employees' behavior. If your hypotheses are true, how could the HRD manager improve the situation?

8. Why do people with low self-efficacy perform more poorly in training programs than those with high self-efficacy?

9. Briefly describe three ways that coworkers can affect an employee's behavior at work.

10. Recall a time at work or school when you found it difficult to motivate yourself to complete a required task (like start a report or study for an exam). Using two different motivation theories, explain why this lack of motivation may have occurred.

Exercisie/Assignment

Assume that you have been asked to design a portion of the orientation program that your organization is using for new employees. How might the three concepts from expectancy theory (expectancies, instrumentality, and valence; see Figure 2-3) be used to increase the motivation of new employees? That is, what activities or discussions might be conducted that would increase the likelihood that employees will exert high.

LESSON 18:
JOB ANALYSIS AND DESIGN

Learning Objectives
- Job Analysis-Definition
- Uses of Job Analysis
- Elements of Job Analysis
- Job Description
- Job Specification
- Job Design- Approaches

Dear students,

Today let us memorise the topic Job analysis, which we have studied in the 2nd semester in the human resource management.

Introduction
The small business owner should base the firm's personnel policies on explicit, well-proven principles. Small businesses that follow these principles have higher performance and growth rates that do not follow them. The most important of these principles are

- All positions should be filled with people who are both willing and able to do the job.

- The more accurate and realistic the specifications of and skill requirements for each job, the more likely it is that workers will be matched to the right job and, therefore, be more competent in that job.

- A written job description and definition are the keys to communicating job expectations to people. Do the best job you can! is terrible job guidance.

- Employees chosen on the basis of the best person available are more effective than those chosen on the basis of friendship or expediency.

- If specific job expectations are clearly spelled out, and if performance appraisals are based on these expectations, performance is higher. Also, employee training results in higher performance if it is based on measurable learning objectives.

- The first step in assessing personnel needs for the small business is to conduct an audit of future personnel needs. Ask yourself

- Can the workload you visualize be accomplished by the present work force? Will more or fewer employees be needed? Consider seasonal patterns of demand and probable turnover rates.

- Can any jobs be eliminated to free people for other work?

- What balance of full-time or part-time, temporary or permanent, hourly or salaried personnel do you need?

- What does the labor supply look like in the future?

- Will you be able to fill some of the jobs you've identified? How easily?

- What qualifications are needed in your personnel?

Develop a method to forecast labor demand based on your answers to these questions. Once your needs are estimated, determine strategies to meet them.

The process of selecting a competent person for each position is best accomplished through a systematic definition of the requirements for each job, including the skills, knowledge and other qualifications that employees must possess to perform each task. To guarantee that personnel needs are adequately specified, (1) conduct a job analysis, (2) develop a written job description and (3) prepare a job specification.

VARIOUS problems relating to human resource management can be effectively solved if a detailed analysis of each job is carried out. Also ifperformance appraisal is carried out regarding each employee, it can be ensured that whatever amount he is paid, he deserves, it is because of his skills, abilities, experience and several factors.

What is Job Analysis
It is also known as job study. It studies and determines the characteristics of each job like duties and responsibilities, working conditions, element of risk in performing each task, employment conditions, such as remuneration, working hours, opportunities for promotions and privileges etc.

There are various attributes regarding job analysis. Some of the attributes are discussed below:

- A job element is the smallest unit into which work can be divided.

- A task is a distinct work activity carried out for a distinct purpose.

- A duty relates to a number of tasks.

- A position refers to one or more duties performed by an individual in an organisation. There are as many positions as the number of persons in the organization.

- A job may be defined as a position or a group of positions that are similar as to kind and level of work. For a particular job there may be only one position in an organisation, for instance Secretary of a Company, whereas there may be many positions to reform the same job, as for instance, accountants, clerks, foremen etc.

- A job family is a group of two or more jobs that either call for similar worker characteristics or contain parallel work tasks as developed by job analysis.

- An occupation is a group of similar jobs. There is similarity in the kind of work and possesses certain characteristics. Marketing may be bifurcated into a number of jobs due to various reasons but it is considered an occupation.

- A career relates to all the jobs, positions or occupations held during one's working life.

Job Analysis-Elements

Job analysis is a systematic investigation that collects all information pertinent to each task performed by an employee. From this analysis, you identify the skills, knowledge and abilities required of that employee, and determine the duties, responsibilities and requirements of each job.

Job analysis should provide information such as

- Job title.
- Department
- Supervision required.
- Job description-major and implied duties and responsibilities.
- Unique characteristics of the job including location and physical setting.
- Types of material used.
- Types of equipment used.
- Qualifications.
- Experience requirements.
- Education requirements.
- Mental and physical requirements.
- Manual dexterity required.
- Working conditions (inside, outside, hot, cold, dry, wet, noisy, dirty, etc.).

You must understand that Job analysis provides the basis for determining what types of information should be obtained from the applicant, from previous employers, and from other sources. Even though many companies are laying off substantial portions of their workforces, employee selection is a vital part of HRM. Personnel selection is important in the building of a productive workforce. Determining the qualifications of job candidates requires that as much information as possible be obtained from the candidates and other sources. It is important for you to understand that the information that is collected should be relevant for to the job and sufficiently reliable and valid. HR practitioners should have an understanding of job requirements to permit an analysis of application forms, employment tests, interviews, and reference checks of individual candidates.

The information when secured and examined, exhibits some information relating to the job and the other relating to the individual performing the job. The requirements of the job are termed as Job description and the qualities required from the performer are termed as Job specifications.

Following definitions will help you to understand the concept of job analysis better:

- A defined data collection and analysis procedure through which information about job tasks and job requirements are obtained.
- Job analysis is the procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it.
- Organizations consist of positions that have to be staffed. Job analysis is the procedure through which you determine

the duties of these positions and the characteristics of the people who should be hired for them .The analysis produces information on job requirements, which is then used for developing job descriptions (what the job entails) and job specifications (what kind of peo-ple to hire for the job).

Uses of Job Analysis

Job Analysis plays a significant role in human resource department assist affects numerous activities of the department. Some of the activities are given below.

(a) Selection of Personnel: Job analysis facilities in setting job specification. A job specification is the standard of personnel against which job applicant can be compared. The specification provides a basis for selection of personnel for various positions.

(b) Training and Development: Identification of duties and responsibilities and the usage of machines and equipments help in developing the content and subject matter of the training programmes.

(c) Job Evaluation: It facilitates job verification. There are certain jobs in which risks and hazards are involved. Job analysis helps in determining the worth of each job in terms of money so that the wages can be fixed.

(d) Performance Appraisal: It helps in evaluating the performance objectively. It makes it possible to know how far an employee has been successful in achieving the objectives of the organisation.

(e) Promotions, Transfers etc.: It provides the basis for promotions, transfers, and other related terms.

(f) Guidance: Job analysis provides the candidates in ascertaining the jobs for which they have necessary qualifications.

(g) Labour Relations: Job analysis helps in setting performance standards which facilitate in resolving the disputes between trade unions and the management.

(h) Health and Safety: It enables to identify hazardous and unhealthy environmental conditions so that corrective steps can be undertaken to reduce and avoid the possibility of accidents.

It is very important to understand why is Job Analysis required:

- What is Job Analysis - job analysis is obtaining information about jobs.
- Why is Job Analysis important - Without sufficient knowledge of what employees do, organizations cannot develop other human resource practices and procedures.

Job analysis is a systematic procedure for studying jobs to determine their various elements and requirements. The job analysis for a particular position typically consists of two parts.

- A job description is a list of the elements that make up a particular job.
- A job specification is a list of the qualifications required to perform particular job.

Job Description

Job Description

Job description is derived from job analysis. It is an important document as it clarifies the scope of job activities, duties and responsibilities and positioning of job in the organisation. The contents of job description are given below:

- **Job Identification:** Job title, department, division, and plant and code number of the job.

- **Job Summary:** It provides additional identification information when a job title is not adequate and secondly it orients the reader towards an understanding of detailed information which constitutes a job.

- **Job Duties:** It gives a comprehensive list of the duties. It is the backbone of job description and utmost care should be taken in writing it down. It should be regarded as an outline of the minimum requirements of the job, thus preserving flexibility of operations.

- **Supervision Given and Received:** It includes the titles of jobs that are immediately over and under this job and the degree of supervision involved, such as general, intermediate or close supervision.

- **Relation to Other Jobs:** It exhibits the vertical relationship of promotion and the horizontal relationships of workflow and procedures.

- **Machine, Tools and Equipment:** It provides the list and defines each major type or trade names of the machines, tools equipments and the raw material used.

- **Working Conditions:** It provides information about the environment in which the job-holder has to work, such as, hot, cold, dry; dusty, oily, noisy etc. Hazards conditions should be clearly mentioned.

- **Unusual Terms:** Any technical or unusual works under the head 'job duties' or 'duties performed' should be listed separately and defined.

Uses of Job Description

There are several uses of job description. Some of them are given below:

1. It facilitates in the development of job specifications, which are useful in planning recruitment and in formulating training and development programmes.

2. It facilitates in orienting the newcomers towards their duties and responsibilities.

3. It helps in developing performance standards.

4. It is used as a method of wage and salary administration.

Job Specifications

The job specification is an output of job description, states the minimum acceptable qualifications that the newcomer must possess to perform the ob satisfactorily and successfully. Job specification identifies education, mow ledge, skill, personality and abilities needed to do the job effectively. Job specifications serve as an important tool in the selection process and evaluation. They are developed by the human resource department in consultation with different supervisor and managers.

The various **elements of job specification** are:

- **Educational Requirement:** Minimum formal education necessary to perform a particular job.

- **Experience:** Minimum experience required to perform the job.

- **Specific Knowledge Requirements:** This includes specific knowledge that cannot be covered adequately by the education and experience requirement.

- **Skill Requirements:** Manual skill required to perform a job.

- **Personality Requirements:** For certain jobs personality factors such as personal appearance, emotional stability, maturity, initiative, drive and sociability are required..

- **Responsibility:** For certain high level jobs the ability to assume responsibility is an essential pre-requisite. This responsibility may be supervision of others, safety of others, operation and maintenance of equipment, tools, etc.

Job Design

Job design involves specialisation, simplification in performing the job, job rotation, job enlargement, relationship with similar types of jobs, motivation of employees etc. The management should not take a decision in haste in designing or later redesigning jobs in an organisation. Job designing should be consistent with the overall organisational strategy. Since jobs are linked between people and organisation, organisational, environmental and behavioural factors should be taken into account before designing jobs.

The Organisational factors of job design are concerned with efficiency.

They consist of mechanistic approach, which seeks to identity every task in a job; so that the tasks may be arranged in such a manner to minimize the time and effort of workers. When a group of identified tasks are dubbed into a job, it is called specialisation. Secondly, the workflow in an organisation is determined by' the nature of product or service. Work practices are standardized methods of performing work. The management has to take a decision while designing jobs initially or redesigning at a later stage, whether they want to modernize the job and, if so, to what extent.

The environmental factors of job design consists of ability and availability of potential employees and the expectations of the society.

The behavioura/factors of job design are of utmost importance.

The management should first decide whether the skills of the existing employees will match with the new jobs. Sometimes additional training is required. Designing jobs should satisfy the wants, needs and desires of the employees. The job characteristics model discusses this issue later in the chapter.

Job Design Approaches

The management has various job design options. They can be classified under two categories viz.

1. Group Design Options.

2. Individual Design Options.

Group Design Options

The approaches for designing or redesigning jobs or groups are discussed below:

Work Teams

To create a work team, a. group of workers is given a large task to complete and the team members are responsible for deciding on specjfic task assignments, solving production problems; and continually improving work activities. The members of the work team can rotate the tasks among members or assign specific tasks to members. The group has a supervisor who overseas the entire operation.

Autonomous Work Groups

This is also termed as socio-technical approach to job design. It integrates the social system with the technical system. An autonQ!11ol,lS work group is responsible for achieving a goal and is given a COI}$jqeraple amount of control over work assignments, rest breaks, priorip.ziIlg,/inspection procedures etc. Some autonomous work groups eveIl, have the freedom to select their members.

Quality Circles

The concept of quality circle has emerged from quality control. It primarily focuses on maintaining and enhancing the quality of the product or service. The basic objective of quality control is to develop, design, manufacture, market and service products that will provide life long satisfaction to the consumers.

Quality circle refers to a group of employees who meet regularly to sole problems pertaining to their operational area. Their number is usually six to eight. This group effort helps in the overall development in their functional area. It provides solutions for quality and productivity problems, which are to be implemented by the management. It is not a suggestive body but has a role to play even beyond that. It follows a proactive approach. Quality circles develop participative culture as well as teamwork. The concept of quality circles is not only confined to manufacturing organisations but it has spread in areas like banking and insurance.

The objectives of quality circles are:

- To bring about an overall development of the organisation;
- To develop a congenial working environment; and
- To fully explore the human capabilities.

Studies have shown that quality circles, if properly implemented, develop a sense of belongingness with the organisation, team spirit, problem solving approach, better interpersonal relations, job satisfaction etc.

Individual Design Options

The individual design approaches (Job Environment, Job Enlargement and Job Rotation) are discussed in the chapter-Motivation, Incentives and Morale.

Job Characteristics Model

While performing some job there are certain characteristics that affect productivity, motivation and satisfaction. Hackman and Oldham have developed a model that identities five such job characteristics and their inter-relationship. The model specifies five core job characteristics: They are:

Skill Variety: The degree to which the employees are able to do a number of different tasks using many different skills, abilities, and talents.

Task Identity: The degree to which the job requires completion of a whole and identifiable piece of work

Task Significance: The degree to which the job has a substantial impact on the lives or work of other people-importance of the job.

Autonomy: The degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out and maintaining rigid control over the work.

Feedback: The degree to which carrying out the work activities required by the job results in the individual obtaining direct and clear information about the effectiveness of his or her performance.

The three critical psychological states are defined in the following terms:

Experienced Meaningfulness: The degree to which the employees perceive the work as being meaningful, valuable and worthwhile.

Experienced Responsibility: The degree to which employees feel accountable and responsible for the outcomes ofth.eir work.

Knowledge of Results from Work Activities: The degree to which employees know and understand how well they are performing on the job.

The model says that internal awards are obtained by individuals when they learn (knowledge of results) that they personally (experienced responsibility) have performed well on a task that they care about (experienced meaningfulness). The more that these three conditions are present the greater will be the employees motivation, performance and satisfaction and the lower, their absenteeism and likelihood of turnover. As the model shows, the links between the job characteristics and the work outcomes are adjusted by the strength of the individual's growth need, that is, the employee's desire for self-esteem cy1d self-actualization. This means that individuals with a high growth need are more likely than their low growth need counterparts to expe_ience the critical ps_chological states when their jobs are enriched and to respond more positively to the psychological states when they are present. The model shows the following features:

- People who work on jobs with high core job characteristics are more motivated, satisfied and productive than those who do not.
- People with strong growth needs respond more positively to jobs that are high in motivating potential than do those with weak growth needs.
- Job dimen,s ions or characteristics operate through the psychological states in influencing personal and work outcomes variables, rather than influencing them directly.

Work Flexibility

In the recent years there has been an expansion of business, thereby increasing the working force. The working class is trying

to maintain a balance between work and family. Experts have suggested that business should adapt to the changing environment by introducing flextime, job sharing, working at home, work modules, etc., that would bring about flexibility in work schedules.

With the advancement in technology, distance between the residence and the working place, changing family needs, shortage of space, there has been an increase in the number of people working at home for their employer.

Flextime is a system whereby employees contract to work a specific number of hours a week but are free to vary the hours of work within certain limits. The employees assume responsibility for completing a specific job.

Telecommuting is a more recent trend in which employees can work from their choice of location and communicate through the use of computers, express mail, fax, telephone etc.

Work sharing is designed to give flexibility to those people who for some reason cannot work a full day. Work modules are two hour work units, the scheduling of which can be moved about to increase diversity and reduce opportunities for workers to become bored (as given by Robert L. Kahn).

The job analysis is used to generate a job description, which defines the duties of each task, and other responsibilities of the position. The description covers the various task requirements, such as mental or physical activities; working conditions and job hazards. The approximate percentage of time the employee should spend on each activity is also specified. Job descriptions focus on the what, why, where and how of the job.

There is an excellent resource the small business owner can use to develop job descriptions, ask employees themselves to describe their jobs. A good employee may know more about the job than anyone else.

Job Specification

The job specification describes the person expected to fill a job. It details the knowledge (both educational and experiential), qualities, skills and abilities needed to perform the job satisfactorily. The job specification provides a standard against which to measure how well an applicant matches a job opening and should be used as the basis for recruiting.

Job Description Vs Job Specification

- Job description - written narrative describing activities performed on a job; includes information about equipment used and working conditions under which job is performed.

- Job specification - outlines specific skills, knowledge, abilities, physical and personal characteristics necessary to perform a job - What about physical and personal characteristics? Strength, patience, intestinal fortitude, risk-taker.

LESSON 19:
JOB ANALYSIS-PROCESS AND TECHNIQUES

Learning Objectives

- Definition
- 6 Steps in Job Analysis
- Types of info gathered
- Method of collecting Job Analysis Data
- Impact of Behavioral on Job Analysis

Now let us go through the 6 Steps In Job Analysis

Develop Job Description/Job Specification	6
Review information with incumbents	5
Collect data to analyse job	4
Select representative positions to analyse	3
Review background information	2
Identify how information will be used	1

Go through the following six steps in doing a job analysis. They will make the concept clear to you .

Step 1

Identify the use to which the information will be put, since this will determine the types of data you collect and how you collect them. Some data collection techniques like interviewing the employee and asking what the job entails and what his responsibilities are - are good for writing job descriptions and selecting employees for the job.

Step 2

Review relevant background information such as organization charts, process charts, and job descriptions. Organization charts show how the job in question relates to other jobs and where it fits in the overall organization. The chart should identify the title of each position and, by means of its interconnect-ing lines, show who reports to whom and with whom the job incumbent is ex-pected to communicate.

Step 3

Select representative positions to be analyzed. This is done when many similar jobs are to be analyzed and it is too time-consuming to analyze, say, the jobs of all assembly workers.

Step 4

Next actually analyze the job by collecting data on job activities, required employee behaviors, working conditions, and human traits and abilities needed to perform the job. For this, you would use one or more of the job analysis tech-niques ex-plained in this lesson.

Step 5

Review the information with job incumbents. The job analysis informa-tion should be verified with the worker performing the job and with his or her im-mediate supervisor. This will help to confirm that the information is factually correct and complete. This "review" step can also help gain the employee's accep-tance of the job analysis data and conclusions by giving that person a chance to review and modify your description of his or her job activities.

Step 6

Develop a job description and job specification. A job descrip-tion and a job specification are usually two concrete products of the job analysis. The job description is a, written statement that describes the activities and responsibilities of the job, as well as important features of the job such as working conditions and safety hazards. The job specification summarizes the personal qualities, skills, and background required for getting the job done; it may be either a separate document or on the same document as the job description.

It is essential for you to understand that Job Analysis helps to find information about the following:

Work activities: Information is usually collected on the actual work activities per-formed, such as cleaning, selling, teaching, or painting. Such a list may also in-dicate how, why, and when the worker performs each activity.

Human behaviors: Information on human behaviors like sensing, communicat-ing, decision-making, and writing may also be collected. Included here would be information regarding human job demands such as lifting weights, walking long distances, and so on.

Machines, tools, equipment, and work aids used: Included here would be informa-tion regarding products made, materials processed, knowledge dealt with or ap-plied (such as finance or law), and services rendered (such as counseling or repairing)

Performance standards: Information is also collected regarding performance stan-dards (in terms of quantity, quality, or speed for each job duty, for instance) by which an employee in this job will be evaluated.

Job context: Included here is information about such matters as physical working conditions, work schedule, and the organizational and social context-for in-stance, in terms of the number of people with whom the employee would nor-mally have to interact. Also included here might be information regarding incentives for doing the job.

Human requirements: Finally, information is usually compiled regarding human requirements of the job, such as job-related knowledge or skills (education, train-ing, work experience) and required personal attributes (aptitudes, physical char-acteristics, personality, interests).

Types of Information Gathered

Human Behaviours
- Communicating, decision making, and
- Other physical job demands, e.g., lift*ing*

Work Activities
- Work activities performed
- How ,why ,when activity is performed

Performance standards
- Quantity, quality, speed
- Used to evaluate employee performance

Tools, equipment, etc used
- Products made
- Knowledge dealt with / applied
- Services rendered

Human Requirements
- Job-related knowledge, skills
- Personal attributes, e.g. personality, aptitudes

Job Context
- Physical work conditions
- Work group
- Incentives for doing job

Let us Now Have A Look at the Areas in Which Job Evaluation Information is Used

Recruitment and Selection

Job analysis provides information about what the job entails and what human characteristics are required to carry out these activi-ties. Such job description and job specification informa-tion is used to decide what sort of people to recruit and hire.

Compensation

Job analysis information is also essential for estimating the value of and appropriate compensation for each job. This is so because compensation. (such as salary and bonus) usually depends on the job's required skill and education level, safety hazards, degree of responsibility,

and so on-all factors that are as-sessed through job analysis. Job analysis provides the information determining the relative worth of each job so that each job can be classified.

Ensure Complete Assignment of Duties

The job analysis is also useful for en-suring that all the duties that have to be done are in fact assigned to particular po-sitions. For example, in analyzing the current job of your company's production manager, you may find she reports herself as being

responsible for two dozen or so specific duties including planning weekly production schedules, purchasing raw materi-als, and supervising the daily activities of each of her first-line supervisors. }v fissing, however, is any reference to managing raw material or finished goods in-ventories. On further investigation you find that none of the other manufacturing people is responsible for inventory management either. Your job analysis (based not just on what employees report as their duties, but on your knowledge of what

Training

Job analysis information is also used for designing training and devel-opment programs because the analysis and resulting job description show the skills-and therefore training-that are required.

