

UNIT 5

CHAPTER 1 – STAFFING

Staffing involves filling the positions needed in the organization structure by appointing competent and qualified persons for the job.

Authority

Authority implies the right to command and the power to act. Authority is the right to give orders to subordinates, right to make decisions, and right to control subordinates.

Types of authority

1. Line authority – It is given to line managers to achieve the objectives of the organization
2. Staff authority – It is given to staff managers to give advice and service to the line Managers
3. Functional authority – it is the right delegated to an individual or a department to control specified processes, policies or other matters relating to the activities undertaken by persons in the other departments. Eg. Production manager is given line authority in production department. However functional authority may be given for a particular department or full organization. So functional authority is not restricted to a particular department

Responsibility

It is the work assigned to a position. Responsibility is the assignment of duties by the executive to the subordinates, which the subordinate is expected to perform. This now becomes the responsibility of the subordinate to complete the task given to him by the executive.

Empowerment

Empowerment means that employees,, managers, or teams at all levels in the organization are given the power to make decisions without asking their superiors for permission. Empowerment of subordinates means that superiors have to share their authority and power with the subordinates. This participation raises self esteem. It enhances the sense of belonging and worth and increases their productivity.

Delegation

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate. Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and suballocation of powers to the subordinates in order to achieve effective results.

Centralisation

It is the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. The span of control of top managers is relatively broad, and there are relatively many tiers in the organization.

Characteristics

- **Philosophy / emphasis on:** top-down control, leadership, vision, strategy.
- **Decision-making:** strong, authoritarian, visionary, charismatic.
- **Organizational change:** shaped by top, vision of leader.
- **Execution:** decisive, fast, coordinated. Able to respond quickly to major issues and changes.
- **Uniformity.** Low risk of dissent or conflicts between parts of the organization.

Advantages of Centralization

- Standardisation of procedures
- Coordination of activities
- Greater efficiency
- Reduced cost

Disadvantages of Centralization

- Destroys individual initiative.
- Slows down operation
- Overburden for few

Decentralisation

It is the process of transferring and assigning decision-making authority to lower levels of an Organizational hierarchy. The span of control of top managers is relatively small, and there are relatively few tiers in the organization, because there is more autonomy in the lower ranks.

Characteristics

- Philosophy / emphasis on: bottom-up, political, cultural and learning dynamics.
- Decision-making: democratic, participative, detailed.
- Organizational change: emerging from interactions, organizational dynamics.
- Execution: evolutionary, emergent. Flexible to adapt to minor issues and changes.
- Participation, accountability. Low risk of not-invented-here behavior

Advantages of Decentralization

- Raise morale and promote interpersonal relationships
- Relieve from the daily administration
- Bring decision-making close to action

- Develop Second-line managers
- Promote employee's enthusiasm and coordination

Recentralisation of authority

At times an enterprise can be said to recentralize authority – to centralize authority that was once decentralized. Recentralisation is not normally a complete reversal of decentralization, as the authority is not wholly withdrawn by the managers who made it. The process is a centralization of authority over a certain type of activity or function, wherever in the organization it is found.

Organisation culture

The attitude, traits and behaviour patterns which govern the way an individual interacts with others is termed as culture. In the same way organizations have certain values, policies, rules and guidelines which help them create an image of their own. Organisational culture is the general pattern of behaviour, shared beliefs, and values that members have in common.

Types of organizational culture

- 1. Strong organization culture** – It refers to a situation where the employees adjust well, respect the organizations policies and adhere to the guidelines. In such a culture people enjoy working and take every assignment as a new learning and try to gain as much as they can.
- 2. Weak organizational culture** – In such a culture individuals accept their responsibilities out of fear of superiors and harsh policies. The employees in such a situation do things out of compulsion.

STAFFING PROCESS



The staffing process encompasses man power planning, recruitment, selection, and training.

a) Manpower requirements:

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. The primary function of man power planning is to analyze and evaluate the human resources available in the organization, and to determine how to obtain the kinds of personnel needed to staff positions ranging from assembly line workers to chief executives.

b) Recruitment:

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies..Job descriptions and job specifications are important in the recruiting process because they specify the nature of the job and the qualifications required of job candidates.

c) Selection:

Selecting a suitable candidate can be the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

d) Training and Development:

Training and Development is a planned effort to facilitate employee learning of job related behaviors in order to improve employee performance. Experts sometimes distinguish between the terms “training” and “development”; “training” denotes efforts to increase employee skills on present jobs, while “development” refers to efforts oriented toward improvements relevant to future jobs.

MANAGER INVENTORY CHART

Manager Inventory Chart, also known as replacement chart, is used in Replacement Planning of human resource management in an organization.

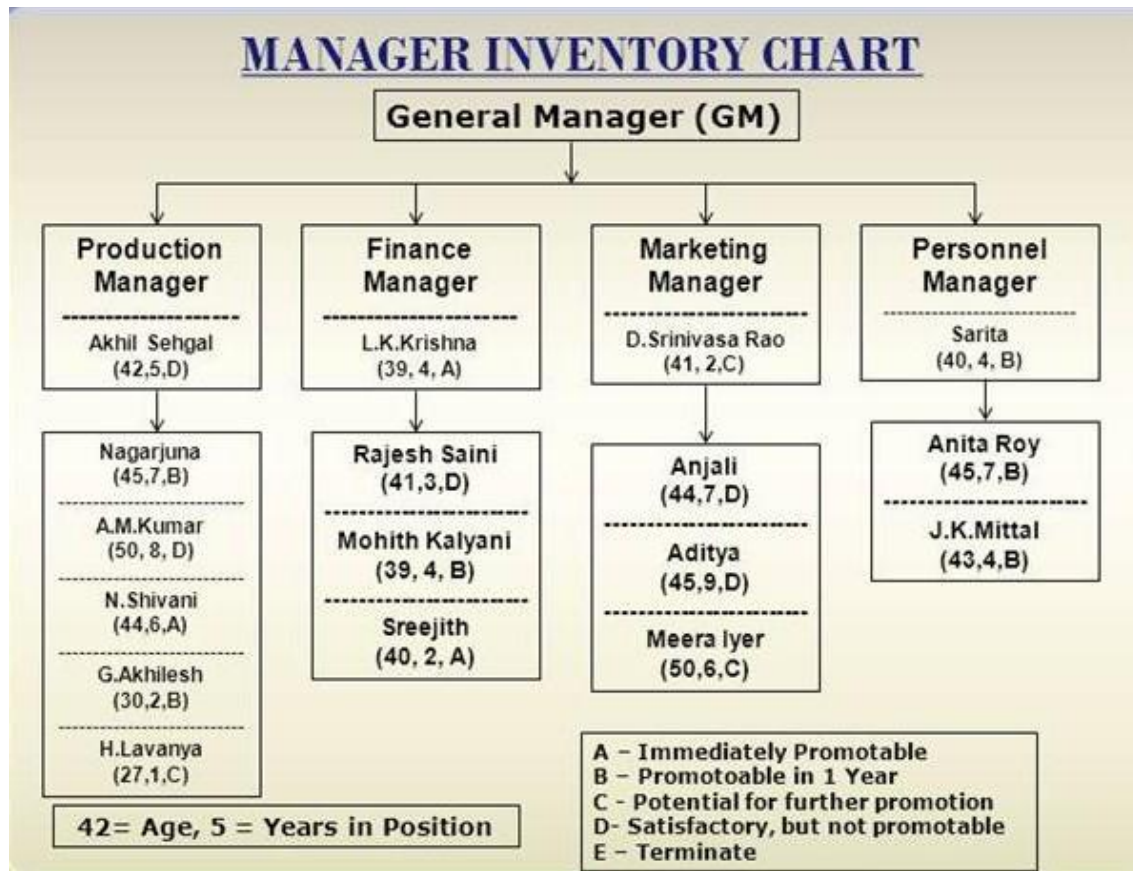
It is common for business to keep an inventory (stock) of raw materials and goods on hand to enable it to carry on its operation. In the same sense enterprises keep an inventory of available human resources, particularly managers, as competent managers are vital requirement for success. Manager inventory chart is simply an organizational chart of a unit having managerial positions being indicated and keyed with a system of promo ability to each personnel.

Advantages of Manager Inventory chart

1. Clear Idea about staffing situation
2. Clear indication on future supply of managers
3. Reduces migrations or resignations
4. Identifies not performing employees and to be trained or replaced
5. Managers can be transferred from one department to another and help the weak departments

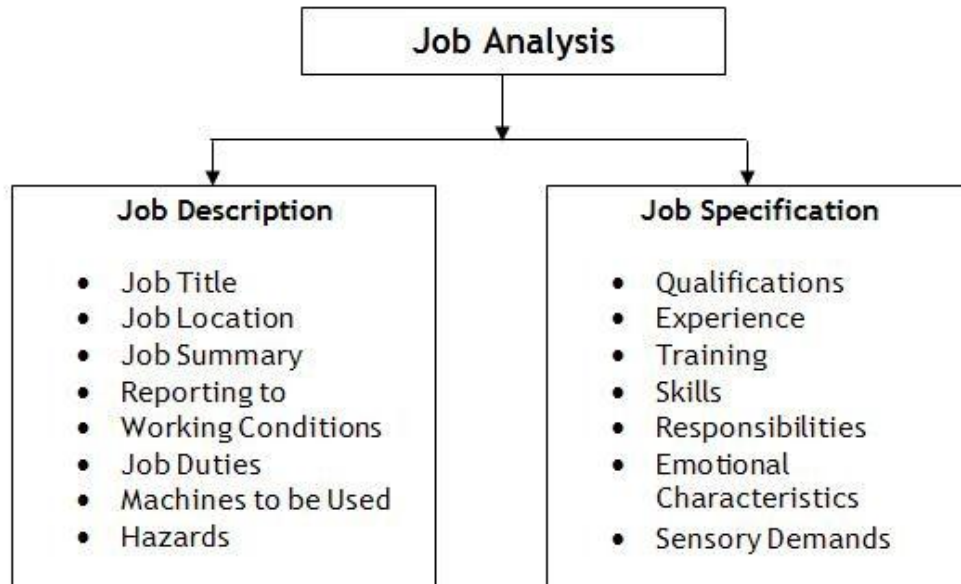
Disadvantages of Manager Inventory Chart

1. Data doesn't show to which position one may be promotable
2. Data insufficient for fair assessment of all capabilities of a person
3. Takes time and effort to keep the chart up-to-date
4. Top level managers may be reluctant to make their charts available to others



Job Analysis

Job analysis is an intensive and direct technique for identifying the essential information regarding the job. It is the process of determining the tasks involved in the job and the personnel qualities of the individuals required to perform the job. Job analysis provides information both for the job and job holder. Job analysis is —the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others.



Job Description

The results of the job analysis are written in a statement known as job description. In other words job description is a descriptive statement of the organizational relationship, responsibilities and duties on a given job. It tells us what is to be done and how it is to be done and why.

Job Specification

The job description helps in preparing the specification for each job. So it is a product of job analysis. It is a statement of maximum acceptable human qualities necessary to perform the job satisfactorily. It is written record of the physical, mental, social, psychological and behavioral characteristics which a person should possess in order to perform the job effectively.