Performance Appraisal

A performance appraisal compares each employee's ac-tual performance with his or her performance standards. It is often through job analysis that experts determine the standards to be achieved and the specific ac-tivities to be performed.

JOB ANALYSIS = Process of defining jobs in terms of tasks, behaviors and personal requirements..
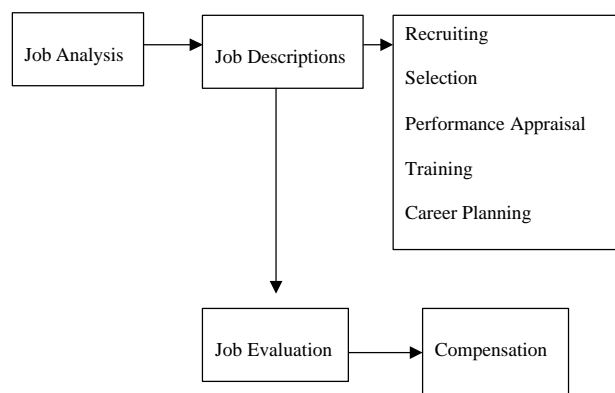
Methods of Collecting Job Analysis Data/ Job Analysis Methods

You should know that a variety of methods are used to collect information about jobs. None of them, however, is perfect. In actual practice, therefore, a combination of several methods is used for obtaining job analysis data. These are discussed below.

Job performance: In this method the job analyst actually performs the job in question. The analyst, thus, receives first hand experience of contextual factors on the job including physical hazards, social demands, emotional pressures and mental requirements. This method is useful for jobs that can be easily learned. It is not suitable for jobs that are hazardous (e.g., fire fighters) or for jobs that require extensive training (e.g., doctors, pharmacists).

Personal observation: The analyst observes the worker(s) doing the job. The tasks performed, the pace at which activities are done, the working conditions, etc., are observed during a complete work cycle. During observation, certain precautions should be taken

- The analyst must observe average workers during average conditions.
- The analyst should observe without getting directly involved in the job.
- The analyst must make note of the specific job needs and not the behaviours specific to particular workers.
- The analyst must make sure that he obtains a proper sample for generalisation.

This method allows for a deep understanding of job duties. It is appropriate for manual, short period job activities. On the negative side, the methods fail to take note of the mental aspects of jobs.

Critical incidents : The critical incident technique (CIT) is a qualitative approach to job analysis used to obtain specific, behaviorally focused descriptions of work or other activities. Here the job holders are asked to describe several incidents based on their past experience. The incidents so collected are analysed and classified according to the job areas they describe. The job requirements will become clear once the analyst draws the line between effective and ineffective behaviours of workers oh the job. For example, if a shoe salesman comments on the size of a customer's feet and the customer leaves the store in a huff, the behaviour of the salesman may be judged as ineffec-tive in terms of the result it produced. The critical incidents are recorded after the events have already taken place - both routine and non-routine. The process of collecting a fairly good number of incidents is a lengthy one. Since, incidents of behaviour can be quite dissimilar, the process of classifying data into usable job descriptions can be difficult. The analysts overseeing the work must have analytical skills and ability to translate the content of descriptions into meaningful state-ments.

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

Due diligence must be exercised while using the interview method. The interviewer must be trained in proper interview-ing techniques. It is advisable to use a standard format so as to focus the interview to the purpose of analyst.

Although the interview method provides opportunities to elicit information sometimes not available through other methods, it has limitations. First, it is time consuming and hence costly. Second, the value of data is primarily dependent on the interviewer's skills and may be faulty if they put ambiguous questions to workers. Last, interviewees may be suspicious about the motives and may distort the information they provide. If seen as an opportunity to improve their positions such as to increase their wages, workers may exaggerate their job duties to add greater weightage to their positions.

Questionnaire method : The questionnaire is a widely used method of analysing jobs and work. Here the jobholders are given a properly designed questionnaire aimed at eliciting

relevant job-related information. After completion, the questionnaires are handed over to supervisors. The supervisors can seek further clarifications on various items by talking to the jobholders directly.After everything is finalised, the data is given to the job analyst.

The success of the method depends on various factors. The structured questionnaire must cover all job related tasks and behaviours. Each task or behaviour should be described in terms of features such as importance, difficulty, frequency, relationship to overall performance. The jobholders should be asked to properly rate the various job factors and communicate the same on paper. The ratings thus collected are then put to close examination with a view to find out the actual job requirements.

Questionnaire method is highly economical as it covers a large number of job holder" at a time. The collected data can be quantified and processed through a computer The participants can complete the items leisurely. Designing questionnaires, however is not an easy task. Proper care must be taken to see that the respondents do He': misinterpret the questions. Further, it is difficult to motivate the participants to complete the questionnaires truthfully and to return them.

Let us now have a look at some of the standard questionnaires that are being widely used.

They are discussed below for your better understanding:

1. The Position Analysis Questionnaire (PAQ)
The PAQ is a standardised questionnaire (developed at Purdue University) developed to quantitatively sample work-oriented job elements. It contains 194 items divided into six major divisions. The PAQ permits management to scientifically and quantitatively group interrelated job elements into job dimen-sions. These are explained below:

Employees Activities in PAQ

1. **Information Input:** Where and how does the employee gets the information he/she uses in performing his/her job.

   Examples

   Use of written materials.

   Near-visual differentiation.

2. **Mental Process:** What reasoning, decision making, planning and information-processing activities are involved in performing in the job?

   Examples

   Levels of reasoning in problem solving.

   Coding/decoding

   1. **Physical activities:** What physical activities does the employee perform and what tools or devices does he/she uses?

      Examples

      Use of Keyboard devices.

      Assembling/ disassembling.

   2. **Relationships with other people:** What relationships with other people are required in performing the job?

Examples:

Instructing.

Contacts with public,customers.

3. **Job context:** In what physical and social context is the work performed?

Examples:

High temperature.

Interpersonal conflict situations.

4. **Other Job characteristics:** What activities, conditions, or characteristics other than those described above are relevant to the job?

Examples:

Specified work pace.

Amount of job structure.

The activities shown above represent requirements that are applicable to all types of jobs. This type of quantitative questionnaire allows many different jobs to be compared with each other.

2. Management Position Description Questionnaire (MPDQ)

MPQD is a standardised instrument designed specifically for use in analyzing managerial jobs. The 274 item questionnaire contains 15 sections. It would take 21\2hrs to complete the questionnaire. In most cases the respondents are asked to state - how important each item is to the position.

Management Position Description Factors

1. Product, marketing and financial strategy planning.

2. Coordination of other organisational units and personnel.

3. Internal business control.

4. Products and services responsibility.

5. Public and customer relations.

6. Advanced consulting.

7. Autonomy of actions.

8. Approval of financial commitments.

9. Staff service.

10. Supervision.

11. Complexity and stress.

12. Advanced financial responsibility.

13. Brood personnel responsibility.

Functional Job Analysis (FJA)

FJA is a worker-oriented job analysis approach that attempts to describe the whole person on the job. It tries to examine the fundamental components of "data, people and things". There are five steps to be followed:

- The first involves the identification of the organisation goals for the FJA analysis. This analysis describes what should be, as well as, what is.

- The second step is the identification and description of tasks, where tasks are defined as actions. The task actions may be physical (operating an electrical typewriter), mental

(analysing data) or interpersonal (consulting another person).

- The task statements developed in FJA must conform to a specific written format.

- The third step deals with analysis of tasks. Each task is analysed using 7 scales. These include three worker function scales (data, people, things), a worker instruction scale (degree of supervision imposed) and three scales of reasoning, mathematics and language.

- In the fourth step the analyst develops performance standards to assess the results of a worker's tasks.

- The final step deals with the development of training content needed by the jobholder.

Which Method to Follow?

Experts agree that the choice of job analysis method depends upon the purposes to be served by the data. There is no one best way to conduct a job analysis. Wherever possible, multiple methods of job analysis must be followed. A quantitative approach like Position Analysis Questionnaire (PAQ) should be supported by a qualitative approach like Critical Incident Technique (CIT).

Impact of Behavioural Factors on Job Analysis

While carrying out the job analysis, managers must take note of certain strong behavioural responses from the employees. Employees may not always like the idea of someone taking a hard look at their jobs. Let's examine the reasons behind such negative responses more closely.

Employee fears: Most employee's fear that job analysis efforts may put them in a 'Straight Jacket', limiting their initiative and inability. Another reason for the negative attitude is the feeling that" as long as someone does not know precisely what I am supposed to be doing, then I am safe". A searching examination of jobs may uncover employee faults, which might have escaped the employer's attention so far.

Resistance to change: When jobs change in tune with changes in technology, there is an urgent need to revise job descriptions and job specifications -to make them more meaningful. This would have a significant impact on the safe and secure job worlds, employees used to live comfortably. Employees resist such changes because when jobs are redefined, they may have to handle difficult tasks and shoulder painful responsibilities. To ward off such threats, managers must involve employees in the revision process, stating the reasons for incorporating latest changes clearly.

Overemphasis on current employees: Job analysis efforts should not place heavy emphasis on what the employees are currently doing. Some employees may be gifted with unique capabilities and given a chance they may expand the scope of the job and assume more responsibilities. The company may have difficulty in finding someone like that person if he or she were to leave the company. Therefore, "the job description and job specifications should not be merely a description of what the person currently filling the job does".

Management' Straight Jacket: Job analysis efforts may put managers in a ' straight jacket', limiting their freedom to adapt

to changing needs from time to time. To avoid this, they may even refuse to appropriately describe what an employee is supposed to do in the company - creating, of course, further confusion in the minds of employees.

Summary

Let us now summarise what we discussed under Job Analysis. We started with defining job analysis. Then we came down to the six steps that are covered in the process of job analysis. Later on we threw some light on the type of information that is covered and the areas where this information is used .We then spoke about the various methods that are available for Job analysis and noticed that there is no one best method to collect data. All the methods have their pros and cons. This sums up the topic.

LESSON 20:
RECRUITMENT AND SELECTION

Learning Objectives
- Recruitment-Sources of Recruitment
- Objectives of Recruitment
- Recruitment Process and
- Selection Procedure

Very soon you all would be approaching different organisations looking for job opportunities. Hence, it is of utmost importance for all of you to know on what criteria do the companies select its human resource.

Recruitment is one of the most visible roles undertaken by human resource departments in organisations. Recruitment can be considered as part of a trio, 'recruit, reward and retain'. Recruitment is a process of generating a 'pool' of candidates by reaching the 'right' audience suitable to fill the vacancy. Selection involves 'picking' the most suitable candidate from the 'pool' that is willing to fill the vacancy "The human resources are the most important assets of an organization. The success or failure of an organization is largely dependent on the caliber of the people working therein. Without positive and creative contributions from people, organizations cannot progress and prosper. In order to achieve the goals or the activities of an organization,therefore, we need to recruit people with requisite skills, qualifications and experience.While doing so, we have to keep the present as well as the future requirements of the organization in mind."

Definition
Recruitment is a 'linking function' - joining together those with jobs to fill and those seeking jobs. It is a 'joining process' in that it tries to bring together job seekers and employer with a view to encourage the former to apply for a job with the latter.

The basic purpose of recruiting is to develop a group of potentially qualified people. To this end, the organization must communicate the position in such a way that job seekers respond. To be cost effective, the recruitment process should attract qualified applicants and provide enough information for unqualified persons to self-select themselves out.

The Aim of Recruitment
The overall aim is "to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the company". (Armstrong, 2001:385)

The main objectives of recruitment are:
- To obtain a pool of suitable candidates for vacant posts.
- Attract the best-qualified candidate for the position.
- Identify the talent needed to do the job.
- To ensure that all recruitment activities contribute to company goals and a desirable company image

- Promote your company as a dynamic place where people do interesting work that makes a difference.
- To conduct recruitment activities in an efficient and cost-effective manner.
- Draw on the diversity of people in your company, industry and community

Recruitment involves searching for and obtaining potential job candidates in sufficient numbers and quality so that the organisation can select the most appropriate people to fill its job needs. (Dowling and Schuler, 1990)

We must understand that an organization with jobs waiting to be filled, HRM personnel need to (1) find candidates for those jobs and (2) match the right candidate with each job.

It is important for us to understand that **Recruiting** is the process of attracting qualified job applicants.

As a **small business owner-manager**, you should be aware of the legal environment in which you operate. This is especially true when it comes to recruitment. Being aware of legislation that will affect your business is extremely important to efficient recruiting.

Recruiting Your Employees/Recruitment Process
You are looking for new staff. Perhaps your company is expanding, or maybe you have to replace a key employee, who has got another job, moved away or retired. With good human resources (HR) planning you can take the guesswork and flying-by-the-seat-of-your-pants stress out of finding employees. HR planning starts the moment you reply to a request for proposal, or get a bigger order from an existing customer. By establishing a process and following it, you should have fewer problems in finding staff - whether they are full-time, contract, part-time, or consultants – and fewer problems in keeping them with your company. The process may seems a bit bureaucratic and time consuming at first glance, but the time spent up front will pay large dividends down the road. Hiring the wrong person can be costly in many ways.

Using Job Descriptions
A job description is written a summary of the duties, responsibilities and expected results of a job. Clear job descriptions will help both you and your employees. The descriptions help to organize how work is done, define the links between different jobs, and state the level of responsibility and authority for each job. Your job descriptions should be living documents that you review yearly. As your business changes so these changes may need to be reflected in the job descriptions.

Job descriptions are usually one to three pages long, depending on the scope of the job and the level of responsibility. They can be in various formats but all will contain the same basic elements. A useful guide for environmental job descriptions is

CCHREI's National Occupational Standards for Environmental Employment.

Elements of a Job Description

Start your job description with a job title to name the job. Next add a job summary, one or two sentences that defines the overall purpose of the job. The job qualification section is a brief listing of the education, qualifications and experience needed to be able to do the job effectively. The final section of a job description is the results and duties. Here you list the key job tasks and results that the employee is responsible for. Descriptions for more senior staff should be focused on the results they need to achieve; while for junior staff, the emphasis is more on the tasks to be completed.

1. Defining Job Results and Duties: Job descriptions help you to organize work functions and assign tasks to various jobs. This is especially useful if your business is changing due to growth or cutbacks, reorganizations or joint ventures, or you are introducing new technology or procedures. A brief listing of the expected results of each job will help you to reassign tasks, results and responsibilities. The new job descriptions will help your employees to understand and deal with the changes.

2. Defining Job Relationships: Job descriptions clarify the links between jobs by showing the nature of contacts, supervision and authority that is given or received. For example, a manager supervises a team, and the team takes direction from the manager. Relationships can also be defined to assign responsibility for managing external contacts such as key customers or government regulators.

3. Recruiting and Selecting Employees: A job description is the key tool that you will use when hiring new staff. You can use it to specify qualifications and experience when advertising, to review applications and to decide on interview questions.

4. Orienting and Training New Workers: You can use the ready-made outline of the job description to show new employees the scope of the job, their responsibilities and anticipated results. The job description can also be used as a checklist when training them on specific job skills or procedures.

5. Communicating with Employees: By taking the time to prepare and review job descriptions, you are ensuring that your employees know the results they are accountable for. This reduces the possibility of critical tasks falling between the cracks. While you want to empower your team by encouraging them to try new procedures and ideas, you also want them to deliver on the core job that they were hired to do. It is a fine balancing act. A job description will reduce frustrations with staff who either try to shirk responsibilities by saying 'that's not my job,' or take on tasks outside of their job description because they like them more than the work that they were hired to do.

6. Managing Performance: The job description is ready list of the tasks and results that your employee should be achieving. By using the job description both you and the employee can rate his or her performance.

7. Determining Pay: You can use job descriptions to set pay structures and ranges for each job. Job descriptions can also be used to compare your pay rates to your competitors and to those in the environmental sector as a whole.

Finding/Searching Your Employees (or) Sources of Recruitment

Whether you are replacing an employee who is leaving, or you need to hire new staff as the business is growing, you need to use the most efficient method to find the right people. There are many ways of conducting a search - each with its own advantages and disadvantages. Your search could range from in-house recruitment to reviewing unsolicited resumes. You need to assess each option and then choose the one or more ways that work best for you.

Effective recruiting requires that you know where and how to obtain qualified applicants. It is difficult to generalize about the best source for each business, but a description of the major sources follows:

In-house: The most qualified person may already be working for you. Some of the benefits of hiring from within include a boost in employee morale, efficient succession planning as you are identifying those ready for a new challenge, and less time spent on orientation and training. Other benefits include fewer turnovers, as employees can see that they can have a career with your company, and it is cheaper as there are no advertising costs. However, there are some disadvantages to hiring in-house. You may have a limited number of applicants, you will reduce your chances of hiring from diverse communities, and you may miss the new energy and ideas that come form hiring outside your company. Internal hiring may also cause a ripple effect of promotions and vacancies in your firm. As one person moves up a new vacancy is created, a process which can continue all the way down to an entry level job.

Word of Mouth: Putting the word on the street that you are looking for people can be an effective and efficient way of finding employees. By tapping into your networks you may readily find the experienced professional that you need for that new contract with very limited cash expense. Outplacement companies maintain job boards free of charge and can be a good source of skilled workers. Do not over look referrals from employees. They have a vested interest in seeing a friend or relative hired and perform well. Evaluate all word of mouth referrals the same way as you would other applicants. Do not feel that you have to hire them because they were recommended to you.

Internet Job Sites: This is fast becoming the preferred way for both employers and employees to find each other, especially if you are looking for staff who are younger or comfortable with information technology. To reach a small select group of candidates, you can post the job on the career section of your own web page or to websites such as the CCHREI EnviroJob Board and the Canadian Environmental Industries Association (www.ceia-acie.ca). To reach a larger audience you can post your job on general websites such as those run by the newspapers. They may charge you for doing so.

Newspaper/Trade Journal Ads: Most jobs are filled by the methods listed above. There may be times when you need to place and ad in a newspaper or trade journal. You can reach the largest pool of applicants locally, nationally or even internationally. The disadvantages to this method include price – it can be very expensive to place a decent sized ad that potential appli-

cants will see as they scan the career sections. This method is also time-consuming, as you need to write the ad and let it run for some time. You also need to plan how to handle the volume of applications. One company placed a small ad for a junior biologist in their regional area. They received 800 applications for the positions from across the country.

Colleges and Universities: This is a very effective way of filling junior positions with people whom you know are already qualified for working in the industry. Campus recruitment is also helpful if you need staff with specialised skills. For example, you could find a groundwater engineer from the Centre for Research in Earth and Space Technology (CRESTech). The placement officer in the college or university will be more than willing to help you plan your recruitment strategy.

Unsolicited applicants: Small businesses receive many unsolicited applications from qualified and unqualified individuals. The former should be kept on file for future reference. Good business practice suggests that all applicants be treated courteously whether or not they are offered jobs.

Schools: High schools, trade schools, vocational schools, colleges and universities are sources for certain types of employees, especially if prior work experience is not a major factor in the job specification. Schools also are excellent sources for part-time employees.

Private employment agencies: These firms provide a service for employers and applicants by matching people to jobs in exchange for a fee. Some fees are paid by the applicants, and there is no cost to the employer; for highly qualified applicants in short supply, the employer sometimes pays the fee.

Employee referrals: References by current employees may provide excellent prospects for the business. Evidence suggests that current employees hesitate to recommend applicants with below average ability. Word of mouth is one of the most commonly used recruiting sources in the small business community.

"Help Wanted" advertising: Letting people know that the business is hiring is a key element in gaining access to the pool of potential employees. At its simplest, this type of advertising may take the form of a Help Wanted sign in the window. More sophisticated methods involve using local media, primarily print sources such as daily and weekly newspapers. The classified pages of newspapers are frequently consulted by active job seekers, including currently employed individuals who may be tempted by a more attractive position. Other advertising media include radio and television. These tend to have a wider appeal than the newspaper; however, the price of an advertisement is correspondingly higher.

Specialty media publications, such as trade association magazines and newsletters, may also produce quality job applicants. There are efforts in some parts of the country to offer small business employers access to cable television community bulletin boards. Another high-tech opportunity is to list positions on computer network bulletin boards.

Prices for help wanted advertising vary and the small business owner approaches them with caution. A well-placed, high-quality advertisement will attract good people, whereas, an expensive advertisement in the wrong medium may get no results. Some experimentation is worthwhile to most small businesses. Another suggestion is to ask other small business people in the area about their success with help wanted advertising. Learn from others' successes and mistakes.

Other Methods: There are a few other ways of finding the right employees. These include people you meet at environmental conferences, seminars and trade shows. You can attract them by either setting up your own recruitment booth or through informal meetings. Private employment agencies are also a source, although they do charge a fee. Finally, you may find staff if someone just happens to be making the rounds of potential employers by visiting your office or by sending you an unsolicited resume. Whatever your source of employees, you should **screen and select** those for interviews using the same rigorous methods.

Screening

The screening process provides information about an individual's skills, knowledge and attitudes, enabling a potential employer to determine whether that person is suited to, and qualified for, the position. Experience has shown that hiring an overqualified person can be as harmful as hiring an under qualified person.

The **application form** is the place to begin screening candidates for a job. It provides information on the person's background and training and is the first means of comparing the applicant with the job description. This will ensure that you don't waste time on applicants who clearly do not meet the minimum requirements for the job.

Generally, the following information is asked on an employment application form: name, address, telephone number, social security number, kind of work desired, work experience, military service, education and references.