Job Design

Job design follows job analysis. It is a process of organizing tasks, duties and responsibilities into a unit of work to achieve organizational objectives. Job design defines the various tasks required to do a specific job and the method of performing the tasks. While job analysis is the process that identifies tasks, duties, responsibilities, required qualifications, skills and knowledge etc for an individual for a job, job design is the allocation of tasks to an employee or group of employees in an organization.

Steps involved in job design

1. Specifying individual tasks – This means that the different tasks to be included in a job are specified and are categorized
2. Specifying methods - In this step, the specific methods to conduct the various tasks are identified. Specification of methods provides the basic guidelines to perform the job

3. Combining tasks into jobs – After specifying the individual tasks to be included in a job, they are combined into a group and assigned to individual employee or group.

Importance of Job design

1. It helps the firm in achieving cost reduction by eliminating causes of accidents and injuries through enhanced safety and health measures
2. It enhances employee satisfaction, motivation, involvement and commitment levels, leading to improved cooperation between the management and employees
3. It contributes effectively to organizational effectiveness

Job evaluation

Job Evaluation is a system wherein a particular job of an enterprise is compared with its other jobs. In the present industrial era, there are different types of jobs which are performed in every business and industrial enterprise. Comparative study of these jobs is very essential because on the basis of such study the structure of wages for different types of jobs is prepared. The comparison of jobs may be made on the basis of different factors such as duties, responsibilities, working conditions, efforts, etc. In nut shell, it may be said that job evaluation is a process in which a particular job of a business and industrial enterprise is compared with other jobs of the enterprise.

Objectives of Job Evaluation

The following are the objectives of job evaluation:

- To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant
- To provide a standard procedure for determining the relative worth of each job in a plant;
- To determine the rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community or industry;
- To ensure that like wages are paid to all qualified employees for like work;
- To promote a fair and accurate consideration of all employees for advancement and transfer;
- To provide a factual basis for the consideration of wage rates for similar jobs in a community and industry; and
- To provide information for work organization, employees' selection, placement, training and numerous other similar problems.

Job Evaluation vs. Job Analysis

Job analysis is a systematic way of gathering information about a job. Job Evaluation begins with job analysis and ends at the determination of the worth of the job.

Methods of Job Evaluation

Ranking Method: Jobs are arranged from the highest to the lowest, in order of their values or merit in the organization. Job at the top has the highest value and job at the lowest has the lowest value. Jobs are arranged in each department and then department rankings are combined to develop an organizational ranking

Job Grading or Job Classification Method:

This method works by assigning each job a grade, level or class that corresponds to a pay grade for instance Grade I, Grade II, Grade III and so forth. These grades or classifications are created by identifying gradations of some common denominations, such as job responsibility, skill, knowledge, education required, and so on. Then, for each job grade so created standard job descriptions are determined. Thereafter, such standard description is matched with job descriptions in the organization

Factor-comparison Method :

This method is a combination of ranking and point systems. All jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are more or less common to all jobs. These elements are not predetermined. These are chosen on the basis of job analysis.

The few factors which are customarily used are: (i) mental requirements (ii) skill (iii) Physical requirements (iv) responsibilities (v) working conditions, etc.

Personal characteristics needed by Managers

1. Desire to manage – The successful manager has a strong desire to manage, to influence others, to get results through team effort of subordinates.
2. Communication skill and empathy
3. Integrity and honesty
4. Past performance as a manager

Recruitment of employees

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification—a technique of job analysis. It is the first stage in selection which makes the vacancies known to a large number of people and the opportunities that the organization offers. In response to this knowledge, potential applicants would write to the organization. The process of attracting people to apply is called recruitment.

Sources of recruitment

The various sources of recruitment are generally classified as internal source and external source.

• **Internal Sources:** This refers to the recruitment from within the company. The various internal sources are promotion, transfer, past employees and internal advertisements.

• **External Sources:** External sources refer to the practice of getting suitable persons from outside. External sources include recruitment agencies, newspaper and media advertisement, campus recruitment etc

Recruitment process

a) Identification of vacancy:

The recruitment process begins with the human resource department receiving requisitions for recruitment from any department of the company. These contain:

- Posts to be filled
- Number of persons
- Duties to be performed
- Qualifications required

b) Preparation of job description and job specification:

A job description is a list of the general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job.

c) Selection of sources:

Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of the recruitment.

d) Advertising the vacancy:

After choosing the appropriate sources, the vacancy is communicated to the candidates by means of a suitable media such as television, radio, newspaper, internet, direct mail etc.

e) Managing the response:

After receiving an adequate number of responses from job seekers, the sieving process of the resumes begins. This is a very essential step of the recruitment selection process, because selecting the correct resumes that match the job profile, is very important. Naturally, it has to be done rather competently by a person who understands all the responsibilities associated with the designation in its entirety. Candidates with the given skill set are then chosen and further called for interview. Also, the applications of candidates that do not match the present nature of the

position but may be considered for future requirements are filed separately and preserved. The recruitment process is immediately followed by the selection process.

Selection

The selection process begins with the job specification. The more clearly and precisely it is done the less would be the number of qualified applicants. Suppose the purpose is to select management trainees. If the qualification prescribed is MBA, the number of applicants may be in hundred. If the qualification is graduation in any discipline, the number of applicants may be in thousand.

Selection Process

a) Initial Screening

This is generally the starting point of any employee selection process. Initial Screening eliminates unqualified applicants and helps save time. Applications received from various sources are scrutinized and irrelevant ones are discarded.

b) Preliminary Interview

It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

c) Filling Application Form

A candidate who passes the preliminary interview and is found to be eligible for the job is asked to fill in a formal application form. Such a form is designed in a way that it records the personal as well professional details of the candidates such as age, qualifications, reason for leaving previous job, experience, etc.

d) Personal Interview

Most employers believe that the personal interview is very important. It helps them in obtaining more information about the prospective employee. It also helps them in interacting with the candidate and judging his communication abilities, his ease of handling pressure etc. In some Companies, the selection process comprises only of the Interview.

e) References check

Most application forms include a section that requires prospective candidates to put down names of a few references. References can be classified into - former employer, former customers,

business references, reputable persons. Such references are contacted to get a feedback on the person in question including his behavior, skills, conduct etc.

f) Background Verification

A background check is a review of a person's commercial, criminal and (occasionally) financial records. Employers often perform background checks on employers or candidates for employment to confirm information given in a job application, verify a person's identity,

Final Interview

Final interview is a process in which a potential employee is evaluated by an employer for prospective employment in their organization. During this process, the employer hopes to determine whether or not the applicant is suitable for the job. Different types of tests are conducted to evaluate the capabilities of an applicant, his behavior, special qualities etc. Separate tests are conducted for various types of jobs.

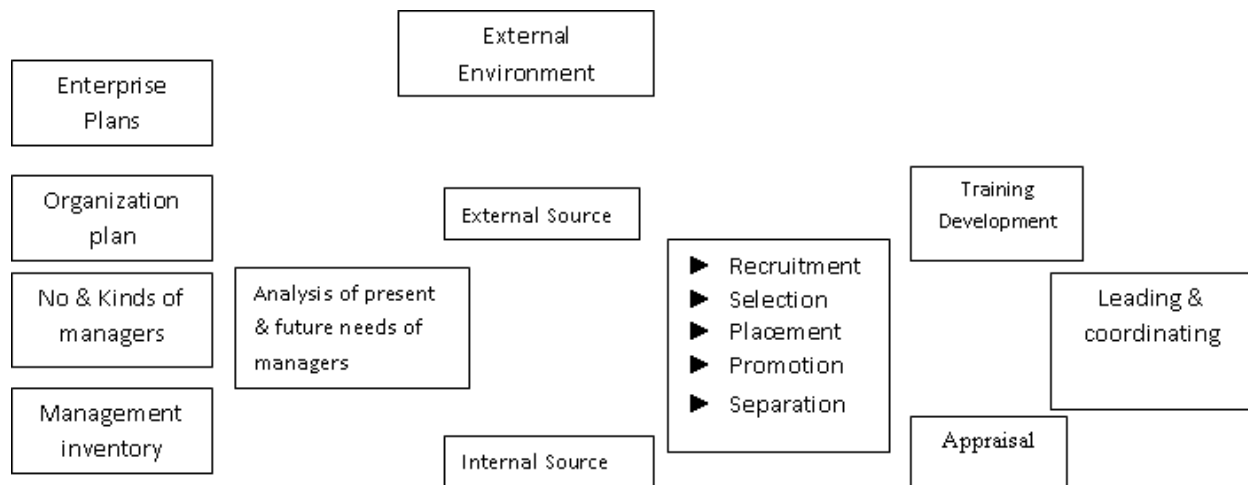
h) Physical Examination

If all goes well, then at this stage, a physical examination is conducted to make sure that the candidate has sound health and does not suffer from any serious ailment.

i) Job Offer

A candidate who clears all the steps is finally considered right for a particular job and is presented with the job offer. An applicant can be dropped at any given stage if considered unfit for the job.

SYSTEMS APPROACH TO SELECTION



Above figure shows that the staffing is the management function relates to the total management system. The enterprise plans (planning) become the basic for organization plans (organizing) that are necessary to achieve enterprise objectives. The staff selected, will perform its functions under the supervision of first two aforesaid plans.

Techniques and instruments used for selection

1. Tests: A test is a sample of an aspect of an individual's behavior, performance or attitude. It also provides a systematic basis for comparing the behavior, performance or attitude of two or more persons. Tests serve as a screening device and provide supplementary inputs in selection decisions. Their value lies in the fact that they serve additional predictors intended to make selection decision more apt and accurate.

Intelligence Tests: These are tests to measure one's intellect or qualities of understanding. They are also referred to as tests of mental ability. The traits of intelligence measured include: reasoning, verbal and non-verbal fluency, comprehension, numerical, memory and spatial relations ability.

Aptitude Tests: Aptitude refers to one's natural propensity or talent or ability to acquire a particular skill. While intelligence is a general trait, aptitude refers to a more specific capacity or potential. It could relate to mechanical dexterity, clerical, linguistic, musical academic etc

Achievement Tests: These are proficiency tests to measure one's skill or acquired knowledge. The paper and pencil tests may seek to test a person's knowledge about a particular subject.

PIP Tests: PIP tests are those which seek to measure one's personality, interest and preferences. These tests are designed to understand the relationship between any one of these and certain types of jobs.

Projective Tests: These tests expect the candidates to interpret problems or situations. Responses to stimuli will be based on the individual's values, beliefs and motives.

Chapter 5

STAFFING AND RELATED HRD FUNCTIONS

Staffing and Related HRD Functions: Definition - Empowerment - Staff - Delegation - Decentralization and Recentralisation of authority - Effective Organizing and culture-Responsive organizations - Global and entrepreneurial organizing - Manager inventory chart-Matching person with the job-System approach to selection - Job design-Skills - Personal characteristics needed in managers - Selection process - Techniques and instruments.