The **personal interview** is the **second step** in the screening process:

You need to make the interviews meaningful for both yourself and the applicants. Do not just go through the motions, especially given all your effort in writing job descriptions and advertising. Successful interviews are a two way process. As the employer, you want to know more about the applicant than what is on their resume. In turn, the applicant wants to hear more about your firm and the job beyond what was in the job ad and job description. The key to good interviewing is **preparation**.

Before You Start

Long before you start the interviews you will need to do some background work. The more of this work you do ahead of time the easier it will be to complete the interviews successfully. Part of your preparations includes deciding if it will be one or multiple interviews, if there will be one or more interviewers, and the length of the interviews. The short-listed applicants will need to know this information ahead of time. The more extensive the interview process, the more insight you will gain on the candidate and their fit to your company. This of course will cost you in time. You also need to decide how many people you are going to interview. Just before the interviews ensure

that you review the correct resumes, the job description, and the key questions you wanted answered by the end of the process.

Opening

During the opening you want to make the applicant and yourself comfortable. Shaking hands, offering coffee, taking a coat and so on can all help put the applicant at ease. Next, you need to set the context for the interview. Give the applicant an idea of how you will do the interview and perhaps a brief overview of your company.

Open-ended Questions

Use lots of open-ended questions in the interviews. These questions usually begin with who, what, when, where, or tell me about a situation when? Open-ended questions are used to encourage discussion, to get the applicant to talk about their past accomplishments and to probe where the answers are not so clear. They are also used to build trust and rapport between you and the applicants.

Close-ended Questions

Use these when you need a specific or a yes or no answer. For example, you can ask "how long did you work for company XYZ?" Or "have you had any project management experience?"

Questions to Avoid

Remember that hiring is a two way street; you have to decide that this is the right person for the job, and they have to agree that you are the right employer. You can increase the chances of this happening by avoiding certain questions and remarks. Questions like "that's an unusual name, what nationality is it?" Or "do you rent or own your own home?" Or of women, "do you plan to have children?" These kinds of questions suggest that what is important for the job is not the person's skills and experience, but their culture, finances or marital status. These questions may also be illegal under your provincial human rights legislation.

Listening

Once you have asked your questions give the applicant time to answer. And pay attention to the answers. Keep an open mind at all times. If the applicant gives an unexpected answer, use it as a chance to probe and to clarify. If you do not like their answer, keep your reaction to yourself. Make notes to help you concentrate and to refer to after the interview is over. Ideally, the candidate should do most of the talking.

Body Language

Body language is just as powerful as the words you and the applicant use in the interview. A smile will encourage the applicant to talk more freely. Frowning will cause the opposite effect. Audit your body language when conducting interviews to check for consistency between what you say and how you act.

Closing

As you bring the interview to a close, make sure that you ask the applicant if they have any questions. In your closing remarks explain the next steps in the process and thank the applicant for coming. After the person leaves make notes on their strengths and weakness.

During the interview, the manager learns more about the applicant through face-to-face contact, including observation of personal appearance. The interview should be guided, but not dominated, by the manager as it is important to let the candidate speak freely. Whenever possible, the interviewer should ask questions that are directly related to the job. Devise a list of questions that will adequately assess the applicant's qualifications while meeting the specifications for the job.

Three major errors often committed in the personal interview are:

- Failure to analyze the requirements of the job in sufficient detail to generate valid questions.
- Failure to ask candidates the right questions to determine their strengths and weaknesses, and their fit with the job.
- Too much reliance on gut reaction instead of objective evaluation of candidates based on criteria established in the job specification.

Interviewing makes the selection process more personal and gives the interviewer an overall idea of whether the applicant is appropriate for the job.

The following list of techniques will help you select the right applicant for the job:

1. Review the job description before the interview.
2. Break the ice - establish a friendly atmosphere.
3. Develop an interview time plan and stick to it.
4. Keep an open mind, i.e., don't form an opinion too early.
5. Give the candidate time to tell his or her story; don't talk too much.
6. Present a truthful picture of the company and the job.
7. Listen carefully, concentrate and take notes.
8. Avoid detailed discussion of salary too early in the interview.
9. Be courteous.
10. Don't leave the candidate hanging - discuss the next step in the hiring process and the timing.

Other screening techniques include employment tests and physical examinations. Some employment tests measure aptitude, achievement, intelligence, personality and honesty. A physical examination determines if the applicant meets the health standards and physical demands of the job.

Selecting your Employee

After you have finished all the interviews your next step is to assess each candidate. You want to see which one is the strongest in terms of skills, experience and qualifications. Also, you want to assess intangibles such as the person's fit to your company. If the applicant is weak in a particular area how will it affect you and the rest of your employees?

Checking References

Once you have selected your top candidate the next step is checking references. In talking to the applicant's current or previous managers or co-workers, you are making sure the applicant has the skills and experience listed on their resume. Reference checks are important since research shows that about

third of all applicants are creative with or lie about their employment history. You want to make sure the person will not be a liability to you and your clients if they claim to have technical expertise that they do not in fact possess.

Making your Offer

Before you contact the unsuccessful employees, make sure your top candidate is willing to take your job offer. They may well have found another job by the time you reach this step. In your call briefly tell the applicant why you want to hire them, confirm salary range and other details.

Completing the Paperwork

Finish off your recruitment process by tying up the loose ends. This includes sending your offer letter with the job title, start date, and salary to the successful applicant. Send the unsuccessful interviewees a short letter explaining that the position has been filled and wishing them success in their job search. Some of them may wish to approach you in the future for a different position.

Hence it is important for the recruiting firm to understand the job that needs filling?

- How has the job changed since it was last filled?
- Do we still need the job to be done?
- What does the job now involve?
- Does it need to be done in the same way as before?
- Is there a Job Description?

It is also important for the firm to know what sort of person do they need

1. To fit the job
   - Is it a lonely job?
   - Does it require unsocial hours working?
   - Does it need a team person?
2. To fit the organization
   - What do we believe in?
   - Obedience to the boss - or Independence?
   - Competition - or Co-operation?
   - Customer First - or - Organization First?
3. Do we want help to change?

Linking the Role of Recruitment and Selection
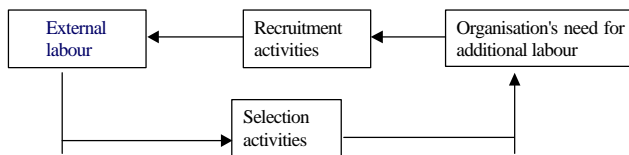
Recruitment Policies and Procedures

One of the first steps in planning for the recruitment of employees into the organization is to establish proper policies and procedures. A recruitment policy indicates the organizations' code of conduct in this area of activity. A typical policy statement for recruitment may run thus.

Recruitment Policy Statement

In its recruitment activities, the company will:
- Advertise all vacancies internally,
- Reply to every job applicant without any delay,
- Inform job applicants the basic details and job conditions of every job advertised,
- Process all applications with efficiency and courtesy,
- Seek candidates on the basis of their qualifications,
- Aim to ensure that every person invited for interview will be given a fair and thorough hearing
- The company will not: Discriminate unfairly against potential applicants on the basis of sex, race, religion, caste, etc.;
- Knowingly make any false or exaggerated claims in its recruitment literature or job advertisements.

Once the recruitment policy is made explicit, the company can evolve a detailed **procedure** to make the whole exercise systematic. Such a systematic approach will enable people within (or outside) the organization to follow a predictable path. The recruitment procedures should, however, be flexible enough to permit personnel department to respond quickly to demands made on them by various departments and by potential candidates. Recruitment, it should be remembered, is a marketing activity as well as a public relations exercise. When recruiting people, organizations are going out into their external environment and competing with others for suitable candidates. Such activities_ therefore, should be conducted in a manner that sustains or enhances the prestige and public image of the organization concerned. Fair and objective recruitment policies and standards would add to the image of the organization in the long run. One way in which managers engaged in recruiting people can follow a systematic approach is to adopt a checklist such as the one given below:

Checklist

1. Has the vacancy been agreed by a responsible manager?
2. Is there on up-to-date job description for the vacancy?
3. What are the conditions of employment for the vacancy (salary, hours of work, fringe benefits, perquisites, holidays, etc.)?
4. Has a personnel specification/candidates profile (in terms of physique, intelligence, aptitude, qualifications experience, etc.) been prepared?
5. Has a notice of the vacancy been circulated internally?
6. Has a job advertisement been agreed? Have details of the vacancy been forwarded to relevant agencies?
7. Do all potential candidates (internal or external) know where to apply and in what form?
8. What are the arrangements for drawing up a shortlist of candidates?
9. What about the interviewing dates and arrangements for selection of candidates?

10. Have the short listed candidates or waitlisted candidates been informed sufficiently in advance and asked to furnish detailed references?

11. Have unsuitable candidates or waitlisted candidates been informed of their position in a polite way thanking them for their interest and attendance?

Article

Online Job-hunting

April 8 2003 - a study of more than 363,000 unemployed workers worldwide by career transition firm DBM reveals that Canadian Internet surfers were four times more successful in finding new jobs than the global average in 2002. In fact 12% of the 7400 unemployed Canadians studied found new jobs last year through various Internet-based resources. This compares with 3% worldwide and 6% for US respondents. Nevertheless, personal networking is still the best method to find new employment. The study found that worldwide 42% of people found new jobs by networking - and the proportions were higher in the USA (61%) and Canada (68%). The relative importance of online recruiting methods in Canada probably reflects the high level of Internet penetration across the country. New York-based e-Marketer, a leading source of data about internet, e-business and emerging technologies, says there were 14.9 million internet users in Canada in 2002 compared to 152.8 million in the United States. This number is expected to grow to 21.4 million users in Canada by the end of 2004 compared to 174.9 million users in the United States. An e-Marketer report titled North America Online: Demographics and Usage, released in February 2003, estimates 7.2 million online households in Canada in 2002 - approximately 60% of all households in the country. Over 63% of households in Alberta, British Columbia and Ontario have online access according to e Marketer. Another survey by COMPAS Inc. found that 47% of Canadian business executives said they used online tools such as company web sites or internet-based recruiting firms to fill employment vacancies last year. Monster.ca, workopolis.ca, hotjobs.ca and careerclick.com were among the best-known online recruiting services in Canada. DBM's career transition consultants advise their clients to send both printed and e-mail resumes when searching for new employment. They say job candidates should send their resume electronically with an e-cover note and then follow-up with a printed letter and resume. "Many people think that electronic and printed resumes are different. They should not be. You are merely altering the presentation format of a printed resume for the Internet," says Judith Gelber, Vice-President/Managing Consultant, DBM. "A well-written, well-prepared resume will contain all of the necessary keywords to attract attention whether it is being read by a hiring manager, scanned or searched in a management system or indexed in an Internet site." Gelber also has some tips for people applying for work over the Internet: * Just the factsBe true to your record. You will find more opportunities more closely suited to your background and goals.*Talk the talkThe correct use of industry or professional terminology will instantly allow the potential employer to understand your background and determine a possible fit quickly and efficiently.*Timing is everythingMost large job posting sites list resumes chronologically and recruiters often look at the most current postings. It's a good idea to re-post your resume weekly.* Pick and chooseBe selective about the sites to which you post your resume. Recruiters will not take you seriously if they discover you are indiscriminate about the position you are seeking.* High-light key pointsFor online resumes use asterisks ((*)) or plus signs (+) at the beginning of lines instead of bullets at the beginning of lines. Use a series of dashes to separate sections. Consider using capital letters or asterisks to surround key text instead of using bold face.* Going publicOnce posted, consider your resume a public document and out of your control. Consider renting a post office box and using a specific voice mail account for your search instead of including your home address and phone number on your resume.* Update or outdateSome Internet services will allow you to post your resume without cost, but will charge for updates. Look for Internet services that allow an unlimited number of updates.

Article on Selection

Less Hiring Of Minority Graduates, Study Says

Chicago Sun - Times; Chicago, Ill.; Aug 24, 1993; Janet Kidd Stewart

Sub Title: [LATE SPORTS FINAL Edition]

Start Page: 37

Personal Names: Hanigan, Maury

Abstract:

[Maury Hanigan] said the research group had expected a bigger boost in the percentage of minorities hired because minority enrollment on college campuses is growing dramatically.

Minority enrollment in engineering programs, for example, grew by 82 percent during the 1980s, Hanigan said.

While school placement counselors are frustrated, schools such as Roosevelt with a large percentage of black studentd may do better than colleges with few minority students. That's because recruiters often look to historically black schools for candidates, Hanigan said.

At Roosevelt University Monday, placement counselor John Bailey talks with students Tae-Young Ham, Lisa Clare, Melissa Jarnecke, Tamika Lampkin and Erik Jackson about job opportunities. A new study shows that companies are recruiting fewer minority college graduates today.; Credit: Brian Jackson

Full Text:

Copyright Chicago Sun Times Aug 24, 1993

Companies are recruiting fewer minority college graduates, suggesting the politically correct American workplace is hot air, a new study shows.

"The argument that there are not enough qualified (minority) candidates becomes suspect," said Maury Hanigan, president of Hanigan Consulting Group, the New York firm that did the

study. "If anything, there is a bumper crop of minorities coming out of top schools."

But since 1989, minority hiring on campus is down 35 percent, according to the survey of 100 Fortune 500 companies.

That dismal number looks better in light of the overall hiring at U.S. campuses, which is down 55 percent in the same period.

But the relative strength doesn't fix the problem, Hanigan said.

While minorities grew by 4 percentage points to 20 percent of total hires, fewer students - and fewer minority students - are actually employed.

At Roosevelt University, which has a 43 percent minority enrollment, campus recruiting gets more difficult every year, said placement director Dr. Patricia Dore.

"Across the board, there are just a lot of problems getting students placed," Dore said. "We're beginning to revamp students' expectations about a first job, encouraging them to worry about their career track after they get started."

Mark Brailey, a Roosevelt placement counselor who deals directly with students, said it's more rare today than a few years ago to see companies requesting minority candidates.

"I think it is lip service," he said, referring to the increased attention diversity has gotten in recent years. "The economy has caused a lot of people to forget these causes."

Hanigan said the research group had expected a bigger boost in the percentage of minorities hired because minority enrollment on college campuses is growing dramatically. Minority enrollment in engineering programs, for example, grew by 82 percent during the 1980s, Hanigan said.

"I was surprised minority hiring was not up more," Hanigan said.

When the job market is tight, she said, companies are less willing to take risks in hiring a diverse work force.

"They get more cautious, and they're very wary of turnover. So they get conservative and hire only those they see as a good `company fit.' That usually is the stereotypical white male," she said.

While school placement counselors are frustrated, schools such as Roosevelt with a large percentage of black student may do better than colleges with few minority students. That's because recruiters often look to historically black schools for candidates, Hanigan said.

But by separating the diversity issue from overall hiring, Hanigan said, companies reinforce old stereotypes and other minorities get passed up.

"When we think of diversity, we're still in the old mindset of affirmative action. They have an international hiring manager, a diversity manager, an ADA manager (who handles hiring under the Americans with Disabilities Act). They have all these little, separate boxes.

"If we can't manage a diverse work force better than that, what makes us think we can be global competitors?"

LESSON 21:
EVALUATION OF RECRUITMENT AND SELECTION PROCESS

Learning Objectives
- Alternatives to Recruitment
- Evaluation of Recruitment
- Effective Selection Process

Alternatives to Recruitment

Since recruitment and selection costs are high (search process, interviewing, agency fee, etc.) firms these days are trying to look at alternatives to recruitment, especially when market demand for firm's products and services is sluggish. Moreover, once employees are placed on the payroll, it may be extremely difficult to remove them if their performance is marginal. Some of the options in this regard may be listed thus:

Overtime: Short-term fluctuations in work volume could best be solved through overtime. The employer benefits because the costs of recruitment, selection and training could be avoided. The employee benefits in the form of higher pay. However, an overworked employee may prove to be less productive and turn out less than optimal performance. Employees may slow down their pace of work during normal working hours in order to earn overtime daily. In course of time overtime payments become quite routine and for any reason these payments do not accrue regularly, employees become resentful and disgruntled.

Subcontracting: To meet a sudden increase in demand for its products and services, sometimes, the firm may go for subcontracting - instead of expanding capacities immediately. Expansion becomes a reality only when the firm experiences increased demand for its products for a specified period of time. Meanwhile, the firm can meet increased demand by allowing an outside specialist agency to undertake part of the work to mutual advantage.

Temporary employees: Employees hired for a limited time to perform a specific job are called temporary employees. They are particularly useful in meeting short term human resource needs. A short-term increase in demand could be met by hiring temporary hands from agencies specializing in providing such services. It's a big business idea in United States these days ($3-$4 billion industry). In this case the firm can avoid the expenses of recruitment and the painful effects of absenteeism, labor turnover, etc. It can also avoid fringe benefits associated with regular employment. However, temporary workers do not remain loyal to the company; they may take more time to adjust and their inexperience may come in the way of maintaining high quality.

Employee leasing: Hiring permanent employees of another company who possess certain specialized skills on lease basis to meet short-term requirements - although not popular in India- is another recruiting practice followed by firms in developed countries. In this case individuals work for the leasing firm as per the leasing agreement/arrangement. Such an arrangement is beneficial to small firms because it avoids expense and problems of personnel administration.

Evaluation of Alternative Sources of Recruitment

Companies have to evaluate the sources of recruiting carefully - looking at cost, time, flexibility, quality and other criteria - before earmarking funds for the recruitment process. They cannot afford to fill all their vacancies through a particular source. To facilitate the decision making process in this regard, companies rely on the following:

Time-lapse data: They show the time lag between the date of requisition for manpower supply from a department to the actual date of filling the vacancies in that department. For example, a company's past experience may indicate that the average number of days from application to interview is 10, from interview to offer is 7, from offer to acceptance is 10 and from acceptance to report for work is 15. Therefore, if the company starts the recruitment and selection process now, it would require 42 days before the new employee joins its ranks. Armed with this information, the length of the time needed for alternative sources of recruitment can be ascertained - before pinning hopes on a particular source that meets the recruitment objectives of the company.

Yield ratios: These ratios indicate the number of leads/contacts needed to generate a given number of hires at a point at time. For example, if a company needs 10 management trainees in the next six months, it has to monitor past yield ratios in order to find out the number of candidates to be contacted for this purpose. On the basis of past experience, to continue the same example, the company finds that to hire 10 trainees, it has to extend 20 offers. If the interview-to-offer ratio is 3:2, then 30 interviews must be conducted. If the invitees to interview ratio is 4:3 then, as many as 40 candidates must be invited. Lastly, if contacts or leads needed to identify suitable trainees to invite are in 5:1 ratio, then 200 contacts be made. Based on this information, the company can construct the recruiting yield ratio, as shown below:
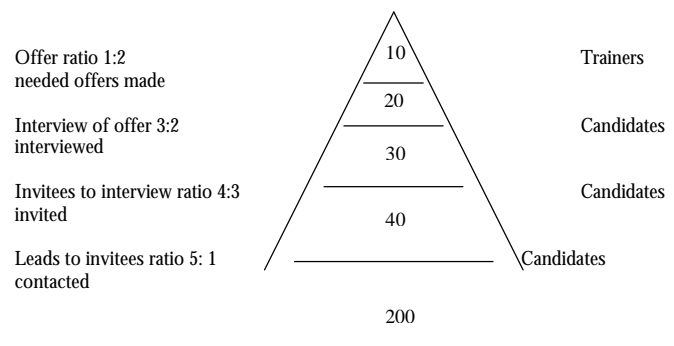
Recruiting Yield Pyramid

Surveys and studies: Surveys may also be conducted to find out the suitability of a particular source for certain positions. For example', as pointed out previously, employee referral has emerged as a popular way of hiring people in the Information Technology industry in recent times in India. Correlation studies could also be carried out to find out the relationship between different sources of recruitment and factors of success on the job. In addition to these, data on employee turnover, grievances, and disciplinary action would also throw light on the relative strengths of a particular source of recruitment for different organizational positions. Before finally identifying the sources of recruitment, the human resource managers must also look into the cost or hiring a candidate. The cost per hire can be found out by dividing the recruitment cost by the number of candidates hired.

Dear friends, let us go through the following articles for better understanding of the topic.

Article - 1

Manpower Introduces Web-Based Employment Prescreening Tool

July 16 2003 - Manpower has added NetSelect(SM), a Web-based employment prescreening tool, to its range of North American human resources services. The company considers that NetSelect is able to efficiently prescreen thousands of job candidates, thereby significantly reducing the amount of time hiring managers need to spend reviewing resumes and identifying the most suitable candidates.

"Manpower designed NetSelect in response to customer demand for new technology that facilitates faster hiring while improving quality," said Barbara J. Beck, executive vice president of U.S. & Canadian operations for Manpower Inc. "This tool strengthens Manpower's lineup of staffing and HR services, creating added convenience for customers seeking a single partner who can bring a range of services to the table."

NetSelect's web-based prescreening ability is achieved by means of an online questionnaire. A customized questionnaire is developed by Manpower in consultation with the hiring client. This determines if candidates possess the desired prerequisites for a position. When candidates express an interest in that open position, they are directed to the questionnaire that is posted at a unique Web address. Employers can establish a link within an online job posting leading directly to the custom-built questionnaire. NetSelect is completely Web-enabled - it requires no downloads, network configuration or IT integration.

Candidates can access the questionnaire when it suits - it is available 24 hours a day, 7 days a week. When a candidate has completed the questionnaire, NetSelect assigns a score based on how closely that person's background and preferences match the job profile. NetSelect then organizes the results in a database. This allows employers to:

- see at a glance how many people completed the questionnaire

- view their scores;

- determine who will move on to the next step in the hiring process.

Additionally, hirers can send e-mail messages to applicants directly through NetSelect, which keeps a record of correspondence.

"NetSelect brings unprecedented efficiency to the hiring process, and employers will appreciate the impact this tool has on the bottom line," said Mark Gambill, vice president of marketing for Manpower North America.