5.1 STAFFING - DEFINITION

The managerial function of staffing is defined as filling, and keeping filled the positions in the organisation structure. This is done by

- ❖ Identifying the work-force requirements,
- ❖ Inventorying the people available, and
- ❖ Recruiting,
- ❖ Selecting,
- ❖ Placing,
- ❖ Promoting,
- ❖ Appraising,
- ❖ Planning the careers of,
- ❖ compensating, and training or otherwise
- ❖ developing both candidates and current job holders so that they can accomplish their tasks effectively and efficiently.
- ❖ In a new enterprise, the staffing function follows the planning and organising function.
- ❖ In the case of established enterprise, staffing is continuous process. So, the manager should perform this function at all times.
- ❖ The staffing function includes recruitment, selection, training, development, transfer, promotion and compensation of personnel.

It is obvious that the management must ensure a constant availability of sufficient number of efficient executives in an enterprise for the efficient functioning of the enterprise. The selected personnel should be physically, mentally and temperamentally fit for the job.

According to Koontz and O'Donnell, "The managerial function of staffing involves managing the organisation structure through proper and effective selection, appraisal and development of personnel to fill the roles designed into the structure."

5.1.1 The systems approach to staffing (Human Resources Management):

Figure 5.1 and 5.2 show how the managerial function of staffing relates to the total management system. The present and projected organisation structure determines the number and kinds of managers required. These demands for managers are compared with available talent through the management inventory. On the basis of this analysis, external and internal sources are utilized in the processes of recruitment, selection, placement, promotion, and separation. Other essential aspects of staffing are appraisal, career strategy, and training and development of managers.

Staffing, as seen in the model, affects leading and controlling. For instance, well-trained managers create an environment in which people, working together in groups, can achieve enterprise objectives and at the same time accomplish personal goals. In other words, proper staffing facilitates leading. Similarly, selecting quality managers affects controlling, by preventing many undesirable deviations from becoming major problems.

Another term now frequently used for the managerial function of staffing is "human resource management".

5.1.2 Elements of staffing:

While performing the staffing function, the manager has to see that men should be fit for jobs and jobs should not be altered for men. The major elements of staffing are given below.

1. Effective recruitment and selection.
2. Proper classification of personnel and pay fixed for them.
3. Proper placement.
4. Adequate and appropriate training for development.

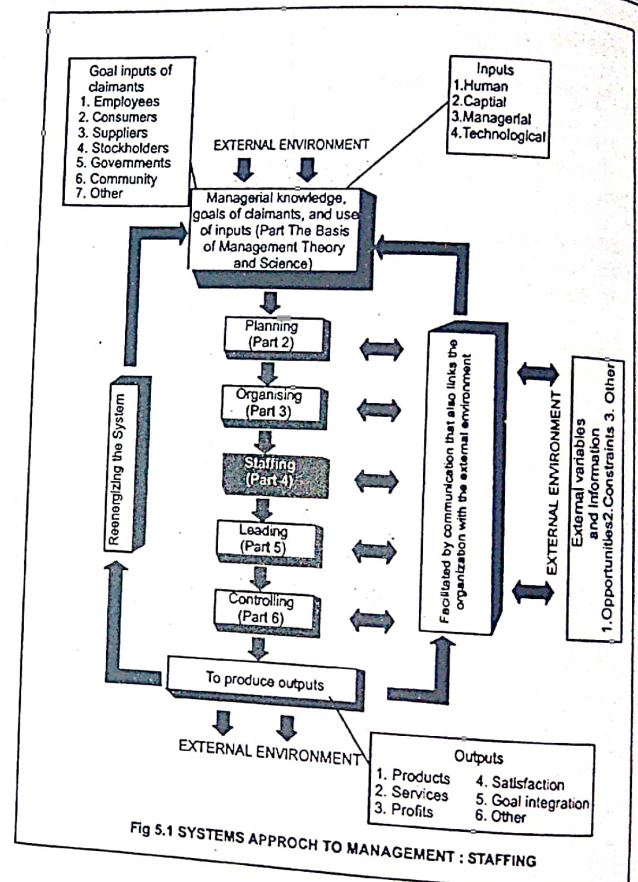


Fig 5.1 SYSTEMS APPROACH TO MANAGEMENT : STAFFING

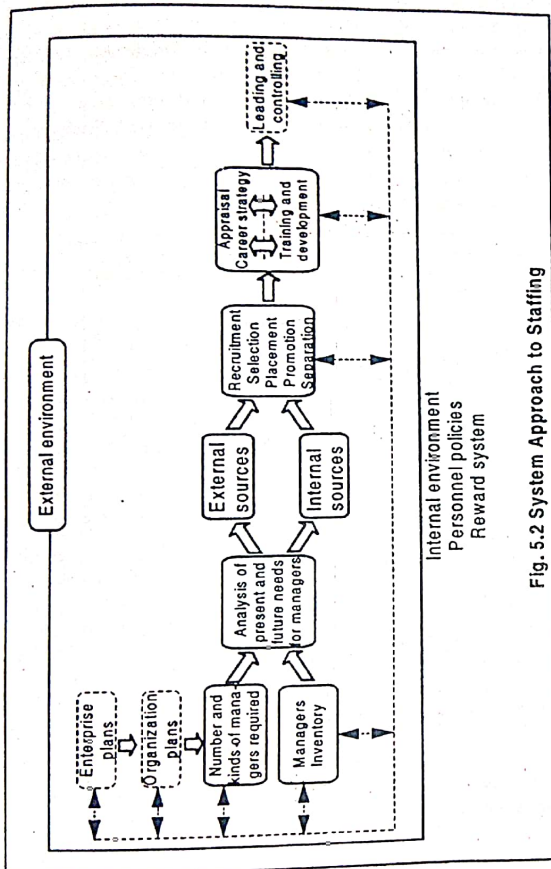


Fig. 5.2 System Approach to Staffing

5. Satisfactory and fair transfer and promotion.
6. Sound relationship between management and workers.
7. Adequate provision for retirement.

5.1.3 Processes of staffing:

The selection and placement of personnel involves the following processes. They are briefly discussed below:

1. Planning:

The term *planning* of staff members includes estimation of the number of staff members required to the company in various grades. It is based upon: the size of the company and the policy followed by the company.

2. Recruitment and selection:

It deals with the selection of qualified applicants to fill the jobs in the organisation. A standard procedure may be followed while selecting the staff members. The procedure may be valid for different types of personnel.

3. Training of developments:

It is concerned with providing training to new staff members as well as the existing staff members. The working efficiency of the staff members may be developed through the training programmes.

4. Performance operation:

It deals with assessment of the work performed by the staff members in an organisation. A standard may be fixed in order to evaluate the efficiency of the staff members.

5.2 EMPOWERMENT

Empowerment means that *employees, managers, or teams at all levels in the organisation have the power to make decisions without asking their superiors for permission*. Both, delegation and empowerment are a matter of degree.

5.2.1 Authority and power:

Before concentrating on the authority in organisation, it will be useful to distinguish between authority and power. **Power** is the ability of individuals or groups to induce or influence the beliefs or actions of other persons or groups.

Authority in organisation is the right in a position to exercise discretion in making decisions affecting others. It is, of course, one type of power, but power in an organisation setting.

Power normally arises from position and derives from our cultural system of rights, obligations, and duties whereby a "position" is accepted by people as being "legitimate". In a privately owned business, authority of position arises primarily from the social institution (a "bundle of rights") of private property. In government this authority arises basically from the institution of representative government.

Power may also come from the *expertness* of a person or a group. This is the power of knowledge. Doctors, lawyers, and university professors may have considerable influence on others because they are respected for their special knowledge.

Authority is the power to make decisions which guide the action of others. Delegation of authority contributes to the creation of an organisation. No single person is in a position to discharge all the duties in an organisation. In order to finish the work in time, there is a need to delegate authority and follow the principles of division of labour. Delegation permits a person to extend his influence beyond the limits of his own personal time, energy and knowledge.

Henri Fayol defines that "Authority is the right to give orders and the power to extract obedience".

Kootnz and O'Donnell states that "Authority is the power to command others to act or not to act in a manner deemed by the possessor of the authority for the sake of enterprises or departmental purposes".

5.3 DECENTRALIZATION OF AUTHORITY

Decentralization is the tendency to disperse decision-making authority in an organized structure. It is a fundamental aspect of delegation; There could be absolute centralization of authority in one person, but that implies no subordinate managers and therefore no structured organisation. Some decentralization exists in all organisations. On the other hand, there cannot be absolute decentralization if managers delegated all their authority, their status as managers would cease, their position would be eliminated, and there would, again, be no organisation.

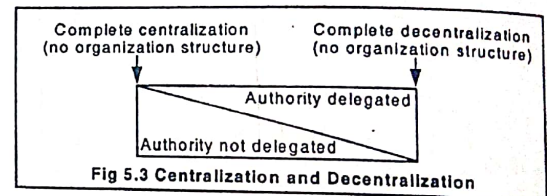


Fig 5.3 Centralization and Decentralization

Centralisation and decentralisation are opposite terms. They refer to the location of decision-making authority in an organisation. Centralisation implies the concentration of authority at the top level of the organisation while decentralisation means dispersal of authority throughout the organisation.

Centralisation and decentralisation are relative terms because every organisation structure contains both the features. There cannot be complete centralisation or decentralisation in practice. Absolute centralisation means each and every decision is to be taken by top management which is not practical. Similarly, absolute decentralisation implies no control over the activities of subordinates which cannot be possible. Therefore, effective decentralisation requires a proper balance between dispersal of authority among lower levels and adequate control over them.

5.3.1 Advantages of Decentralisation:

The main benefits of decentralisation are as follows:

1. **Relief to top executives:** Decentralisation helps to reduce the workload of top executives. They can devote greater time and attention to important policy matter by decentralising authority for routine operational decisions.
2. **Motivation of subordinates:** Decentralisation helps to improve the job satisfaction and morale of lower level managers by satisfying their needs for independence, participation and status. It also fosters team-spirit and group cohesiveness among the subordinates
3. **Quick decisions:** Under decentralisation, authority to make decisions is placed in the hands of those who are responsible for executing the decisions. As a result, more accurate and faster decisions can be taken as the subordinates are well aware of the realities of the situation. This avoids red tapism and delays.
4. **Growth and diversification:** Decentralisation facilitates the growth and diversification of the enterprise. Each product division is given sufficient autonomy for innovations and creativity. The top management can extend leadership over a giant enterprise. A sense of competition can be created among different divisions or departments.
5. **Executive development:** When authority is decentralised subordinates get the opportunity of exercising their own judgment. They learn how to decide and develop managerial skills. As a result, the problem of succession is overcome and the continuity and growth of the organisation are ensured. There is better utilisation of lower-level executives.
6. **Effective communication:** Under decentralisation, the span of organisation is wider and there are fewer levels of organisation. Therefore communication system becomes more effective. Intimate relationships between superiors and subordinates can be developed.
7. **Efficient supervision and control:** Managers at lower levels have adequate authority to make changes in work assignment, to change production schedules, to recommend promotions and to take disciplinary

actions. Therefore, more effective supervision can be exercised. Decentralisation permits Management By Objectives and self-control.