Manpower considers that employers will save time and money because only candidates with the highest scores proceed to the more time- and cost-intensive screening procedures.

Article - 2

Why Should I Hire You?

September 24 2003 - It's a standard interview question, but the answers employers receive can be far from ordinary. The Creative Group, a specialized staffing service providing marketing, advertising, creative and web professionals on a project basis, recently asked 250 advertising and marketing executives to describe the strangest responses candidates have given when asked why they should be hired.

Those surveyed were asked, "What is the most unusual or creative reason you have ever heard a candidate give for why he or she should be hired?" Here are some of their responses:

- "The candidate said he could be an asset to our company softball team."
- "The applicant said she was bored watching TV at home."
- "The job seeker pointed out that he had a great smile."

"When discussing why they should be hired, applicants should focus on their strengths most relevant to the position and how those qualifications ultimately will benefit the company," said Tracey Turner, executive director of The Creative Group.

Employers are less likely to be interested in the following points made by job seekers:

- "The candidate noted that there were no redheads in the company and said we should hire one."
- "The job seeker said we should hire him because he just won big at the casino and was on a roll."
- "One person said we should hire her because she was a cheerleader in high school."
- "An applicant explained that his brother-in-law was successful in the industry, so he would be, too."
- "Someone said she was a good reader at church, and that's why she ought to be hired."

Candidates should be sure to focus on the potential employer's needs, not their own, during the interview. These next applicants might have benefited from this advice:

- "One person said I should hire him because he was tired of living with his parents."
- "The applicant said he'd been rejected by all the good agencies."
- "A guy said he was the sole source of support for his puppy."
- Threats rarely inspire a job offer. To wit:
- "The candidate said that unless we hired him, our corporate identity would disappear."
- "One person said she wouldn't stop calling us until she was hired."
- "The applicant said our company wouldn't survive without him."
- While job seekers should show enthusiasm about the position, excitement about the company locale may not go over well, as these next examples show:
- "He said we should hire him so he could ride his bike to work."
- "The candidate said she'd always wanted to work in our building."
- "The applicant said we should hire her because she lived close by."

"With numerous qualified professionals competing for jobs, a candidate's power of persuasion plays a greater role in his or her success," said Turner. "Applicants need to really sell themselves during the interview, emphasizing specific expertise and highlighting career achievements."

Turner offered the following tips to help candidates showcase their strengths during the interview process:

- Curtail clichés. Avoid overused terms or phrases such as "hardworking" and "results-oriented." Instead, focus on your unique qualifications.

- Get specific. Provide examples that highlight your positive attributes. For instance, if you're able to meet tight deadlines, tell a brief story that demonstrates this quality. The more memorable the anecdote, the better.

- Focus on achievements. Instead of simply describing your responsibilities in previous roles, try to quantify your accomplishments, such as bringing in 15 new clients in one year.

- Do your homework. Research the firm thoroughly so you can discuss how your expertise relates to the particular position and company.

Wendy Gillis, Toronto division director for The Creative Group, said, "Asking intelligent questions during the interview and following up with a compelling thank-you note that reiterates key strengths and qualifications can help applicants stand out from the competition."

The survey was developed by The Creative Group and conducted by an independent research firm. It includes 250 responses - 125 from advertising executives and 125 from senior marketing executives. The Creative Group has offices in major markets across the United States and in Canada and offers online job search services at.

Article on Recruitment

Pharma's Success in Making Diversity Work
Pharmaceutical Executive; Eugene; Sep 2003; Deanna Mather Larson Abstract:

The pharmaceutical industry, with its worldwide focus, is greatly interested in a diversified workforce. Paul Harding, Vice President, Human Resources for Solvay Pharmaceuticals North America recognizes that the workforce should reflect the populations it serves. When a pharmaceutical company needs to add to its pool of employees it is primarily concerned with a candidate's experience, knowledge and expertise. Looking within a company's own diverse workforce is a good place to start when positions are open. Cynthia Christian, Manager of Diversity and EEO for Aventis Pharmaceuticals North America, uses a number of ways to find qualified candidates. At Solvay, Harding says the company advertises in minority publications and participates in career fairs sponsored by minority organizations. When candidates have encouraging credentials but their skill levels aren't up to standards, some companies offer ways to improve proficiency.

Forty years ago President John F. Kennedy put pen to paper and made the Equal Pay Act (EPA) a law. From that point on, men and women were to be paid equally for the same job. A year later, Title VII, the Civil Rights Act, banned discrimination because of race, color, religion, sex or national origin. More laws followed. The Age Discrimination in Employment Act, protects people 40 years and older from losing their jobs because of their age. The Americans with Disabilities Act outlaws discrimination against qualified individuals who have a disability.

The pharmaceutical industry, with its worldwide focus, is greatly interested in a diversified workforce. Paul Harding, Vice President, Human Resources for Solvay Pharmaceuticals North America recognizes that the workforce should reflect the populations it serves. "At Solvay, by virtue of the business we're in, we feel that for us to be successful and connect with our customer base, our patient base, and physician base, we have to have great sensitivity to the diverse makeup of the populations we serve."

Every hiring manager understands the need for truly qualified employees who advance a company's diversity goals. But where do you find these people? How do you keep them once they're on your team? And how can you accommodate diversity and keep your operation running smoothly? The professionals of Aventis Pharmaceuticals North America, Solvay Pharmaceuticals North America, Takeda Pharmaceuticals North America and Yamanouchi Pharma Technologies share their experience with the important job of diversity hiring. They all agree-diversity is good for business.

Finding Talented and Diverse Employees
When a pharmaceutical company needs to add to its pool of employees it is primarily concerned with a candidate's experience, knowledge and expertise. Looking within a company's own diverse workforce is a good place to start when positions are open. Tip: Ask your employees for assistance in locating promising recruits. They may have relatives or friends who

qualify. Also, employment agencies can screen credentials and hand you the best of the lot.

Cynthia Christian, Manager of Diversity and EEO for Aventis Pharmaceuticals North America, uses a number of ways to find qualified candidates. "We attend meetings and support organizations such as the Black MBA Association, the Hispanic MBA Association and the National Organization of Black Chemists and Chemical Engineers." She also recruits through universities, including sororities and fraternities. Christian says one of the most beneficial recruitment tools is a successful, positive workforce. "Our associates are out there talking to people." Aventis employees are encouraged to nominate anyone they feel is qualified.

Aventis uses several ways to get its name out there for a number of reasons, and one reason is to attract talented candidates. When a charity held a regatta, Aventis participated. "And we came in third," says Christian.

Lori Smith, Senior Vice President Human Resources and Administration for Takeda Pharmaceuticals North America, uses online job boards dedicated to specific ethnic groups, such as DiversityInc.com, AsianAvenue.com and BlackPlanet.com. When she finds promising prospects posted online, she takes her search one step further. "We actually do a direct mailing to some of those individuals to try and give them more information about us, what we're about and what we're looking for." Smith says Takeda regularly participates in career fairs and the NAACP, the Hispanic Alliance for Career Advancement and the National Black MBA Association.

At Solvay, Harding says the company advertises in minority publications and participates in career fairs sponsored by minority organizations. He also searches local schools. "We have close ties with Spelman College and the Morehouse School of Medicine. We have looked at the possibility of expanding our initiatives with Emory University as well."

When Dave Carl, Director of Human Resources for Yamanouchi Pharma Technologies looks for new talent, he goes to the Internet. He also hires recruiters and advertises in certain magazines. According to Carl, well-qualified minority groups are readily responding whenever the company has an opening.

A few large corporations outside of the pharmaceutical industry have in-house minority networks. These networks could offer another way to expand a recruitment base. Two of these grassroots organizations that will take calls from the public are: The Black Employee Network at American Express Financial Advisors (Vivian Moore, 800-328-8300) and The Women's Advisory Committee at 3M (Lynnette Welsch, 651-737-6335).

Promising Talent and Company Criteria

When candidates have encouraging credentials but their skill levels aren't up to standards, some companies offer ways to improve proficiency. Tip: Consider a part-time summer employment program, or entry-level positions for college graduates with hard science or medical degrees.

Takeda has an intern program that is all-inclusive. Smith says, "We do a lot of on-the-job training for interns and for other people too." Summer internships introduce the college student to the company's way of doing business and instill a loyalty that could build an intern into a highly motivated employee. Smith adds, "Obviously the college environment is a very key area for incredibly talented people."

Yamanouchi supports a diverse workforce by encouraging all its employees to continue their education. "After you've been with us for six months, we have 100 percent reimbursement on continuing education up to $5,000 a year," says Carl.

Keeping Good Employees

Once a company has a diverse workforce, retention becomes the next challenge. Well-trained, well-educated minority employees are an asset worth protecting. Tip: Try getting creative with your benefits package. Your package can address many diversity issues from the familiar to the more obscure, such as obesity in the workplace. It can influence lifestyle and behavior changes that can reduce your health insurance costs and increase productivity. Employees usually participate in a program when it's offered as a perk. A thoughtful benefits package that addresses the needs of your diverse staff can help instill loyalty in these valuable employees.

The law requires a company to reasonably accommodate the religious practices of an employee. Aventis does this by offering four floating holidays a year and a generous vacation package. If an employee needs to take time off to observe a religious holiday, or for any other reason, "You just let your manager know you need to use a day," says Christian. Additionally, flexible work hours allow employees to make arrangements when they have personal obligations. "This is very helpful to people who have small children," says Linda Wasserman, Aventis's Director of Communications for U.S. Drug Innovation and Approval. "Or for people who have elder-care issues, things like that."

The company's in-house ergonomics unit works with all employees, including people with disabilities, to ensure their work space fits their needs. "If they're having problems we'll work with them to facilitate the best response," says Wasserman. The company addresses a variety of health concerns, as Wasserman explains, "We have fitness centers on site. We had a quit smoking program a couple of years ago. We also had a mammogram program set up with a local hospital." The list grows as other interests come to the company's attention.

"We have twelve holidays a year," says Harding of Solvay. "Nine of which are fixed and three that are floating. This allows our employees, who do have particular days they want to recognize for personal, spiritual or religious reasons, to do that." Harding believes Solvay, as a responsible corporate citizen, has a direct interest in the health of its workers. Its benefits program offers ways for employees to improve their lifestyles and living conditions. "We have an in-house Weight Watcher's program that we sponsor," says Harding. Classes are offered to help smokers stop smoking and, Harding says, "We have a wellness program for new and pregnant mothers."

Solvay recently began participating in a mentoring program for their up-and-coming female employees. The company pays the fees and the women are mentored by people in various industries in the Atlanta area. Harding says, "It allows them to

get a feel for life in other companies and to appreciate the challenges that others, perhaps more senior to them in career terms, have faced."

Smith says Takeda encourages their employees, minority or not, to take paid personal days for whatever reason they feel necessary. "They just work it out with their managers, letting their managers know that they're going to be out for a few hours or for the day. It's as simple as that."

Takeda's employees with disabilities are always supported. Not only is attention paid to their physical needs, but, as Smith explains, "We make sure that employees with disabilities have every opportunity to work in all the different functional areas."

The company made arrangements with a fitness center to offer Takeda employees a discounted membership rate. On site classes include subjects such as living a healthy lifestyle and weight management "We definitely do encourage people to think healthy," says Smith.

When people come to Takeda with language difficulties, the company consults with experts to evaluate their language skills. Then either individual tutoring or course-type work is offered to bring the employee's skills up.

At Yamanouchi, any employee who needs part of a day off can take advantage of the company's flexible work hours. "Work it out with your supervisor and your team," says Carl, "and you can come in later and leave later, or come in earlier and leave earlier." When a full day off is necessary, the options are taking a vacation day or using one of the three annual personal days.

Yamanouchi has several attractive benefits that appeal across the diversity lines. Carl says, "We're working very hard with the University of Oklahoma to set up adjunct professorships for some of our Ph.D. people."

Carl stresses, "We're very much a family-oriented company and we emphasize that." One way the emphasis is shown is through matching contributions that employees, or their families, make to charitable or not-for-profit organizations.

The company supports a physically healthy workforce. Carl explains, "If employees want to go to Weight Watchers, we will pay toward that. We have a number of people who are bikers and we sponsor bike-a-thons." The company also backs running competitions and pays entry fees for employees who participate. "I think our focus is more that a healthy employee is more content, more motivated and just a better overall employee," states Carl.

Smoothing the Way for All Employees

The minority population in the United States continues to grow. The diversity within this minority population is also expanding. Misconceptions can still arise even when people are comfortable with a diversified workplace.

From their first day Aventis's new employees are introduced to the company's widely pluralistic workforce. Christian says, "We have a diversity video, titled Working in a Global Community, that we use in our new-hire orientation program." Christian explains that the video features Aventis employees. "They're talking about diversity and why it's a strategic part of Aventis and how we do business."

Managers participate in diversity training programs. Christian says, "We're looking at rolling that training out to all our associates." One sales team, both managers and associates, has already participated in the training.

Once a month Aventis employees are invited to attend a Lunch and Learn. This program features information on a wide variety of topics. "We've done Black History Month," says Christian. "We've done health care issues in Native American populations. We've had programs on religious diversity. We've talked about generations in the workplace. We had a Lunch and Learn on gays and lesbians in the workplace." A popular feature of these noontime sessions is the company-provided lunch.

At Solvay, Harding says, "We have to be sensitive not only to the traditional diversity definition of race and color, but we also have to be sensitive to sexual orientation." All new Solvay employees are required to complete a daylong class called Civil Treatment. "They learn sensitivity to the backgrounds, the thinking, the opinions of others," explains Harding. The company offers other workshops on subjects ranging from finances to sexual harassment. Managers are also required to participate in diversity training. And the company keeps adding new programs as they become necessary.

Takeda employees participate in a course called Managing Inclusion. Smith says, "Our focus has really been high-lighting the importance of diversity and making sure people understand that it's not just about age and ethnicity, but a much broader array of considerations and expectations." This program focuses not only on awareness but includes a look at diversity's impact on business. According to Smith, when people are allowed to bring their different backgrounds and opinions to the table, they not only create a more productive culture, but they open the way for more innovative business ideas.

To make sure Takeda was on the right track, three years ago the company initiated employee focus groups. "We had close to a thousand employees at that time," recalls Smith. Every employee had the opportunity to participate. They were asked to explain what they saw as unique about the company's culture, what made the company different and what they liked and disliked about working at Takeda. The process took several months and many hours. In the end the company came up with six core values that speak to its dedication to its employees, patients and the community.

Because Yamanouchi is a Japanese-owned company, Carl says they have ongoing training in the Japanese culture. "We do harassment training and sexual harassment training as part of our new employee orientation and annually after that." Once a year the company holds business ethics training sessions. These sessions focus on ethical business practices, confidentiality issues, respecting equipment, the facility and the grounds. Training also includes, "Recognizing that you represent the company even away from work," Carl adds. A sensitivity training program is under consideration. "But only as a preventive measure," says Carl. "That really hasn't been an issue historically."

When Discrimination Issues Arise

When an advanced position opens up within a company and employees are encouraged to apply, problems as well as advantages can come up for the company. With workers competing for the same position, care must be taken to assure a fair outcome. Tip: Consider using a team of people to review the applications, and make sure your team is as diverse as your workforce. Additionally, a team who has participated in diversity or sensitivity training will be better qualified to render an unbiased decision that the applicants can comfortably accept.

Managing a diverse workforce includes having a process available for any employee who feels harassed or discriminated against for any reason. Making this process easily accessible and nonthreatening will go a long way toward defusing a difficult situation.

At Aventis, in-house promotions are handled in a variety of ways, depending upon the level of the job. For most employees a supervisor makes the decision. The company also has a dual career ladder. As Wasserman explains, "People can progress on the scientific and technical side as well as on the management side. You can be promoted on the basis of your expertise."

Should an Aventis employee suspect discrimination, he or she is encouraged to speak with a manager. The manager need not be in the same unit as the employee. Christian says other contacts are available. "There's a Human Resource Generalist who works with each department or group." She continues, "We also have a 1-800 phone line if someone wants to call and discuss an issue confidentially and anonymously."

When Solvay offers an in-house advancement, it uses a bank of interviewers to select the best qualified candidate. "If somebody is not selected and wants to understand why, they can certainly discuss the reasons with the human resource consultant, or with the hiring manager." Harding continues, "They are entitled to an explanation."

If a Solvay employee suspects discrimination and he or she isn't comfortable talking to a manager, the company has a confidential telephone number called the Alert Line. Harding says, "Employees can anonymously report any instance of policy violation, wrongdoings, and concerns that they may have about practices within the company or with given individuals." The telephone calls go to a call center that is not affiliated in any way with the company. Harding explains, "We have no means of finding out who the individual is if they don't volunteer that information." The call center transcribes the report and forwards it to Harding.

According to Smith, a Takeda employee who feels any kind of discrimination has a first option of talking with his or her manager. People can also take their concerns to the human resource staff. "We very much try to encourage a culture of open communications," says Smith. The company urges their employees with concerns or issues to feel comfortable airing the problems. "And to also understand that we expect them to surface those kinds of issues," adds Smith. "We want to know." Takeda employees also have access to a confidential telephone number.

Two years ago Takeda initiated an anonymous employee survey asking for feedback on employee workplace issues. "It's all done online," says Smith. "And it takes about 30 minutes or so to complete." The surveys are carefully studied by management. "We spend a lot of time looking at that data and evaluating what it tells us and then coming back with very specific recommendations for addressing those concerns or issues," says Smith. The first two questionnaires were so successful that the company will canvass their employees again this year.

"In the last survey, 86 percent of our population turned it in."

At Yamanouchi, Carl says the company strives to keep communication lines open on all levels. "We have an open door policy right straight up to, and including, the president of the company." Carl continues, "At Human Resources, we're very open door. People are more than welcome to come in at any time and talk about any issue."

Another option Yamanouchi offers its employees who might have problems with the workplace environment is through CIGNA Behavioral. Employees can call CIGNA and receive the first three counseling sessions free. These sessions don't have to focus entirely on workplace dissatisfaction but can include financial concerns, personal matters and even drug abuse or dependency issues.

A Modern Business World is a Diverse World

Today's pharmaceutical companies operate internationally. For a great many companies their home office is located abroad. Employees are often transferred in and out of different countries. Cultural awareness is necessary if an employee is to represent the company well in another country. Many areas in the United States have immigrants who might be willing to offer advice and alert your employee to cultural subtleties. Tip: Try contacting local universities and high school exchange student programs for advisors.

According to Wasserman, Aventis has major facilities in the United States, France, Germany, Japan and well over a hundred countries around the world. Wasserman says, "American English is officially the Aventis language for global business communications, but local languages are used in each country." Neither Christian or Wasserman have seen any problems arise when an employee has been transferred from another country.

"Since we're a European-based organization," says Harding, "for us, diversity, in a broader sense, is cultural diversity between the United States and Europe." Solvay does not have an international hiring program, but people stationed in the United States are routinely transferred to company operations in Germany or The Netherlands or several other locations around the world. Likewise, internationals are often brought into the American operations. Cultural sensitivity is carefully cultivated through the extensive training, development and educational process Solvay conducts for all employees.

Smith at Takeda says, "We do some international hiring. Some individuals come from our parent company which is based in Japan." While the company does not specifically recruit from the international workplace, Smith says, "I can definitely see this coming as we evolve." In previous positions, Smith has done a lot of international hiring over the years, and she's found more

advantages than disadvantages. "The advantages are huge in terms of bringing people in who have a very diverse background and who bring a very diverse set of experiences to the business." The only drawback for Smith is the logistics. "I've had various people who come from other countries where I've worked on visa status, et cetera."

Yamanouchi does not recruit internationally, but Carl says, "We hire a number of internationals." The company assists people who are seeking employment in the United States by sponsoring them for H-1B visas. The H-1B is a temporary, nonimmigrant visa issued to individuals working as professionals in a specialty occupation. The visa period can last up to six years. The plus side for the company, according to Carl, "Is we're able to take advantage of the most qualified people available."

Periodically Yamanouchi's parent company in Japan sends an employee to the United States for a term of six months to two years. Carl says if any problems with the English language exists, for either the employees or their families, the company pays for English as a Second Language classes. The company has also identified several instructors able to teach English to Spanish-speaking people. "But I'm certain we could find other language instructors if we needed to," says Carl.

Forty years ago it took a law to make businesses recognize new attitudes. In today's world, diversity is an accepted way of life. In six of the largest metropolitan areas in the United States, minorities win the numbers race. The buying power of this vast number of people is not something a business can overlook. Women, still considered a minority in the workplace, hold the purse strings for most American families, and they've moved into the labor market in large numbers. For the pharmaceutical industry diversity spells creative, dedicated employees, a sharper competitive advantage and a larger marketplace. While most companies do follow the letter of the law, pharma companies have found that the spirit of the law is great for business.

[Sidebar]

"We have an open door policy right straight up to, and including, the president of the company."

[Sidebar]

The EEOC at a Glance
When the EPA became law, it broke new ground. David Grinberg, of the Equal Employment Opportunity Commission (EEOC) in Washington, D.C., states, "That was the first major civil rights legislation specifically directed to the workplace." The EEOC enforces discrimination laws, and offers education and technical assistance. Currently one commissioner position and the General Counsel position remain open.
Commissioners:
Cari M. Dominguez, Chair, nominated by President G. W. Bush
Naomi C. Earp, Vice Chair, nominated by President Bush
Paul Steven Miller, nominated by President Clinton and longest serving commissioner in the history of the EEOC.
Leslie E. Silverman, nominated by President Bush
For field offices:
800-669-4000
Posters or publications:

U.S. Equal Employment Opportunity Commission
Publications Distribution Center
P.O. Box 12549
Cincinnati, OH 45212-0549
800-669-3362
Website: www.eeoc.gov

LESSON 22:
ORIENTATION AND PLACEMENT

Learning Objectives

- Orientation-Concept and definition
- Objectives/purpose of Orientation
- Need for an Induction Programme
- Designing an Induction Programme
- Placement - Benefits of Proper placement

We must all know that after a candidate joins the firm, he or she goes through the firm's orientation program.

Orientation is the process of acquainting new employees with the organization. Orientation topics range from such basic items as the location of the company cafeteria to such concerns as various career paths within the firm.

Socialization is a process through which a new recruit begins to understand and accept the values, norms and beliefs held by others in the organization. HR department representatives help new recruits to internalize the way things are done in the organization". Orientation helps the newcomers to interact freely with employees working at various levels and learn behaviors that are acceptable. Through such formal and informal interaction and discussion, newcomers begin to understand how the department/ company is run, who holds power and who does not, who is politically active within the department, how to behave in the company, what is expected of them, etc. In short, if the new recruits wish to survive and prosper in their new work home, they must soon come to 'know the ropes.

Hence we can say that induction or orientation or socilisation is the process through which a new employee is introduced to the job and the organization. In the words of *Armstrong,* induction is "the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and start work.

Objectives of Induction/Orientation

Induction Serves the Following Purposes:

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

- The job, its content, policies, rules and regulations.
- The people with whom he is supposed to interact. .
- The terms and conditions of employment.

b. Creates a good impression: Another purpose of induction is to make the newcomer feel at home and develop a sense of pride in the organization. Induction helps him to:

- Adjust and adapt to new demands of the job.

- Get along with people.
- Get off to a good start.

Through induction, a new recruit is able to see more clearly as to what he is supposed to do, how good the colleagues are, how important is the job, etc. He can pose questions and seek clarifications on issues relating to his job. Induction is a positive step, in the sense, it leaves a good impression about the company and the people working there in the minds of new recruits. They begin to take pride in their work and are more committed to their jobs.

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

Need for Induction

1. When a new employee joins an orgainisation, he is a stranger to the organization and vice versa. He may feel insecure, shy and nervous in the strange situation. He may have anxiety because of lack of adequate information about the job, work procedures, organizational policies and practices, etc. Frustration is likely to develop because of ambiguity In such a case, induction is needed through which relevant information can be provided; he is introduced to old employees and to work procedures. All these may develop confidence in the candidate and he may: start developing positive thinking about the organisation.

2. Effective induction can minimize the impact of reality shock some new employees may undergo. Often, freshers join, the organization with very high expectations, which may be far beyond the reality. When they come across with reality, they often feel shocked. By proper induction, the newcomers can be made to 'understand the reality 'of 'the situation. Every organisation has some sort of induction programme either formally or informally. In large organisations where there are well-developed personnel funcions, often induction programmes are undertaken on formal basis, usually through the personnel department. In smaller organisations, the immediate superior of the new employee may do this.

Designing an Induction Programme

Steps in Induction Programme
The HR department may initiate the following steps while organizing the induction program:

- Welcome to the organization
- Explain about the company.

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

Contents of Induction Programme

The areas covered in employee induction programme may be stated as follows :

1. Organisational Issues

- History of company
- Names and titles of key executives.
- Employees' title and department.
- Layout of physical facilities
- Probationary period
- Products/services offered
- Overview of production process
- Company policy and rules
- Disciplinary procedures
- Safety steps
- Employees' handbook

Employee Benefits

- Pay scales, pay days
- Vacations, holidays
- Rest pauses
- Training Avenues
- Counseling
- Insurance, medical, recreation, retirement benefit

Introductions

- To supervisors
- To co-workers
- To trainers
- To employee counselor

4. Job Duties

- Job location
- Job tasks
- Job safety needs
- Overview of jobs
- Job objectives
- Relationship with other jobs

Let us try to understand the process of orientation better by going step by step through the following orientation programme being followed in "Toyota Motor Manufacturing, USA**"**

Orientation (it is called "assimilation") at **Toyota Motor Manufacturing, USA** is a case in point. While it covers traditional topics such as company benefits, it's mostly intended to socialize new employees, that is, to convert Toyota's new employees to the firm's ideology of quality, teamwork, personal development, open communication, and mutual respect. It lasts four days, as follows:

Day One : The first day begins at 6:30 a.m. with an overview of the program, a welcome to the company, and a discussion of the firm's organization structure and human resource department by the firm's vice president for human resources. The vice president devotes about an hour and a half to discussing Toyota history and culture, and about two hours to employee benefits. Another two hours are then spent discussing Toyota's policies about the importance of quality and teamwork.

Day Two : The second day starts with about two hours devoted to "communication training-the Toyota Motor Manufacturing way of listening." Here the importance of mutual respect, teamwork, and open communication is emphasized. The rest of the day is then devoted to general orientation issues. These include safety, environmental affairs, the Toyota production system, and the firm's library.

Day Three : This day also begins with two-and-a-half to three hours devoted to communication training, in this case "making requests and giving feedback." The rest of the day is spent covering matters such as Toyota's problem-solving methods, quality assurance, hazard communications, and safety.

Day Four : Teamwork is stressed in the morning session. Topics include teamwork training, Toyota's suggestion system, and the Toyota Team Member Activities Association. This session also covers what work teams are responsible for and how to work together as a team. The afternoon specifically covers fire prevention and fire extinguishers training.

Employees thus complete the four-day orientation/assimilation/socialization process having been steeped in-and it is hoped converted to— Toyota's ideology, in particular its mission of quality and its values of teamwork, kaizen/continuous improvement, and problem solving. That is a big step toward winning new employees' commitment to Toyota and its goals and values.

Summary

After a candidate is selected for employment, he is placed on the job. Initially, the placement may be on probation, the period of which may range from six months to two years. After successful completion of the probation period, the candidate may be offered permanent employment.

Now we know why after the initial placement of the candidate on the job, his induction is necessary. Induction is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the purposes, policies and practices of the organization, employee's job and working

conditions, salary, perks, etc. In other words, it is the process of introducing the employee to the organization and vice versa.

Placement

After all the formalities are completed, the candidates are placed on their jobs initially on probation basis. The probation period may range from three months to two years. During this period, they are observed keenly, and when they complete this period successfully, they become the permanent employees of the organization. After a candidate is selected for employment, he is placed on the job. Initially, the placement may be on probation, the period of which may range from six months to two years.

After selecting a candidate, he should be placed on a suitable job. Placement is the actual posting of an employee to a specific job. It involves assigning a specific rank and responsibility to an employee. The line manager takes the placement decisions after matching the requirements of a job with the qualification of a candidate. Most organizations put new recruits on probation for a given period of time, after which their services are confirmed. During this period, the performance of the probationer is closely monitored. If the new recruit fails to adjust himself to the job and turns out poor performance, the organization may consider his name for placement elsewhere. Such second placement is called differential placement. Usually the employees' supervisor, in consultation with the higher levels of line management, takes decisions regarding the future placement of each employee. Placement is an important human resource activity. If neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance, etc. The employee will also suffer seriously. He may quit the organization in frustration, complaining bitterly about everything. Proper placement is, therefore, important to both the employee and the organization. The benefits of placements may be summarized thus,

Major Benefits of Proper Placement

The employee is able to:

Show good results on the job.

Get along with people easily.

Keep his spirits high, report for duty regularly.

Avoid mistakes and accidents.

LESSON 23:
GLOBAL RECRUITMENT-TECHNO APPLICATION

Learning Objectives
- Article on Global Recruitment
- Article on " Effect of corporate culture in Global companies".

Hello students,

Before we go into the subject let me ask a question,

How many of you are willing to work at Foreign sites?

Good! today we shall discuss on Global Recruitment, Which is very interesting and challenging and we'll learn more on "how the recruitment process is taking place globally" hence shall we start our discussion based on the following article.

Article 1

Going Extra Miles for A Job Employers Open World to People Willing to Work at Foreign Sites

Denver Rocky Mountain News; Denver, Colo.; Nov 7, 1999; Vicky Uhland Special to the News

Abstract
"Here in Colorado it's just really amazing how many international companies are growing like crazy," says Mike Tucker, president of Tucker International, a Boulder-based training and assessment service for companies that do business overseas. As the business world goes increasingly global, more and more companies are moving operations overseas or expanding their client base to include international accounts. The result is more long- and short-term opportunities for employees who want to work outside the U.S.

But now, entire teams, from project managers to accountants, travel to an overseas job site. Tours of duty could last six months to five years. But Sharon Rodeghiero, international human resources manager with Golden's American Management Systems, says she's seeing more project-type overseas assignments that run six months to a year.

Jumping for a job in Japan? An urge for Uruguay? A passion for Paris?

You're living in the right place at the right time.

"Here in Colorado it's just really amazing how many international companies are growing like crazy," says Mike Tucker, president of Tucker International, a Boulder-based training and assessment service for companies that do business overseas.

As the business world goes increasingly global, more and more companies are moving operations overseas or expanding their client base to include international accounts. The result is more long- and short-term opportunities for employees who want to work outside the U.S.

"The idea used to be to start a business overseas and send one or two key people, bringing them back as soon as possible," Tucker says.

But now, entire teams, from project managers to accountants, travel to an overseas job site. Tours of duty could last six months to five years. But Sharon Rodeghiero, international human resources manager with Golden's American Management Systems, says she's seeing more project-type overseas assignments that run six months to a year.

International hiring experts say demand for overseas jobs pretty much equals supply. This is a switch from past years, when competition for international jobs was fierce.

The change can be attributed to two factors: Aging workers aren't keen on leaving the comfort of home, and eroding company loyalty makes employees anxious about committing to a long stint away from headquarters.

"People don't trust their companies," Tucker says. "If they move to Brazil for three to five years, what happens after that? Sometimes when they come back the company isn't even in business in the same form."

Workers on the fast track for promotion can fall victim to the "out of sight, out of mind" syndrome if they take an overseas assignment.

"People are thinking, `I'm not going to take this job and ruin my career when all the other guys here are still sitting schmoozing with the boss," Tucker says.

Although some companies might have difficulty finding people who want to work abroad, it still takes a certain type of worker to win an overseas assignment.

"You have to be very qualified. The company has to trust you can do the job and be loyal," Tucker says.

Lou Lazo, principal with human resources consulting firm Delphi Management Solutions, says employees who can work autonomously are valued in overseas jobs. Lazo, former director of international human resources for Denver-based Newmont Mining Corp., says a good work ethic is key, because many international jobs are broader and have more demands than domestic jobs.

There are also the intangibles. Flexibility is very important, along with open-mindedness, patience and respect for other people's beliefs.

"You've got to recognize that conducting business in the American way overseas is probably not going to get things done," Lazo says.

He adds to the list tolerance for different physical conditions, the ability to take adversity in stride and a sense of humor. Also, it's important to figure out how long it will take to be successful in your overseas job.

"Getting there is probably easier than being a success there," Lazo says.

In addition, a worker's family must also want to live overseas, and they need to realize that frequently, corporations build overseas facilities in countries with lower standards of living.

Although Tucker says the U.K. remains the No. 1 destination for Colorado's expatriate workers, "with globalization, the destination country changes instantly."

Lazo cautions that it can be easy for people who aren't suited for international work to accept an assignment overseas. The reason? Money.

Although a worker probably won't get a pay raise for doing the same job overseas, many companies offer lucrative expatriate packages. For instance, Lazo says an overseas compensation package can include a tax-free foreign service premium of 5 percent to 15 percent of the base salary. There can also be a 5 percent to 30 percent hardship premium. Some companies offer subsidized housing and day care, spousal assistance and paid trips home.

For those who want to land an overseas assignment, the best bet is to get a domestic job with a company that conducts business internationally.

These include large corporations such as Coors and Johns Manville. Also, many large and small high-tech and telecommunications companies have overseas accounts. Tucker points out that chain retailers such as Home Depot and Walgreen send U.S. management teams to overseas stores to assure that business is conducted uniformly.

The big Internet job boards like Monster.com post hundreds of overseas jobs. Even if you don't want the job advertised, you can check out which companies are hiring.

Certain types of professions are more in demand overseas than others. Information technology workers and engineers can often write their own tickets. There are many opportunities for teachers. Health care workers and those in sales and marketing can find work overseas. There's also a call for clerical and hospitality workers.

In addition, there are opportunities for those in top-level management. Tucker says companies usually like to send their own chief financial officer and chief technology officer to an overseas site. Human resources personnel also may be expatriated.

Generally, Tucker says, senior managers stay abroad longer, with the average assignment three to five years.

Once you've landed a job with a company that sends employees overseas, there are certain ways to get noticed. Tucker says it's key to be able to speak a second language, and almost any language will do. This demonstrates that you're willing to learn languages.

You also can distinguish yourself by showing that you're familiar with international work or travel. Tucker recommends study-abroad programs through universities or churches or civic associations like Rotary International.

Lazo suggests you do your homework. If your company sends workers to Indonesia, learn about the country's culture, economics and politics. Demonstrate your interest and show you're properly prepared.

"Show you've got an awareness of what's going on internationally," Lazo says.

Article 2

Global Companies Reexamine corporate Culture

Personnel Journal; Santa Monica; Aug 1994; Anonymous

Abstract

Through recruitment, international corporations balance their own values and cultures with those of the diverse countries in which they operate. McDonald's has areas of operation as widespread as Kuwait and Sweden. In all, there are restaurants in 73 countries, employing approximately 750,000 people. It is these employees who are key to keeping McDonald's corporate culture alive. PepsiCo has 4 core competencies that are essential in the company's recruitment practices worldwide: 1. integrity, 2. a drive for results, 3. respect for others, and 4. capablility.

McDonald's has long been an American tradition and part of our national culture. But the "billions and billions served" are no longer only U.S. citizens. In fact, of the 14,250 restaurants worldwide, almost 5,000 are outside the United States. Since the Golden Arches went global in 1967, the company has had to perform a cultural balancing act: Like other U.S. organizations operating internationally, Oak Brook, Illinois-based McDonald's Corporation has had to find a way to maintain its corporate identity around the globe without trampling on the diverse cultures of the countries in which it does business.

"McDonald's employment practices and philosophies, in essence, are similar around the world," says Amy Boynton, director in the company's international human resources department. "But that doesn't mean that the way these practices are executed is the same from one country to the next. That's where cultural differences come into play."

For McDonald's, areas of operation are as widespread as Kuwait and Sweden. In all, Boynton says there are restaurants in 73 countries—employing approximately 750,000 people. It's these employees who are key to keeping McDonald's corporate culture alive. Boynton says that the company strives to hire management team members who have skills that complement its corporate values: "We're looking for people who are customer-service oriented, who have high work standards and who have the ability to coach others," she explains. In addition, Boynton says that the managers must have good individual leadership styles and strategic leadership abilities, be able to solve problems and have the ability to manage the business. She stresses however, that these characteristics may differ greatly from place to place. "We're not saying exactly how someone has to do something or be," she says. "That's unfair and culturally inappropriate."

Widespread Concern

McDonald's isn't the only company grappling with this issue. According to a recent survey of HR managers by New York City-based The Conference Board, promotion of corporate values and culture is the top priority for 15% of global companies, compared with only 6% just five years ago.

But how do these HR professionals meld their corporate cultures and the cultures of the areas in which they operate? "Very carefully," says Calvin Reynolds, senior counselor with Organization Resources Counselors, Inc. in Ossining, New York. Reynolds, who has more than 30 years' experience working with global businesses, says that one solution is to establish broad HR principles, rather than specific guidelines. "There's a total lack of homogeneity in this world of ours; if companies start to generalize too much on HR policies, they get into a mess," he says. "I think it's fine to come up with a general set of principles, but global companies can't try to detail everything."

Richard Gros agrees. As vice president of personnel at Somers, New York-based PepsiCo Foods and Beverages International, Gros says that PepsiCo has determined four core competencies to be essential in the company's recruitment practices worldwide. By limiting these competencies to four, Gros says that PepsiCo is able to uphold its corporate values within a diverse population that—by design—includes many non-U.S. executives. "We use only four core characteristics; everything else is determined by what's appropriate for a particular culture," he explains. "There isn't a template on organizational structure around the world. As long as we have the same attitudes and cultural underpinnings, every other aspect of the business can be different."

Core Competencies

What are PepsiCo's four must-haves? Gros says that the first is integrity, which the company defines as honesty, candor, the ability to communicate openly and the ability to deliver what's promised. "Because our population in PepsiCo Foods and Beverages International is almost 70,000 people, we don't have time for memos and a lot of bureaucracy," he says. To ensure that candidates have the integrity that's needed, Gros says that prospective employees are drilled during interviews: "We look for examples of when candidates have really walked the talk."

Secondly, PepsiCo looks for employees who have a drive for results. "This is really a bias for action and a commitment to achieving goals," explains Gros. He adds that PepsiCo often looks to past behavior as a predictor of how an employee will respond in the future. "We focus in on people and say, 'Tell me when you've really brought home the results. What were the obstacles and how did you overcome them?'"

The third core characteristic for PepsiCo is people, or respect for others. "We've found that in our company, individual superstars aren't successful," says Gros. Instead, he says that people must respect others and work in teams. This is especially important in a global company: "It's necessary that people have respect for different beliefs, different values and different ways of doing business," he says.

Finally, PepsiCo looks for candidates who are capable of what the company calls business thinking. This includes the ability to break complex problems into solvable ones, the ability to rethink problems in a creative way and the desire to learn. "Intellectual curiosity is essential," Gros says. "When we go into markets where capitalism is a new concept, we can't go to another consumer-goods company and find employees. We need people who take the initiative to grow and learn."

International Hiring

Through these four competencies, PepsiCo Foods and Beverages International maintains its culture and values globally. And it's these competencies—plus the company's diverse organization—that Gros says are the foundation for the company's success. "The studies we've done on our executive leaders have helped us determine that these are the competencies that have built us to where we are today," Gros explains.

A strong belief in these core attributes led PepsiCo to hire Ramesh Vangal in 1985. That year, the company was looking for someone to establish a beverage and snack-food business in India. Gros says that once the interview was complete, he knew Vangal was the person for the job. First, because Vangal grew up in India, he knew how to operate within its culture. Also, because he was working in Geneva when PepsiCo hired him, it was clear to Gros that Vangal could work well with a diverse group of people.

Because PepsiCo needed someone to help it expand into a new location, it also was essential that the employee was results-driven. Gros says that Vangal, who was employed with Procter & Gamble Co. before joining PepsiCo, was someone with that quality. "We looked at his track record," Gros says. "We could see that he was creative and liked to think outside the box." Also, Gros says that Vangal had an independent spirit: "Vangal worked through the company's bureaucracy well," he says. "He was a real maverick there. We wanted to take that energy and give him a blank sheet of paper. We said, 'Ramesh, you write the story.'" Vangal did just that: Under his leadership, PepsiCo became the first U.S. multinational company to be established in India. And as a result, the company recently promoted him to president of the snack-foods division for the Asia-Pacific.

A Balancing Act

As more companies join PepsiCo and McDonald's in the international marketplace, this issue of international corporate identity won't go away. As Darryl Sjoberg, manager of international human resources at Minneapolis-based Cargill, Inc., expresses: "It's key to have a common thread running through an organization. Without that thread, the corporation becomes many separate parts with no commonality."

But Sjoberg agrees that cultural variance from country to country can't be ignored. And if there's an ethical conflict, sometimes he says it may be best to simply do business elsewhere. "You can't compete in an international location when your ethics and the country's ethics don't blend," he says. "If there's a serious conflict, some companies won't do business in the area." When faced with a severe ethical dilemma, Sjoberg says that Cargill has taken this approach. "We'll sometimes have an agent doing business there and we'll do the supplying, but basically we don't have a presence in those locations," he says.

Regardless of how a company ultimately decides to handle this issue, the first step is the recognition that the dilemma exists. Reynolds says: "Companies must be sensitive to cultural differences. I'm not suggesting that they compromise their morals, but they must be very aware of the different attitudes around the globe."

Article: 2

U.S. Demand for Executives Declines 19%, Study Shows

Abstract

Demand for senior executives by U.S. corporations dropped by a record 19% in the fourth quarter of 1990, according to a study by Korn/Ferry International.

In its 76th quarterly National Index of Executive Vacancies, the executive search firm said demand for top managers fell 17% last year. Executive hiring levels were down in the first two quarters and were flat in the third.

LOS ANGELES — Demand for senior executives by U.S. corporations dropped by a record 19% in the fourth quarter of 1990, according to a study by Korn/Ferry International.

In its 76th quarterly National Index of Executive Vacancies, the executive search firm said demand for top managers fell 17% last year. Executive hiring levels were down in the first two quarters and were flat in the third.

Company Chairman Lester B. Korn attributed the fourth-quarter drop-off to "full-blown crises in a number of key industries, the recognition that the economy is in a recession and all the tremendous uncertainties brought on by the gulf crisis and the price of oil."

Other Findings of the Study

- The demand for chief executive officers increased and average chief executive compensation rose 10%-15%. Mr. Korn said shareholder pressure for companies to "hold the line" during troubled times compounded the need for strong corporate leadership.

- Finance and real estate were particularly hard hit. Other industries affected included high technology and electronics, retailing and business services.

- Health Care, education and entertainment recruiting remained strong. Health care actually experienced growth in executive hiring.

- Demand fell most sharply in the U.S. Northeast, followed by the West and the Southwest. The Midwest and Southeast faced less belt-tightening. International hiring grew 6%.

The Korn/Ferry survey is drawn from 750 Korn/Ferry clients, both corporations and nonprofit organizations, and records the hiring of executives earning at least $100,000 a year.