5.3.2 Disadvantages of Decentralisation:

Decentralisation suffers from the following limitations:

1. **Expensive:** Decentralisation increases the administrative expenses. Each division or department has to be self-sufficient in terms of physical facilities and trained personnel. There may be duplication of functions and underutilisation of facilities. Therefore, a decentralised set-up is better suited to large enterprises.
2. **Difficulty in co-ordination:** Under decentralisation, each department or division enjoys substantial autonomy. Therefore, co-ordination among the departments becomes more difficult.
3. **Lack of Uniformity:** Decentralisation may lead to inconsistencies when uniform procedures are not followed by various departments. Each department may formulate its own policies and procedures.
4. **Narrow product lines:** Decentralisation requires that product lines should be broad enough to permit creation of autonomous units. Therefore, it is not suitable for small firms having narrow product lines. Similarly, decentralisation may not be possible when there is lack of competent managers at lower levels in the organisation.
5. **External constraints:** Decentralisation may not be possible due to external factors like market uncertainties, trade union movement, government intervention, etc.

5.4 DELEGATION OF AUTHORITY

Delegation is necessary for an organisation to exist. Just one person in an enterprise cannot do all the tasks necessary for accomplishing a group purpose, there is a limit to the number of persons managers can effectively supervise and make decisions for. Once this limit has been passed, authority must be delegated to subordinates, who will make decisions within the area of their assigned duties.

It is impossible for any person to execute all the work in an organisation, to achieve the objectives of the organisation. Similarly, in a

growing concern also, a single person could not be vested with the entire decision-making authority. So, the superior assigns duties or responsibilities to his subordinates and also delegates necessary authority to them.

Delegation is a process which enables a person to assign a work to others and delegate them with adequate authority to do it.

5.4.1 Process of Delegation:

The process of delegation involves

1. Determining the results expected from a position,
2. Assigning tasks to the position,
3. Delegating authority for accomplishing these tasks, and
4. Holding the person in that position responsible for the accomplishment of the tasks.

In practice, it is impossible to split this process, since expecting a person to accomplish goals without giving him the authority to achieve them is unfair.

5.4.2 Importance of delegation:

Delegation is considered to be one of the most important methods of training subordinates and building morales. The delegation of authority helps the manager to concentrate on the important work of planning, organising and controlling.

Delegation is a universal process, wherever human beings work in groups, one or the other form of delegation is practised by them.

In our democratic India, the people delegate their authority to the members of the legislatures. The members of legislatures delegate their authority to any of the elected leaders who in turn delegates some of his authority to the cabinet ministers chosen by him.

An individual can accomplish several simple and complex works. Delegation enables a person not only to discharge his responsibility but also to discharge it effectively and economically. To a business unit which has different branches situated at different places, there is no alternative except delegation. It is acknowledged that delegation of authority is one of the surest and the best methods of getting better results. A very good superior can use

the delegation of authority as a tool for motivating and eliminating cumbersome information systems.

5.4.3 Elements of delegation:

The following are the three elements of delegation:

1. Assignment of Duties or Responsibilities:

This work is being done only at the time, when a superior has no time to accomplish all the work. The superior automatically assigns the work of responsibility to his immediate subordinate.

2. Delegation of Authority:

If the work is assigned to any subordinate, there will be a need for authority to accomplish it.

After the delegation of authority, the subordinate can get power to accomplish the tasks in a specified time and in order.

3. Accountability:

Accountability means that the subordinate is answerable to his immediate superior. If there is any mistake or fault committed by the subordinate, the subordinate should accept responsibility for it. In some cases, the superior (one who delegates authority) is answerable to the management but not the subordinate (to whom authority is delegated).

5.4.4 Splintered Authority:

Splintered authority exists wherever a problem is solved by a decision made with pooling the authority of two or more managers. For example, the superintendent of plant A may see an opportunity to reduce costs through a minor modification in his plant A procedures and in plant B procedures, but his authority cannot implement the change. But if the superintendents of the two plants can agree on the change (and if it affects no other managers), all they need to do is pool their authority and make the decision. Individually, their authority is said to be "splintered". In day-to-day operations of any company, there are many cases of splintered authority. Many managerial conferences are held because of the necessity of pooling authority to make a decision.

Case study:

SPLINTERED AUTHORITY AT THE RAILROAD:

The solution of a problem involving a Northern railroad whose headquarters was in Delhi. The problem was relatively minor, but a decision on it in Delhi required the consolidated authority of the traffic department, the operating department, and the public relations department. It could have been referred up the line by each of the managers to the Prime Minister office, where sufficient authority for making the decision was concentrated. But if such decisions were always handled by upward reference, the Prime Minister office would be swamped. In this case, the managers of the three departments in the Delhi office met briefly, pooled their delegated authority, and quickly made the decision.

5.4.5 Recovery of Delegated Authority:

A manager who delegates authority does not permanently dispose of it; delegated authority can always be regained. Reorganisation inevitably involves some recovery and redelegation of authority. In a shuffle in an organisation, rights are recovered by the responsible head of the department and then redelegated to managers of new or modified departments;

5.4.6 The art of delegation:

Most failures in effective delegation occur not because managers do not understand the nature and principles of delegation but because they are unable or unwilling to apply them. Much of the reason is as follows.

Personal Attitudes toward Delegation:

Receptiveness: Decision making always involves some discretion, and a subordinate's decision is not likely to be exactly the one a superior would have made. The manager who knows how to delegate must be able not only to welcome the ideas of others but also to help others and to compliment them on their ingenuity.

Willingness to Let Go: A manager who will effectively delegate authority must be willing to release the right to make decisions to subordinates. Corporate presidents and vice-presidents who insist on confirming every purchase or approving the appointment of every laborer do not realize that

Staffing and Related HRD Functions 5.13

doing so takes their time and attention away from far more important decisions.