U.S. Demand for Executives Declines 19%, Study Shows

LESSON 24:
PERFORMANCE MANAGEMENT

Learning Objectives

- Brief Introduction to PM
- What is performance Management
- Evaluation of performance & Review
- Potential Appraisal and promotion

Brief Introduction to Performance management

A majority organization has today have some sort of formal performance appraisal system. Such systems typically make use of a standardized rating from that is used to evaluate various aspects of employee performance. Numerical values or ratings are generally assigned to each performance dimension. Most formal appraisal are done annually though there is evidence that employees would prefer to be evaluated more frequently.

In fact both supervisors and employee frequently express considerable dissatisfaction with the whole performance appraisal process. Gerald marble has described performance appraisal as the poorest performing, most ineffective and least efficient human resource practice.

Effective managers and supervisors realize that they must take an active and positive role in employee performance to ensure that goals are met. These managers and supervisors realize that they are paid not so much for what they do but for what their subordinates do. Therefore they define their role in managing employee performance as one of empowering employees. Their role is to ensure that employees know specifically what to do, can actually do it and do not face unnecessary obstacles or disincentives to effective performance.

What is Performance management?

Meaning and Definition

In simple terms, performance appraisal may be understood as the assessment of an individual's performance in a systematic way, the performance being measured against such factors as job knowledge, quality and quantity of output,initiative,leadership abilities,supervision,dependability,co-operation,judgment, verstality,health and the alike. Assessment should not be condensed to past performance alone. Potentials of the employee for future performance must also be assessed.

A formal definition of performance appraisal is:

It is the systematic evaluations of the individual with respect to his her performance on the job and his or her potential for development.

A more comprehensive definition is :

Performance appraisal is a formal, structured system of measuring and evaluating an employee's job related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can

perform more effectively in the future so that the employee, organization,and society all benefit.

The second definition includes employees' behaviour as part of the assessment. Behavior can be active or passive- do something or do nothing. Either way, behavior affects job results. The other terms used for performance appraisal are: Performance rating,employeee assessment, employee performance review, personnel appraisal,performance evaluation , employee evaluation and (perhaps the oldest of the terms used) merit rating. In a formal sense, employee assessment is an old as the concept of management, and in an informal sense, it is probably as old as mankind. Nor performance appraisal is done in isolation. It is linked to job analysis as shown below:

Performance Management is one of the oldest and most universal practices of management. It refers to all the formal procedures used in working organization to evaluate the personalities and contribution of group members. Modern management makes somewhat less use of the term merit rating that was common in earlier periods. The approach resulted in an appraisal system in which the employees merits like initiative, dependability, personality, etc were compared with others and ranked or rated.

Today an increasing number of organizations have begun to emphasize performance management. Performance management goes beyond the annual appraisal ratings and interviews and incorporates employee goal setting, coaching, rewards, and individual development. As such performance management focuses on an ongoing process of performance improvement, rather than primarily emphasizing an annual performance review. Further more, a benchmarking study conducted by development dimensions International in 2000 placed performance management as the second highest priority for global business (right behind leadership Development).

It should be clear by now that one of the major objectives for which performance management is used in the west and in India-reward and promotion decisions –has little meaning in Japan. Promotion is by seniority and reward – bonus is distributed twice a year to all employees, based on company's performance.

Individual performance becomes an important consideration only during the later phases of an employees career. By this time, however the employees capabilities and potentials are well known, simply from the long exposure senior officers have had to the employee's work.

In any case, performance in the sense of an individual's achievements is not something the Japanese are inclined to be concerned about-both because of the belief that all performance is group performance, and because isolating an individuals performance, for praise or blame is inimical to group harmony.

Consequently performance in Japan means performance with respect to human relations and whatever performance appraisal does take place emphasizes this aspect more than performance with respect to material results. For all these reasons, most Japanese organizations do not have a formal performance evaluation system. Performance appraisal does go on, however, since some means exits for assessing the ratio between the individual's capabilities and the organizations need. But performance appraisal is an informal, implicit process.

As William ouch describes in his theory Z, the Japanese organization takes in only young people who are still in formative stages of life, subjects them to multiple group memberships, and so inculcates in them a kind of devotion to coworkers that one sees in the U.S. marines. It is not external evaluations or rewards that matters in such a setting. It is intimate subtle and complex evaluation by one's peers-people who cannot be fooled-which is paramount.

There is another reason why a formal performance appraisal system would be out of place in Japanese organizations. While employees are selected very carefully, a small percentage of their incompetent or unproductive employees can be expected to exist in all companies. Since these individuals cannot be fired, some ways must be found where by they can be kept busy.

Objectives of Performance Appraisal:

Data relating to performance assessment of employees are recorded, stored, and used for several purposes. The main purposes of employee assessment are:

1. To effect promotions based on competence and performance

2. To confirm the services of probationary employees upon their completing the probationary period satisfactorily.

3. To assess the training and development needs of employees.

4. to decide upon a pay raise where(as in the unorganized sector) regular pay scales have not been fixed.

5. To let the employees know where they stand insofar as their performance is concerned and to assist them with constructive criticism and guidance for the purpose of their development.

6. to improve communication. Performance appraisal provides a format for dialogue between the superior and the subordinate, and improves understanding of personal goals and concerns. This can also have the effect of increasing the trust between the rater and the rate.

7. Finally, performance appraisal can be used to determine whether HR programmers such as selection, training,and transfers have been effective or not.

8. Broadly, performance appraisal serves four objectives- I) development uses, ii) administrative uses/decisions, iii) Organizational maintenance/objectives, and iv) documentation purposes.

Evaluation of performance Review

A Questionnaire study can be carried out for measuring the extent of overall satisfaction with the existing appraisal system.

Questions may be framed on the following points to effectively review the performance appraisal system.

· **Relationship Between the Appraiser and the Appraisee**

This may be measured in terms of hierarchical relationships in the organizational structure and work relationships.

Performance review ,A survey of employee preferences found a slight preference ' for receiving informal feedback on the job over final feedback through an appraisal interview (53 percent to 47 percent). The authors of this study interpreted this as suggesting that most employees want both types of information, that is, they still want the information provided by a formal appraisal process, but they want this to be supplemented by an ongoing process of evaluation and feedback.

Furthermore, a benchmarking study conducted by Development Dimensions International in 2000 placed performance management as the second highest priori_ for global business (right behind leadership development).

Growing body of literature emphasizes the compensation' and reward aspects of performance management. These are critical issues for organizations to address. Reward issues fall outside the bounds of coverage for a textbook on human resource development and thus we will stress the coaching, feedback, and goal setting aspects of performance managemet1.t in our discussion to follow. Nevertheless, we wholeheartedly agree with the point made in the broader literature that performance management and coaching must be connected to the goals and strategies of the organization as a whole.

As Jerry Gilley and colleagues point out, what is required is an organization-wide approach to performance improvement, with coaching and employee development as critical aspects of this effort. Among other things, this also means that an organization's recognition and reward system must function in a way that managers and supervisors are in fact rewarded for effective coaching. We will return to this point in our concluding comments. Next, however, let us look at the coaching process itself.

Potential Appraisal and Promotion

Potential Appraisal

Under HRD, the appraisal system lays greater emphasis on the development of employees rather than on their evaluation. This objective is better fulfilled by the potential appraisal system, which tells about an employee's capability to successfully assume a new rote in future following his promotion. It is different from performance appraisal which tells a!? out an employee's present performance in his existing role. Promotions done on the basis of the employee's present performance in his existing role are generally unsatisfactory if the nature of roles, responsibilities and functions of the higher post are substantially different from those of the posts held by the promote now. In such cases performance appraisal is an indicator of an employee's future success in higher role only to the extent that the duties and responsibilities involved in the two roles are common. If the employee's would-be role is going lo be different from his present role, potential appraisal needs to be done.

Potential Appraisal is another powerful tool of employee development. Whether managers realize it or not, they are accustomed to making potential assessments. Every time a manager recommends or fails to recommend an employee for a promotion, a potential assessment has, in fact, been made. The process of assessing the managerial potential of employees deals with the question of whether or not they have the ability to handle positions in the future which involve considerably more responsibility than what they have right now. As long as individuals are viewed as being able to handle increased or different responsibilities, they would be considered to have potential (either latent or visible).

Potential appraisal may thus be defined as a process of determining an employee's strengths and weaknesses with a view to use this as a predictor of his future performance. This would help determine the promotability of an individual to a higher position and help chalk out his career plan. The fundamental difference between reviewing performance and assessing potential is in the criteria used. In reviewing performance, the criteria used is what goals the employee achieved and what skills he or she currently possesses that could be indicators of his or her ability to assume different or more advanced responsibilities.

It is this that makes potential appraisal a very crucial & critical area. If an employee without requisite abilities is promoted to a higher position and does not perform as per expectations, then it becomes impossible to demote him.

Thus, he is unable to perform at the higher level and becomes a 'passenger' in the system. It is rightfully assumed that every individual has potential, low or high. Many organizations have people whose potential being low, performance too is not up to the mark. Whilst the question in our minds hovers around how such people got into the system, the fact remains that they do not contribute to the organization's performance. A major problem that companies face is tackling the problem children. They can and have the ability to perform but do not perform and do not contribute to the organization's performance. This is mainly seen as an attitudinal problem. Further, these problem children bask in the glory of their potential but are unable to contribute to their own jobs. Dealing with workhorses too could be tricky. They can perform very well on routine tasks but have limited potential. Hence, their promotability is difficult and this creates frustrations for the employees. If promoted, they are unable to perform higher-level jobs and this too creates problems both for the individuals and the organization. We easily conclude that 'stars' are ideal people to have in organizations. But retaining these stars could be difficult.

Like the performance appraisal, potential appraisal is also done by the employee's supervisor who has had the opportunity to observe the employee for some time. Potential appraisal may be done either regularly (annually) or as and when some post falls vacant. It has been found in practice that appraisal is generally more objective under the regular potential appraisal system than under the intermittent system. In the former system, the last part of the appraisal form generally deals with the potential appraisal.

For example, part III of the Performance Appraisal Form of Maruti Udyog Ltd. solicits information to assess the future potential and ability of its Ls and above categories of workers to assume a position of higher responsibility (LI3) in the following format:

- Group effectiveness (Maintaining and improving morale of the group and helping its identification with organizational objectives; optimal utilization of available manpower resources; directing and coordinating efforts and effective follow-up action to ensure accomplishment of planned objectives.)

☐	☐	☐	☐	☐
Outstanding	Very good	good	Satisfactory	Unsatisfactory

- Ability to develop' subordinates (Sensitivity to develop subordinates' mental skills; ability to provide professional guidance to produce group results.)

☐	☐	☐	☐	☐
Outstanding	Very good	Good	Satisfactory	Unsatisfactory

- Potential Capability (Overall rating for managerial capability to head a deparement. based on your assessment related to the above two points.)

☐	☐	☐	☐	☐
Outstanding	Very Good	Good	satisfactory	Unsatisfactory

In some organizations a directory is prepared which contains descriptions of each job, functions involved in each job and the qualities required to Cavity out these functions. A copy of this directory is given to every officer to.J1elp him in assessing the potential of all his subordinates.

In intermittent potential appraisal the methods generally used are ; (i) In-basket exercise and (ii) Assessment center.

In-basket exercise has now become a very popular tool of potential appraisal all over the world. The International Labor Organization has developed a Manual of these exercises. These exercises relate to a variety of situations which the appraises would face if they were to be promoted to the higher post.

For example, they may relate to the launching of a new project, difficult industrial relations, structure of the organization, marketing strategies, profitability and cost effectiveness and so on. The situations are simulated in the *Corm* of letters. notes. instructions etc. in the 'IN' tray on which the appraises have to take quick decisions. At Crampon Greaves Ltd. this 1001 is being successfully tried for appraising the potential of its middle level managers for appointments to top positions in the company.

An assessment center is a multiple assessment of several individuals performed simultaneously by a group of trained evaluators using a variety of group and individual exercises. Typically, individuals from different departments are brought together to spend 2 or 3 days working on individual or group assignment similar to the one they will be handling if they are promoted.

The pooled judgment of observers leads to an order of merit of ranking for each participant. Compared to other forms of potential appraisal this method affords better opportunities to unknown people who are working in com· operatively less

important or low status departments of an organisation to compete with people from more well-known departments.

Steps for setting up a good Potential Appraisal System

1. As a first step there should be clarity of roles and functions associated with the roles in respect of which the potential of employees is to be appraised. In other words, the organization must have well-prepared role/job descriptions. There should also be a detailed list of qualities required to perform these roles.

2. As a second step the mechanism by which the various qualities required for the role are going to be assessed must be decided. Ratings by superiors, psychological tests, assessment centers and performance appraisal records are the various mechanisms which are used for assessing the potential of an employee.

3. As a third step the organization must, formulate a clear-cut promotion policy to promote its employees who are found to possess the necessary potential for higher roles (Read the section on Promotions in the chapter on Motivation).

4. Finally, the organization must link its Potential Appraisal system with various other sub. systems of HRD such as: Feedback and Counseling, Training and job rotation, Data storage and Manpower planning:

The above linkages will help the employee in knowing his strengths and weaknesses and in developing himself through training and job rotation. Systematic records of the existing potential will. help the organization in better utilization of its internal resources and in doing better manpower planning.

Promotion

A promotion takes place when an employee moves to a position higher than the one formerly occupied. His responsibility, status and pay also increase. When as a result of promotion there is no increase in the employee's pay it is called a 'dry' promotion. A dry promotion is usually made decorative by giving a new and longer title to the employee. Employers generally get rid of their incompetent employees by giving them such decorative promotions.

In many companies only vertical I promotions are made under which the employees are promoted from one rank to the next higher rank in the same department. A vertical promotion scheme has two disadvantages: first, it limits the experience of an employee; second, it deprives him of the opportunity to secure promotion in other departments at the right time.

As such. horizontal promotions are also allowed in some companies under which employees may be promoted to higher ranks in other departments as well.

Requirements of a Sound Promotion Scheme

First requirement of a sound promotion scheme is that it must provide for a uniform distribution of promotional opportunities throughout the organization. This means that the ratio of internal promotions to external recruitment must be the same at various levels in al1 departments. If this ratio differs greatly from one department to another, morale of employees may be seriously impaired in the department notorious for its low ratio of promotions.

Second requirement of a sound promotion scheme is that it must tell employees in ad· Vance what avenues for advancement exist. Companies generally make use of various types of charts for this purpose. These charts variously known as 'promotion charts' ,'opportunity charts' or 'fortune sheets' do not promise or guarantee the promotion of any individual. They merely point out how various positions in the organization are related to each other. There are two broad categories of these charts; three-position charts and multiple-chain promotion chart.';, Ten three-position charts each position is related to two other positions-one from which employees are promoted and another to which promotions are made. In multiple chain promotion charts each position is linked to several others from which promotions can be made and to several others to which incumbents may be promoted.

Third requirement of a sound promotion scheme is that there should be some definite system for the selection of employees who are to be promoted from within the promotion zone. This, of course, calls for the choice of promotion criteria. In the absence of a contract to the contrary the employer has the right to establish any criteria for evaluating promo ability if they are reasonable, pertinent to the job and are not applied in a discriminatory manner. The two criteria often used for making promotion decisions are merit and seniority. These nerd discussed in detail in a separate section.

Fourth requirement of a sound promotion scheme is that all promotions should be finally sanctioned by the concerned line heads. The personnel department may only _repose the names of potential candidates and send their history records to the department making the requisition to fill vacancies. In this way, the staff position of the personnel department does not intrude upon the authority of the department served. In addition, subordinates are impressed favorably by their line superior's concern for their progress.

Finally a sound promotion policy must provide for a suitable system of follow-up, counseling and review. Say, month or two after the change the personnel department should !\old a brief interview with the promoted employee and his new superior to determine whether in is going on well. All promotions should be made for a trial period so that if the promoted employee is not found capable of handling the job he can be reverted to his former post Indy his former pay scale.

Since the number of potential candidates is very often more than the number of promotional openings, some candidates are bound to lose in the competitive struggle. Rowland refers to them as "also rans.,,1 Generally all also-rans accept the outcome philosophically. For the few who do not, counseling services should be provided by the management.

Review of a promotional decision by higher management may also sometimes become essential to satisfy employees who accuse management of being unfair and unjust.

Advantages of Promotion Schemes

A promotion scheme is of little significance for a small organization where there are only few job relationships and, therefore, it is difficult for a current job holder to progress readily from one job to another. But the scheme is of signifi-

cance for a big organization which has a large number of vertical and horizontal relationships.

The Advantages of having promotion schemes are as follows:

- They provide an opportunity to the present employees to move into jobs that provide greater personal satisfaction and prestige.

- They offer opportunities to management to provide recognition and incentives to the better employees, to correct initial mistakes in appointments and to 'Freeze' inefficient personnel.

- They generate within an organization motivational conditions for better work performance and desired behavior of all its members.

- Finally they serve as an orderly, logical and prompt source of recruitment for management to fill vacancies as they arise.

One important drawback of all promotion scheme is that they result in a condition known as 'Inbreeding' in which the company's old ideas and habits are perpetuated and little new thinking is able to occur. The system becomes stagnant, repetitious and overly conformist. The new employees are introduced at lower levels where they can have little influence.

In the words of Peter Drucker " Promotion should not be entirely from within. This should indeed be the norm, but it is important not to let a management become inbred , not to foster smugness and isolation. And the bigger the company , the more desirable is the outsider. It should be clearly under-stood throughout the company that the people from the outside will be brought in periodically even into high manage-ment positions.

" The history of Sears, Roebuck shows how important this can be. No one reared in the mail order business could have brought about the expansion into retail store which ensured the growth of the company. For this general wood have to be imported. Similarly, the revival of ford required bringing men from the outside right into the top posts. And only if men are brought in all the time – rather than during a crisis- can the crisis be avoided or anticipated.

Compensation and Reward

Good compensation plans, well administered. have a salutary effect on the entire enterprise. Employees are happier in their work, co-operation and loyalty are higher, amount of output is up, and quality is better. In the absence of such plans compen-sation is determined subjectively on the basis of haphazard and arbitrary decisions. This creates several iniquities which are among the most dangerous sources of friction and low morale in an enterprise**.**

Although there can be both monetary and non-monetary forms of compensation prevailed **in an** enterprise, yet it is the former which is the most basic element[by which individuals are attracted to an organization. persuaded to remain, and induced to engage in behavior beneficial to the company. In this chapter, we shall discuss the administration of monetary compensation in two parts: (I) Primary Compensation, and (2) Incentive Compensation**.**

Primary Compensation

The primary monetary compensation is basic pay in the form of wages or salaries. In popular usage a distinction is drawn between these two words. The word 'wage' is used to denote payments to hourly-rated production workers and the word salary is used to denote payments to clerical, supervisory and managerial employees. For our purpose, however, this distinc-tion is meaningless because roughly the same problems are involved in the administration of both wage and salary policies.

Time as a Basis for Pay

The oldest and most common system of paying employees is on the basis of time, i.e., rate per hour, per day, per week, per month or per year. Under this system no consideration is given to the quality or the amount of output. The employer buys the time of the worker, i.e., the worker is guaranteed a definite payment for a specified period of working. Use of time rates for salaried employees is almost universal. Time basis is more satisfactory when units of output are not distinguishable and measurable and employees have little control over the quality of output or when there is no clear cut relation between effort and output as on some machine-paced jobs; work delays are frequent and beyond the employee's control; quality of work is specially important; supervision is good and the supervisors know what constitutes "a fair day's work", and competitive conditions and cost control do not require precise advance knowledge of labor costs per unit of output.

The merits of the system are as under:

- It is simple to understand. Workers can easily calculate their remuneration.

- It is liked by trade unions because it does away with differences of payments and assures a guaranteed income for a given period of work.

- It helps in maintaining the quality of output because the worker is not tempted to increase his speed to produce sub-standard units to earn more.

- It helps in maintaining the machines and equipment in good condition by avoiding damage Lo them which would otherwise result if the speed of operations is unduly increased by workers in order to increase production.

- It does n01 cause employees to overwork them and hence it results in fewer accidents and better employee health**.**

This can be the only satisfactory system where the units of output are not distinguishable or measurable or there is no clear-cut relationship between the effort and output of a worker, as is true in the case of most of the indirect workers, like office employees and executives**.**

Following are the demerits of this system:

- As this system does not distinguish between efficient and inefficient workers, there is no incentive for workers to improve their efficiency.

- As all the workers are paid equal remuneration irrespective of their quantity of output, the more efficient among them are tempted either to reduce their speed and efficiency or to leave the organization.

- As this system provides security to the workers, they are tempted to shirk work which would lead to loss to the employer.
- In order to make the laborers work without wasting their time, the employer is obliged to appoint personnel for supervision and this increases his cost of production.

Nominal and Real Wages,

Wages can be expressed in two ways: nominal and real. When they are expressed in terms of money paid to the worker they are called nominal wages. But when they are expressed in terms of their purchasing power with reference to some base year they are called real wages. These wages are arrived at by making adjustment in the nominal wages for the rise or fall in the cost of living index. Thus, if the nominal wage of a worker in 1988 was Rs. 400 p.m., and in 1998 it is Rs. 900 p.m. but if the living in 1998 has become thrice costly as in 1988, the real wage of the worker in 1998 is Rs. 300 only.

Requisites of a Sound Primary Compensation Structure

There are 3 requisites of a sound primary compensation structure:

- It should be internally equitable;
- It should be externally competitive; and
- It should pay individuals on the basis of their performance.

A description of these requisites now follows.

I. Internal Equity

Internal equity means that there should be a proper relationship between the wages and salaries of various 'positions within the enterprise. If, for example, the salary of a foreman, though above the average rate in the community, is lower than that of his subordinates, the foreman is not being paid fairly. There is inequity in the rates. In other words, the relative wages of an employee are almost as important for him as his absolute wages. Unfair differentials in pay lower his morale and often result in high turnover. However, one important implication of the pursuit of equity in pay is that it loses its incentive and reward properties and becomes merely fair compensation, just one part of the psychological contract.

2. Externally Competitive

Once the wages have been made internal1y equitable, management's next task is to compare them with those being paid in the community for comparable jobs. The wages and salaries of workers must be in alignment with wages and salaries other organizations are paying at similar levels,\If this external alignment or comparability is lacking the organization will not be able to retain its capable employees or attract employees from outside. The need to achieve external align-ment is highest in times of full employment when due to shortage of labor a new worker can choose among employers and when older employees can go to jobs elsewhere.

To achieve external alignment the management must first know (either through a wage surveyor through some other source) what average rates of its key jobs are prevailing in the commu-nity. It can then fix its own wage level at this average level or it may decide a higher or a lower level of wages for itself. In either case the internal relationship among jobs must remain undis-turbed. Management may decide to pay above average wage level

- when it wants to choose employees from a wider reservoir of talents,
- when it wants to gain reputation in the community as a good employer,
- when there is union pressure on it to pay high wages,
- when wages are linked to productivity which is rising, and
- when there is an escalator clause and the cost of living is going up. (The escalator clause is a built-in wage adjustment system. This clause has the purpose of maintaining for employees the purchasing power of money wages during the time the agreement is in effect. Wage rates automatically increase or decrease periodically with changes in the cost of living, as measured by some agreed upon index.)

Below average rates may be decided

- when there is abundance of labor,
- when the enterprise is incurring losses,
- when the cost of living is going down,
- when the enterprise has the reputation of being a stable employer with no layoff,
- When the enterprise pays substantial fringe benefits, and
- when wages are linked to productivity which is constant or falling.

It is very uncommon for an enterprise to determine below-average rates due to the fear that its employees may quit the organization provided that other jobs are available.

3. Individual Pay Determination

In the final step, management has to decide whether all individuals in jobs of the same level should be paid the same pay or different pay and how this should be determined. There are four basic approaches to the determination of individual pay: the single rate approach, the merit approach. the automatic approach, and the informal approach.

(i) **Single rates approach**: When employee performance does not vary significantly on the job because everyone is required to work at about the same pace *(e.g.,* in simple office jobs) single rates are frequently paid to employees on jobs. If there are any pay differences in such jobs employees may consider these as favors.

(ii) **Merit approach**: If differences in individual performance and output are important to a company then some basis for compensating employees for these differences should be established. Merit rating is a management practice designed to gear the pay of employees to actual differences in work accomplishments. Merit rating systems assume that performance can be observed with reasonable accuracy even when it cannot be objectively measured.

(ii) **The automatic approach.** Under this approach both the amount of the pay increase and the period of review are usual1y predetermined. In this approach since no consideration is shown to worker's individual performance

or merit he does not have enough incentive to put in greater effort.

(iv) **The informal approach:** Sometimes individual pay decisions are made on an informal basis without formal guides or controls. This is most incorrect because this creates iniquities and confusion among employees regarding what is expected of them. Lack of company-wide standards may also result in pay decisions being influenced by personal favoritism**.**

The above 3 requisites are complementary because each reflects a different set of factors in the total situation. Internal equity motivates an employee to progress to jobs of higher skills and responsibility. Externally competitive rate prevents him from leaving the organization. Linking individual pay to results acts as an incentive to improve performance on one's job.

Factors Affecting Wages

Following are some important factors affecting wages:

1. **Demand for and supply of labor**: Demand and supply conditions of labor have considerable influence on the determination of wage rates. If there is a short supply of labor, the wages may be high whereas if there is no dearth of labor, the wages tend to be low.

2. **Labor unions:** If the laborers are well organized into strong trade unions, their bargaining power would be high and they can demand higher rates of wages. On the other hand, if the laborers are not organized, the management may fix low wages.

3. **Cost of living:** The cost of living of workers also has a strong influence on the rates of wages. If this factor is not considered the laborers may not be in a position to make both ends meet and this will affect their efficiency. Hence progressive employers consider this factor also.

4. **Prevailing wage rates**: Prevailing wages in a particular industry are also taken into account by the employers while deciding wage levels for their employees, By considering the prevailing wage level, employers will come reasonably close to the wage level of competitors, and this will enable them to retain and attract qualified workers to the organization.

5. **Ability to pay:** The wage level, to a large extent, is determined by the ability of the enterprise to pay its workers. The ability to pay in turn is determined by the profit earning capacity of the enterprise.

6. **Job requirements:** Jobs requiring specialized knowledge or much mental or manual effort are priced higher than those which do not need any specialized knowledge or effort.

7. **State regulation**: As the State assumes responsibility for protecting and ameliorating the rights of workers, it has to step in to regulate the wage rates through legislative measures.

8. **Fringe benefits:** Wages may be somewhat low in those organizations which provide several kinds of fringe benefits to their employees.

LESSON 25:
PERFORMANCE COUNSELING AND JOB EVALUATION

Learning Objectives
- Performance Counseling
- Requisites of Performance counseling
- Job Evaluation –Process and Methods

Performance Counseling
The counseling techniques are used to help employees deal with personal problems that may interfere with the achievement of these goals. Counseling program may address such issues as substance abuse, stress management, smoking cessation, or fitness, nutrition and weight control.

The employees counseling helps lot in the performance achievement. Let us analyze the various steps involved in employees counseling.

A) to Establish Rapport or Prepare A Base for Communication
This step is very necessary as it generates the necessary confidence in the subordinate and assures him of his superior's genuine interest in helping him. For the success of this step it is necessary that the counselor carefully listen to what the subordinates says and displays warmth and responsiveness from his behavior.

B) to Explore Information About Performance
During this stage the counselor puts to the subordinates various questions, which may elicit elaborate information on the latter's achievement, strengths, failures and short comings. The object is to make the subordinate himself to introspect and define his strengths and weakness.

c) to Help Define the Future Goal and Internalize the Problem:
Once the counselor has succeeded in making the subordinate reflect on his strengths and weaknesses he can easily make him realize what his problems are. There is generally a tendency to attribute once failures, weaknesses or shortcoming to external reasons. The counselor has to help the subordinate to internalize the problem and its causes. He must also help him in setting his future goals.

D) to Draw Action Plan
Both the counselor and the subordinate jointly consider all possible alternative solutions to the problems. Their pros and cons are weighed and the best alternative selected and a stepwise action plan is prepared along with the timetable. The subordinate is allowed to monitor the plan himself. The plan is reviewed by the two parties at regular intervals.

Requisites of Performance counseling
Counseling the employees should be taken utmost care in the HRD. It is one of the prestigious functions and the great intervention of HRD in which the employees can be motivated and his latent skills can be extracted for the benefit of the organization. Now let us look into the various requisites of the counseling.

1. Individual's Desire to Improve
The first most important requirement for effective counseling is that the individual to be given counsel should be interested in developing himself. Superiors usually hold the view that subordinates do not take sufficient interest in their growth and development. On the other hand, subordinate allege that they do not feel free to participate in the process of the review and feedback.

Continuous Dialogue:
Counseling is not one-way process of communicating to the employee what he should or should not do. It is a process of continuous dialogue directed toward better understanding of the situation. This presupposes the existence of a general climate of openness, mutuality and trust.

2. Genuine Interest of the Superior in His Subordinates' Development
In order to make counseling effective it is necessary that the counselor should have empathetic attitude towards his subordinates. To put it differently , counseling should not be considered as a burden or an unpleasant task and practiced half-heartedly or as a compulsion.

3. Mutual Participation
Both the superior and the subordinate should whole –heartedly participate in the goal setting and reviewing of goals and performance. Without such collaboration counseling would be reckless.

Job Evaluation
In a preceding section we have seen that internal equity in pay is one of the requisites of a sound primary compensation structure. Management's method to achieve equity in pay is jab evaluation. It is the cornerstone of formal wage and salary programme. The central purpose of job evaluation is to determine the relative worth of jobs of an enterprise. It thereby helps in establishing fair pay differentials among jobs. According to Knowles and Thompson[2] evaluation is useful in eliminating the following discrepancies of a wage payment system:

- Paying high wages and salaries to persons who hold jobs and positions not requiring great skill, effort and responsibility;
- Paying beginners, less than they are entitled to receive in terms of what is required of them;
- 'Giving a raise to persons whose performance does not justify the raise;
- Deciding rates of pay on the basis of seniority rather than ability;

- Paying widely varied wages for the same or closely related jobs and positions; and

- Paying unequal wages and salaries on the basis of race, sex, religion or political differences.

Advantages of Job Evaluation

According to an LL.D. publication3, job evaluation enjoys the following advantages:

(a) It is an objective and logical method of rankil1g jobs and of removing unjust differentials in the existing wage structure.

(b) It helps in fining new jobs at their appropriate places in the existing wage structure.

(c) It improves labor-management relations by reducing grievances concerning relative wages in the long run.

(d) It establishes an objective and clear basis for wage bargaining.

(e) It simplifies wage administration by making wage rates more uniform.

(f) It reveals the possibilities of more efficient use of the plant's labor force by pointing out jobs which need less or more skilled workers than those who are manning these jobs at present.

Major Steps in Job Evaluation

Major procedural steps to be followed in a job evaluation programme are as under:

I. Planning Acceptance of the Job Evaluation Programme:

Since the personnel department is a staff department it cannot itself enforce a job evaluation programme. It must win co-operation and acceptance for the programme from top line executives, employees, labor unions and first line supervisors.

This can be done in two ways: by soliciting participation and by communicating information. Participation leads to identification with the plan and greater acceptance of it by persons active in its formulation. Communication regarding the purposes of job evaluation, the'" process by which it is carried out, and the results currently attained is also vitally important. To the extent this information is provided voluntarily to all concerned it creates a feeling of trust and stimulates interest.

A variety of methods may be adopted to organize and communicate information to different categories of persons. Conferences may be planned for top line executives to explain to them their obligations under the programme.

For example, job evaluation necessarily presupposes self-discipline by management and its willingness to abide by job evaluation findings rather than to allow judgment or favoritism to influence salary decisions. Similarly, training programme may be instituted to acquaint supervisors with the plan to be used, role that they will be expected to play and the day to-day problems which they may face in administering and explaining the programme to their subordinates.

One of the most effective and widely used media Jar introducing job evaluation to workers is a letter addressed to the employees signed by the personnel officer. It brings out two important points in which employees are interested: namely, it stresses management's support and it assures the employee that his wages will not be reduced as a result of a programme. Effective results have also been attained through the pub·location and distribution of booklets, which explain in some detail the general principles of job evaluation.

2. Selection of Jobs to Be Evaluated

Due to difficulties of time and money all jobs and positions within an enterprise are not evaluated at one time. Most companies in the beginning evaluate only shop jobs and office work. Executive, professional, and technical jobs are usually excluded. But later on when conditions permit these jobs are also brought into the plan. Sometimes a pilot plan is installed to evaluate a group of jobs within a single department or in a single plant of a multi-plant company. If the plan works well, it is extended to other units in the organization.

3. Preparing job descriptions and job specifications

Before any job can be evaluated it is necessary to know what the duties of the job are. A job description is required, therefore, indicating in considerable detail the duties and responsibilities of each job or position in the enterprise. From these job descriptions, individual job specifications are prepared. On the basis of the information contained in these job specifications individuals in the enterprise are evaluated.

Before employing any job specification for evaluation purposes, its accuracy and acceptance should be thoroughly checked. It should be made certain that there are no omissions and-duplication of responsibilities in it and that it has been harmoniously accepted by the employee concerned. Once all job specifications covering jobs selected for evaluation have been thus checked and agreed upon we have the foundation for determining the relative worth of each job through one of several methods of job evaluation described below.

4. Appointment of A Committee to Perform Job Evaluation:

Job evaluation may be carried out either by the employees or by outside consultants or by employees and outside consultant) jointly. In the first case, a committee consisting of senior, experienced and respected representatives of management and workers is constituted. Employees' participation in job evaluation work reduces their doubts and suspicions about the programme. But the committee lacks objectivity and speed because its members have to carry out job evaluation work in addition to their normal duties. These disadvantages are removed when job evaluation is performed by outside experts who generally work on a full time basis. Employees. however, resent appointment of outside experts and view them with suspicion and doubt. These experts may also lack intimate knowledge about the problems' of the enterprise. As such the best course is to ask both employee representatives and consultants to perform job evaluation jointly. The joint venture makes it possible to combine the intimate knowledge of the company possessed by the employees with the necessary expertise of the consultants.

5. Selection of A Job Evaluation Method

As a student will read in the following section there are in use today four basic methods of job evaluation. While the basic approaches of all these methods are somewhat similar, they differ in their detailed procedures. Some methods are designed specifically for evaluating clerical and administrative jobs; others work best when applied only to operative jobs. Sometimes it may be decided to evaluate the same jobs by two t different methods. The greater the amount of agreement between the two results, the greater would be their reliability ..

6. Periodic Review

A periodic review, usually every one or two years, of all job descriptions must be done. Many job evaluation programme have failed because management failed to recognize this fact. A periodic review of all job descriptions is important for two reasons:

One, it softens the feelings of those who believe that their work was not properly described or evaluated last time and that they will get a fair deal at the time of review. Two, it enables management to keep itself abreast of changes taking place in the nature of a job. As the nature of a job changes factors which form the basis of job evaluation also change. Thus automation of job reduces 'physical effort' and increases 'responsibility'.

The need for daily application of a skill is also reduced but the need for potential skill in emergencies increases. New factors ,aches 'machinery utilization' and 'isolation from fellow workers' become important.

Methods of Job Evaluation

Determining the relative worth of all jobs in the enterprise is difficult. Different jobs make varying demands on workers. One job, for example, might demand a prescribed level of education, require a certain physical ability, or exact specific responsibilities from an employee, whereas another job may be very lax in these aspects. Jobs, therefore, differ with repeat to the demands made on the employee as well as in value to the enterprise.

Job evaluation compares all demands made on each worker and, by means of this comparison, establishes the relative worth of each job in an enterprise. The comparison and evaluation may be made on a non-quantitative basis by simply ranking or classifying the jobs from lowest to highest, or on a quantitative basis where points value are assigned to the various demands of a job, and its relative worth determined by the sum of such point values.

Job evaluation programme should be implemented carefully. The following principles help in successful implementation of the programme:

1. Rate the job but not the employee. Rate the elements on the basis of the job demands.

2. The elements selected for rating should be easily understood.

3. The elements should be defined clearly and properly selected.

4. Employees concerned and the supervisors should be educated and convinced about the programme.

5. Supervisors should be encouraged to participate in rating the jobs.

6. Secure employee cooperation by encouraging them to participate in the rating programme.

7. Discuss with the supervisors and employees about rating but not about assigning money values to the points.

8. Do not establish too many occupational wages.

For, better understanding let us look at the flowchart given below:

Job evaluation process
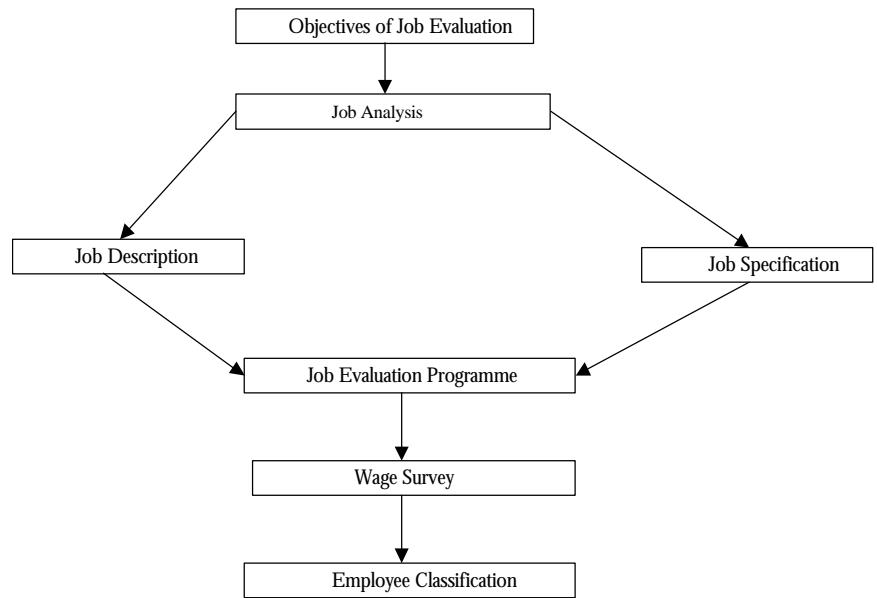
The job-evaluation process starts defining objectives of evaluation and ends with establishing wage and salary differentials.

The main objective of job evaluation, as was stated earlier, is to establish satisfactory wage and salary differentials. Job analysis should precede the actual program of evaluation. Job analysis, as was discussed earlier, provides job-related data, which would be useful in drafting job description and job specification.

A job-evaluation program involves answering several questions:

The major ones are: I) which jobs are to be evaluated. II) Who should evaluate the jobs? Iii) What training do the evaluation need? IV) How much time is involved? V) What should be the criteria for evaluation? VI) What methods of evaluation are to be employed?

Which jobs are to be evaluated in any exercise, where there are more than 30 or 40 jobs to be evaluated, it is necessary to identify and select a sample of benchmark jobs, which can be used for comparisons inside and outside the organs. The

benchmark jobs should be so selected to achieve representative sample of each of the main levels of jobs in each of the principal occupations.

The size of the sample depends on the number of different jobs to be covered. It is likely to be less than about five percent of the total number of employees in the organization and it would be difficult to produce a balanced sample unless at least 25 percent of the distinct jobs at each level of the organization were included.

Staffing the Evaluation Exercise

A committee, which consists of Head of several of department's, as was pointed out earlier, does representatives of employee unions and specialist drawn from the National Productivity council Job evaluation. HR specialists will be normally the chairmen of the committee.

Responsibility for the overall coordination of the job-evaluation programme should be in the hands of a senior executive who can then report its progress to the board, and advise it on ensuring wage and salary development.

Training for the Committee

Members of the job-evaluation committee should be trained in its procedure so as to make the program successful.

Time Factor

Job evaluation should not be conducted in haste. Any rushing through will lead to appeals against the grading of jobs. Eight jobs in a day can be the ideal pace. After this, the quality of evaluation tends to drop, and more time has to spent later in checking and assessing the validity of the grading. The final review of all the time should be allowed for re-evaluation, if necessary.
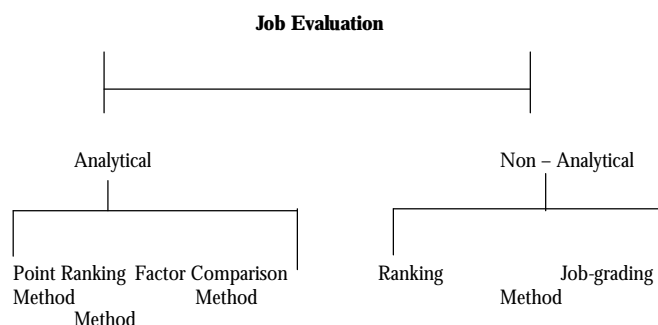
Isolating Job-evaluation Criteria

The heart of job evaluation is the determination of the criteria for evaluation. Most job evaluations use responsibility, skill, effort and working conditions as major criteria. Other criteria used are difficulty, time-span of discretion, size of subordinate staff, and degree of creativity needed. It needs no emphasis that job evaluation criteria vary across jobs.

So friends you must have got a fare idea what is job evaluation; now we will discuss what are the methods involved in job evaluation.

Methods of Job Evaluation

Job-evaluation methods are of two categories- non-analytical and analytical.

Job Evaluation

Analytical — Non – Analytical

Point Ranking Method — Factor Comparison Method — Ranking — Job-grading Method

Analytical

1. Point-Ranking method
2. Factor comparison Method

Non-Analytical

1. Ranking Method
2. Job-grading method

Non-analytical Methods

Ranking and job classification methods come under this category because they make no use of detailed job factors. Each job is treated as a whole in determining its relative ranking.

Ranking Method

this is the simplest, the most inexpensive and the most expedient method of evaluation. The evaluation committee assesses the worth of each job on the basis of its title or on its contents, if the latter is available. But the job is not broken down into elements or factors. Each job is compared with others and its place is determined.

The method has several drawbacks. Job evaluation may be subjective as the jobs are not broken into factors. It is hard to measure whole jobs.

Ranking is the most straightforward method of work evaluation. Jobs, people, or even teams can be ranked from the ones adding most value to least value to the organization. Criteria for the ranking are not made explicit. Jobs rather than people are easier to rank when there are a large number of people in jobs. Teams can be ranked in a team-based environment as a substitute for or addition to the ranking of jobs and people. When a larger number of jobs, people, or teams are to be ranked, the method of paired comparisons can be used. With this approach each entity is compared to every other entity in terms of value to the organization.

Overall value of the entity is determined by the number of times that the entity is evaluated as being of greater value then the entity being compared against. If an extremely large number of comparisons needs to be made, statistical formulas are available to reduce the number of comparisons required using sampling theory.

Advantages

1. Simple to use if there is a small number of jobs, people, or teams to evaluate
2. Requires little time
3. Minimal administration required

Disadvantages

1. Criteria for ranking not understood
2. Increases possibility of evaluator bias
3. Very difficult to use if there is a large number of jobs, people, or teams to evaluate
4. Rankings by different evaluators are not comparable
5. Distance between each rank is not necessarily equal
6. May invite perceptions of inequity

Banding

A banding procedure takes place when jobs are grouped together by common characteristics. Characteristics used to group jobs follow: exempt versus nonexempt, professional versus nonprofessional, union versus nonunion, key contributor versus non-key contributor, line versus staff, technical versus non-technical, value-added versus non-value-added, and classified versus non-classified. Often these groups are then rank ordered and each group is then placed in a pay band.

Advantages

1. Quick and easy procedure
2. Has initial face validity to employees
3. Allows for organizational flexibility
4. Minimal administration required

Disadvantages

1. Subtle, but important, differences between groups ignored
2. Subtle, but important, differences within groups ignored
3. May invite inequity perceptions

Classification

Classification systems define the value of jobs, people, or teams with written standards for a hierarchy of classification level. Each classification level may be defined by a number of factors that need to be present for a job, person, or team to be slotted into a particular classification level. These factors are usually blended together resulting in one standard for each classification level.

Advantages

1. jobs, people, and teams can be quickly slotted into the structure
2. Classification levels have face validity for employees
3. Standards to establish value are made explicit

Disadvantages

1. Many jobs, people, or teams do not fit neatly into a classification level
2. Extensive judgment is required because standards used to define each factor are blended together
3. Differences between classification levels may not be equal
4. Creates status hierarchies within organizations
5. Extensive administration required

Job-grading Method

As in the ranking method, the job-grading method (or job-classification method) does not call for a detailed or quantitative analysis of job factors. It is based on the job as a whole. The difference between the two is that in the ranking method, there is no yardstick for evaluation, while in the classification method, there is such an yardstick in the form of job classes or grades. Under the classification method, the number of grades is first decided upon, and the factors corresponding to these grades are then determined.

The advantages of the method are; I) job grade descriptions are vague and are not quantified; ii) difficulty in convincing employees about the inclusion of a job in a particular grade because of vagueness of grade descriptions; and iii) more job classification schedules need to be prepared because the same schedule cannot be used for all types of jobs.

Analytical Methods

Point-ranking Method

The system starts with the selection of job factors, construction of degrees for each factors, and assignment of points to each degree. Different factors are selected for different jobs, with accompanying differences in degrees and points.

Factor-Comparison Method

The factor-comparison method is yet another approach for job evaluation in the analytical group. Under this method, one begins with the selection of factors, usually five of them- are assumed to be constant for all the jobs. Each factor is ranked individually with other jobs. For example, all the jobs may be compared first by the factor 'mental requirements.'. the skills factor, physical requirements, responsibility, and working conditions are ranked. The total points are then assigned to each factor. The worth of a job is then obtained by adding together all the point values.

Let us now discuss the few important measures to improve Job Evaluation.

How to Improve Job Evaluation

Following measures and steps for improving the work of evaluation programmes;

- A job evaluation scheme should be chosen cautiously. It should be devised and administered on the basis of employment market, demand for labour, bargaining power of the parties & job conditions.

- The details of the scheme should be drawn up in such a way that they do not conflict with other provision of a collective agreement.

- The scheme should be sold to all concerned and suggestions sought.

- Give major importance that the number of job titles and classification be kept to a minimum.

- Any anticipated changes in methods should be carried out before a scheme is installed and all modifications in it should be resisted until it becomes fully established.

- In preparing job descriptions it is a sound practice to emphasis in them the things which makes one job different from another rather than to find a comprehensive statement of all the duties of the job.

- The better the state of industrial relations the easier it is to introduce a job evaluation scheme.

Essentials for the Success of A Job Evaluation Programme

Following are the essential for the success of Job Evaluation:

1. Compensable factors should represent all of the major aspects of job content. Compensable factors selected should be (a) Avoid excessive overlapping or duplication, (b) Be definable and measurable, (c) Be easily understood by employees and administrators, (d) Not cause excessive

installation or admin cost and (e) Be selected with legal considerations in mind.

2. Operating managers should be convinced about the techniques and programme of evaluation. They should also be trained in fixing and revising the wages based on job evaluation.

3. All the employees should be provided with complete information about job evaluation techniques and programme.

4. All .groups and grades of employees should be covered by the job evaluation

The results of job evaluation must be fair and rational and unbiased to The individuals being affects

Summary

A job evaluation scheme should be chosen cautiously. It should be devised and administered on the basis of employment market, demand for labour, bargaining power of the parties & job conditions.

LESSON 26:
POTENTIAL APPRAISAL

Learning Objective

Article on Potential appraisal

Article—2 on potential appraisal is given below for your better understanding:

Theme Article

Potential Appraisal

Potential Appraisal is another powerful tool of employee development. Whether managers realise it or not, they are accustomed to making potential assessments. Every time a manager recommends or fails to recommend an employee for a promotion, a potential assessment has, in fact, been made.The process of assessing the managerial potential of employees deals with the question of whether or not they have the ability to handle positions in the future which involve considerably more responsibility than what they have right now. As long as individuals are viewed as being able to handle increased or different responsibilities, they would be considered to have potential (either latent or visible).Potential appraisal may thus be defined as a process of determining an employee's strengths and weaknesses with a view to use this as a predictor of his future performance. This would help determine the promotability of an individual to a higher position and help chalk out his career plan. The fundamental difference between reviewing performance and assessing potential is in the criteria used. In reviewing performance, the criteria used is what goals the employee achieved and what skills he or she currently possesses that could be indicators of his or her ability to assume different or more advanced responsibilities. Managers cannot rely exclusively on past performance since a person's ability to adequately handle one level of responsibility does not necessarily mean that he or she can perform well in a position with a higher level or different responsibility. It is this that makes potential appraisal a very crucial & critical area. If an employee without requisite abilities is promoted to a higher position and does not perform as per expectations, then it becomes impossible to demote him. Thus, he is unable to perform at the higher level and becomes a 'passenger' in the system.It is rightfully assumed that every individual has potential, low or high. Many organizations have people whose potential being low; performance too is not up to the mark. Whilst the question in our minds hovers around how such people got into the system, the fact remains that they do not contribute to the organization's performance. A major problem that companies face is tackling the problem children. They can and have the ability to perform but do not perform and do not contribute to the organization's performance. This is mainly seen as an attitudinal problem. Further, these problem children bask in the glory of their potential but are unable to contribute to their own jobs. Dealing with workhorses too could be tricky. They can perform very well on routine tasks but have limited

potential. Hence, their promotability is difficult and this creates frustrations for the employees. If promoted, they are unable to perform higher level jobs and this too creates problems both for the individuals and the organisation. We easily conclude that 'stars' are ideal people to have in organisations. But retaining these stars could be difficult. They have high potential backed by high levels of performance and could be always on the lookout for greener pastures. Thus, as we see, potential appraisal is more intricate and complex vis-à-vis performance appraisal.

Because of the nature of the potential assessment activity, its timing and frequently is left to the manager's discretion. In assessing potential, managers are asked to make predictions about the future. These predictions concern many unknown factors, namely whether the individual can handle new responsibilities in a different managerial capacity, In addition, the potential assessment criteria is based mostly on an employee's process skills, which may be difficult to measure in a precise way. Thus, the timing and frequency of conducting potential assessment can be quite different from the more predictable timing of a performance review. For example, the potential assessment might occur when an employee has been on the job for one year, when an employee reaches certain 'mile-stones' (i.e. every three years), or in preparation for major organizational shifts brought about by changes in the business such as reorganizations, expansion or rationalization.It is recommended that the potential assessment process take place at least over a six-month period, with a manager-employee meeting at both the beginning and end of the process. To begin the process, the manager and employee should meet to identify the process skills and the technical and administrative skills required for the employee's future responsibilities. The manager explains why these skills are necessary and explores with the employee how these skills might be learned and utilized on the current job. This includes nominating employees for some specific training programmes, both skill-based and knowledge-based. Some organisation may also organise such programmes on an inhouse basis. Further on-the-job training could also be incorporated for the employees.It is recommended that the manager observe the employee for at least three to six months to assess the extent to which the employee possesses and demonstrates the acquired skills. During the observation period, the manager should note specific behavioural examples of these skills and be prepared to discuss them with the employee at the concluding assessment meeting. The employee should also be prepared to discuss behavioural examples that demonstrate ability and need.At the assessment meeting, the manager and employee jointly review their observations. This discussion should include the identification of the employee's skill strengths and developmental needs. The manager then provides a written assessment in the form of 'summary statement'. Usually about one paragraph in length, the sum-

mary provides the employee with a brief, clear statement of where he or she stands regarding potential. An important concept to be conveyed during this meeting is that, while the employee may be assessed as having potential for a higher level or different position, no promises of a particular job can be made.Before the conclusion of this meeting, the pair should formulate a development plan (i.e. decide on new development activities) that the employee can pursue in order to help realise his or her potential.Let us realise that there are no shortcuts to the successful implementation of potential appraisal. If potential appraisal is done in a systematic way it would contribute to having well designed career plan that would indicate the preferred growth path of an individual in an organisation. For example, a post-graduate diploma or degree holder in marketing management would aspire for career avenues in market research, sales management, advertising and such. An individual specialised in HRM could aspire for avenues in manpower planning, training, welfare, industrial relations and so on. Any professional organisation would make sincere efforts to match the individual career aspirations. This would obviously be a mutually beneficial activity for the individual and the organisation. Further, succession planning is the process where every individual manager is expected to develop a subordinate who would take over from him over a period of time. Many managers feel insecure about this process and avoid indulging in this development activity. What they fail to realise is that, if an individual has the potential and shows good performance, there is always room at the top. Unless they themselves become unpromotable and stagnant. Succession planning too would succeed if and only if a good potential appraisal system exists and is in firm place.To conclude, if potential appraisal is not done in a planned manner, you may promote an undeserving employee. As a consequence, he does not succeed but would not accept a demotion back to his old slot. Thus, in a bid to develop a territory manager out of a super-salesman, and not doing it properly; you lose both in the process. But if implemented well, professional performance and potential appraisal could take the organisation on a fast development track and faster productivity through people.

LESSON 27:
THE RELEVANCE OF AMERICAN THEORIES OF MOTIVATION
WITH REGARD TO COMPENSATION AND REWARD

Learning Objective
The relevance of American theories of motivation with regard to compensation and reward :

Intrinsic Rewards and Job Design

Learning Goals

- Discuss the role of job design in giving people opportunities to experience intrinsic rewards
- Describe the major theories of job design
- Have some insight into the design of your present job and your reactions to it
- Appreciate how the work context affects people's reaction to the design of their jobs
- Explain the process of diagnosing and redesigning jobs
- Distinguish between the design of jobs for individuals and the design of jobs for groups
- Intrinsic Rewards and Job Design
- The Job Characteristics Theory of Work Motivation
- Contextual Factors in Job Design
- Diagnosing and Redesigning Jobs
- Group-Based Job Design
- Factors Affecting Perceptions of Objective Job Characteristics
- International Aspects of Job Design
- Ethical Issues in Job Design
- Job design affects motivation and satisfaction
- Organizations and managers can create a context within which employees experience intrinsic rewards
- Only indirect control over intrinsic rewards
- Can only create a set of job experiences that lets employees experience intrinsic rewards

Intrinsic Rewards and Job Design

• Some Job Redesign Efforts

Job rotation

- Same worker moved among different jobs
- Each job often had few tasks or activities
- Proponents believed a worker became less bored by doing many different activities in a day

• Some Job Redesign Efforts

Job enlargement

- Add duties and tasks to a job
- People did not move from one job to another
- Duties and tasks repackaged to make an individual's job larger

- Two or more jobs combined into a single new job

Intrinsic Rewards and Job Design

• Some Job Redesign Efforts

Job enrichment

- Also repackaged duties
- Added duties and tasks that increased a worker autonomy and responsibility
- Workers also had increased involvement in decision making

Intrinsic Rewards and Job Design Characteristics of Approaches

- Enhance the content of a job to increase satisfaction; decrease boredom
- Job enrichment: expected to increase employee motivation, job performance, productivity
- Assumed a positive linear relationship between job design and employee motivation
  - Clear by the 1960s a universal, positive, linear response was not true of all people.

The Job Characteristics Theory of Work Motivation :

- Well-developed and well-understood job design theory
- Understand how job characteristics affect people's motivation and satisfaction
- **Affective outcomes**: person's internal reactions; satisfaction and motivation
- **Behavioral outcomes**: observable behavior such as quality and quantity of work
- **Critical psychological states**
- Internal reactions to perceived job characteristics Lead to affective and behavioral outcomes

• Affective and Behavioral Outcomes

Affective outcomes

- **Internal work motivation**: feeling of self-reward from doing the job itself (intrinsic motivation)
- **Growth satisfaction:** personal growth and development satisfaction
- **General job satisfaction:** overall feelings about work and the organization

Affective and behavioral outcomes

Behavioral Outcomes:

Work Effectiveness

- Quality of work performance

- Quantity of work performance
- Lower absenteeism
- Reduced emotional exhaustion and stress

• Critical psychological states

- **Knowledge of results**: must know job performance while doing the work itself
- **Experienced responsibility**: must control the results of work activities
- **Experienced meaningfulness**: person must feel the work is important

• Perceived and Objective Job Characteristics

Core Job Characteristics:

Must be present to produce the critical psychological states

Perceive objective job characteristics that form impressions of core job characteristics;

- **Skill variety:** degree to which job has many different activities using several skills, abilities, and talents
- **Task identity:** degree to which job lets a person do a whole piece of work from start to finish
- **Task significance:** degree to which the person doing job perceives it as important to others.
- **Autonomy:** degree of discretion in deciding how and when to do the job
- **Feedback from the job itself:** degree to which person learns about the quality of job performance while doing the task.

Includes feedback from clients directly served by the job Does not include feedback from a supervisor or coworkers;

- Relationship of core job characteristics to critical psychological states
  - Skill variety, task identity, and task significance experienced meaningfulness of the work The three job characteristics can offset each other.
  - Relationship of core job characteristics to critical psychological states
  - Autonomy experienced responsibility for outcomes of the work.
  - Feedback from the job itself knowledge of the actual results of work activities;

• Motivating potential

Summarizes effect of core job characteristics on psychological states Formula on text book page 159 shows combining effects of job characteristics

- Strong effects of autonomy and feedback from the job itself
- Autonomy and job feedback related to two of three critical psychological states
- Low levels of psychological states associated with low affective and behavioral response

• Relationships Predicted by the Theory

- Positive linear response to motivating potential

- High motivating potential: high internal work motivation
- Low motivating potential: low internal work motivation

• Relationships predicted by the theory

Moderator variables

- Change or affect relationships among parts of the theory
- Individual moderators: factors in the person
- Work context moderators: factors surrounding the person while doing the job

Moderator Variables

- Positive moderator variable: more positive response to motivating potential
- Negative moderator variable: less positive response to motivating potential
- Negative work context
- Distraction effect
- Escape effect

Moderator Variables

- Knowledge and skill
- Growth need strength
- Context satisfaction

Theory does not assume universal, positive response to jobs high in motivating potential.

Moderator Variables

- **Knowledge and Skill**
  - Person with needed skills and abilities should do job successfully
  - High motivating potential combines with person's knowledge and skill: higher internal work motivation
  - Person without needed skills and abilities should not do job successfully: low internal work motivation

Moderator Variables

- **Growth need Strength (GNS)**
  - Strong growth need people should respond more positively to jobs high in motivating potential than weak growth need people
  - More "ready" to respond than people with weak growth needs
  - Weak growth need people can feel "stretched" by a high motivating potential job

Moderator Variables

- **Context Satisfaction**
  - Quality of supervision
  - Compensation system
  - Job security
  - Immediate coworkers

- Negative work context distracts from a high motivating potential job

- Positive work context is supportive; lets the person experience a job's motivating qualities

Implications for You

- If you desire intrinsic outcomes, high MPS jobs

- Should motivate you

- Act as a source of satisfaction

- If you desire extrinsic outcomes, the opposite is true

- Intrinsic outcomes less important to you than extrinsic outcomes for good performance

- Contextual Factors in Job Design;

  - Organizational design: task specialization, centralization, decentralization

  - Technical process: major ways the work of the organization gets done

  - Management behavior: relationships with subordinates; involvement of subordinates

- **Organizational Design and Job Design**

Task Specialization;

- High specialization: low core job characteristics, low motivating potential

- Low specialization: high job characteristics, high motivating potential

    - **Organizational design and job design (cont.)**

Centralized-decentralization

- Centralized decision making: low skill variety, autonomy, and task identity; low motivating potential

- Decentralized decision making processes: high core job characteristics; high motivating potential.

- **Technical Process and Job Design:**

  - Hinders or helps job redesign

  - apital investment in existing technical process can limit job redesign

  - Adopting a particular technical process can help job redesign

- **Mass-production Technical Processes0**

  - Standardized jobs: low core job characteristics; low motivating potential

  - Custom-designed work: high core job characteristics; high motivating potential

- **New Manufacturing Approaches;**

  - Flexible manufacturing techniques: required worker flexibility can increase skill variety and autonomy

  - Group-based manufacturing technologies: group-based job design discussed later.

Just-in-time Inventory Management

- Removes buffers within the technical process

- Requires quick worker responses

- High skill variety, autonomy, feedback from the job itself; high motivating potential

- **Management Behavior and Job Design**

  - Close control over subordinates: low skill variety, task identity, autonomy; low motivating potential

  - General control: high skill variety, task identity, autonomy; high motivating potential

- **Involvement in Decision-making Process**

  - Shows importance of a person's organizational role

  - Increase commitment to the decision

  - Allow more discretion in carrying out the decision

  - High skill variety, task significance, autonomy; high motivating potential

Diagnosing and Redesigning Jobs

- **Get Information About Existing Jobs**

  - Questionnaires

  - Personal interviews

  - Direct observations

- **Job Diagnostic Survey (JDS)**

  - Measures job characteristics and affective responses

  - Calculate MPS and compare to norms

  - Decide whether job has an excessively low score

  - Identify the job characteristics responsible for low MPS

  - Measures employee GNS and levels of work context satisfaction

  - GNS of employees in target jobs

  - Ready to respond to a redesigned job (high GNS)?

  - Context satisfactions: employees perceive a positive work context?

  - JDS does not measure employee knowledge and skills

  - Do employees have the needed knowledge and skills to do the redesigned work?

  - If not, include a training program with the job redesign program

  - Employees who provide data should see results to verify accuracy

  - Asking employees to suggest ways to redesign their jobs can elicit useful information

Group-Based Job Design

- **Have mainly focused on job design for individuals**

- **Some tasks better done by groups**

- **Such groups are known as self-managing work groups**

- **Design both the group's task and some aspects of the group**

- **Self-managing Work Group**

  - Intact groups, permanent or temporary

- Interdependent members do tasks
- Both members and nonmembers perceive the groups as real
- Produces a defined product, service, or decision
- Members control the group's tasks and the group's interpersonal processes
- Have task assignment authority
- Decide how and when work will be done
- Major source of it's self-managing quality

- **Design of the Task and the Group**
  - Skill variety: group uses many different skills in doing task
  - Task identity: group does whole task
  - Task significance: group members perceive task as important to others
  - Autonomy: group task must give group members discretion in getting work done
  - Feedback from the job itself: give feedback to members while doing group's task

- **Group Composition**
  - Members have needed skills and abilities
  - Group member heterogeneity: find creative solutions based on member differences
  - Group member homogeneity: similar thinking patterns; fail to find creative solutions

- **Group composition**
  - Group size: too large; group's process becomes inefficient
  - Interpersonal skills needed to manage the group's interpersonal processes

- **Group Norms**
  - Rules of conduct for group member's behavior
  - Management: encourage norms consistent with group's task and desired productivity levels
  - Build climate of open discussion of existing and developing group norms

- **What Can We Expect to Happen?**
  - **High effort, motivation, performance**
  - **Group composition: high level of knowledge and skill to do group's work**
  - **Members could feel satisfied with experiences in the group**
  - **Research evidence: sizable positive effects compared to individual job design**
    - Develop strong norms; try to control each other's behavior
    - Positive performance norms help
    - Focus members on successfully completing tasks

- Focus members on discovering ways of successfully dealing with work problems

- **Individual and Contextual Considerations**
  - Makes more interpersonal demands on people than individual job design
  - Best candidates for group-based approach are people with a strong need for affiliation
  - Individuals should also have strong growth needs

Strongly affiliate people with weak growth needs:

attracted to social interaction, not intrinsic qualities group's task.

People with strong growth and social needs are highly desirable.

- **Organization's Reward System:**

Interdependent reward system based on performance of all group members.

Higher performance levels than less interdependent rewards.

International Aspects of Job Design

- **Cultural Differences in Motivational Needs**
  - Striving for intrinsic rewards from job redesign does not apply to all cultures
  - Cultural differences also should guide choice of individual-based or group-based approaches.

- **Individual and Group-based Job Design:**
  - U.S. managers have mostly used individual approaches to job design
  - Recent shifts to group-based approaches
  - Managers in other countries have mainly emphasized group-based job design
  - Sweden and Norway; consistent with their socially oriented values

- **Changing Specific Job Characteristics**
  - Belgium, Mexico, Greece, Thailand: Not likely to accept efforts to increase autonomy and task identity.
  - French managers particularly dislike recommendations to decentralize decision authority. Subordinates do not expect them to do so.

Ethical Issues in Job Design

- **Self-managing Work Teams**
  - Low need for affiliation people; little desire for team-based work
  - Some people may not want high involvement in work roles. Prefer high involvement in nonwork roles.

- **Two Ethical Questions**
  - Voluntary involvement in such teams?
  - Fully inform job applicants about company's use of teams and likelihood of a team assignment?

Ethical Issues in Job Design

- **Transnational Organizations**
    - People around the world differ in the importance of needs
    - Many countries do not readily accept decentralizing decision authority
    - Examples: South American countries, India, Hong Kong as examples.

- **Transnational Organizations**
    - Swedish and Austrian employees expect high decision making involvement
    - Should managers honor the host national culture? or
    - Should they adhere to their home organization's emphasis on self-managing work teams?

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