Managers should realize that there is a "law of comparative managerial advantage", like the law of comparative economic advantage. The law of comparative economic advantage states that a country's wealth will be enhanced if it exports what it produces most efficiently and imports what it produces least efficiently, even though it could produce the imported goods more cheaply than any other nation. Likewise, managers will enhance their contributions to the firm if they concentrate on tasks that contribute most to the firm's objectives and assign to subordinates other tasks.

Willingness to Let Others Make Mistakes: Since everyone makes mistakes, a subordinate must be allowed to make some mistakes, and that cost must be considered as an investment in personal development.

Serious or repeated mistakes can be largely avoided without nullifying delegation or hindering the development of a subordinate. Patient counseling, asking leading or discerning questions, and carefully explaining the objectives and policies are some of the methods available to the manager who would delegate well.

Willingness to Trust Subordinates: Superiors have no alternative to trusting their subordinates, for delegation implies a trustful attitude between them. A superior may put off delegation with the thought that subordinates are not yet experienced enough, they cannot handle people, or they have not yet developed judgment. Sometimes these considerations are true, but then a superior should either train subordinates or else select others who are prepared to assume the responsibility. Too often, bosses distrust their subordinates because they do not wish to let go and threatened by subordinates' successes.

Willingness to Establish and Use Broad Controls: Since superiors cannot delegate responsibility for performance, they should not delegate authority unless they are willing to find means of getting feedback, that is, of assuring themselves that the authority is being used to support enterprise or department goals and plans. Obviously, controls cannot be established and exercised unless goals, policies, and plans are used as basic standards for judging the activities of subordinates.

5.4.7 Advantages of delegation:

The delegation of authority gives several advantages to the organisation. The important advantages of delegation of authority are given below:

1. Basis of effective functioning:

Delegation lays the basis for effective functioning of an organisation. It creates the relationship with others and achieves various objectives of the organisation.

2. Saving of time:

Delegation of authority enables the superior to allot more time to important matters like planning, organising, staffing, directing co-ordinating, controlling and decision-making.

3. Reduction of Work:

Delegation relieves the superior from attending to the routine matters. Normally, the routine matters are allocated to subordinates. It helps the superior to carry out more responsible work alone.

4. Opportunity for Development:

Delegation of authority gives a very good opportunity to the subordinate to grow. It helps in identifying the best person among the various subordinates for development.

5. Benefit of specialised service:

Delegation helps the superior to get the benefit of specialised knowledge of various persons at lower levels. For example, production is delegated to the production manager, sales to the sales manager, legal matters to the lawyer and the like.

6. Delegation of Authority Enables Effective Managerial Supervision

7. Efficient running of branches:

If the business has many branches, the branch activities are looked after by a separate person. He is supposed to be incharge of one particular

branch. When he can get adequate authority with responsibility, he could work for the smooth and effective functioning of the particular branch.

8. Interest and initiative:

Whenever the delegation of authority takes place, the subordinate may do the work with interest. In certain cases, the subordinate by himself takes initiative to do the work properly.

9. Satisfaction to subordinates:

Delegation of authority will satisfy the self-actualization needs of the individuals

10. Expansion and Diversification of Business Activity:

The subordinates are fully trained in decision making in various fields of the business by using the delegation of authority. This type of talents of subordinates can be used by the top management in the expansion and diversification of the business activities.

5.4.8 Delegation and Decentralisation—A Comparison:

	Delegation	Decentralisation
1.	It is a <i>process</i> or an act.	It is the <i>end result</i> of delegation
2.	It denotes <i>relationship between a superior and a subordinate</i> .	It denotes relationship between the top management and various departments or divisions.
3.	It is <i>essential</i> for management process.	It is <i>optional</i> as top management may or may not disperse authority.
4.	The delegator exercises control over the subordinates.	The control may be delegated to departmental heads.
5.	It is a <i>technique</i> of management.	It is a <i>philosophy</i> of management.

5.4.9 Problems of delegation:

Every superior is expected to delegate part of his duties and responsibility to his subordinates. A single person cannot perform all the work. So, delegation is a very important characteristic of the organisation.

The proper delegation of authority is made only at the time of a proper balance between feelings of the superior and subordinates.

I. HESITATION ON THE PART OF SUPERIOR:

The following are the reasons for the lack of willingness on the part of the superior to delegate authority:

1. Perfectionism:

Many superiors think that he is better than others. This is true to some extent. The reason is that the superior had experience in doing and developed a degree of skill. Had such a practice is followed by his superior, he might not be come to this position. Hence the superior should open the door to the subordinate to develop his abilities by delegating authority.

2. Autocratic attitude:

Some superiors prefer retain powers in their hands. These persons don't have belief in the delegation of authority and they interfere with the limited authority of their subordinates.

3. Directions:

Many superiors have lack of the ability to direct the subordinates. Subordinates may misinterpret the instructions which the superior gives. Then, the superiors cannot get the expected efficiency from the subordinate.

4. Confidence:

Superiors also tend to show lack of confidence in subordinates. If the delegation is not made, the superior has no chance to gain experience from delegation of authority. Confidence is developed gradually on the basis of success of the delegation of authority.

5. Control:

The superior has control over his subordinates. He wants to retain the control over his subordinates and keep up the importance of his role. Hence he hesitates to delegate his authority. Besides, the superior feels that he might be dominated if he delegates his authority.

6. Avoidance of risk:

Risk may arise through the delegation of authority. Whatever maybe the risk, the superior will have to take the responsibility for it. But only few managers are ready to take the risk.

7. Competition:

Subordinates learn much better than the superior by taking advantage of delegation of authority. This results in the emergence of more talented persons than the superior. This is not liked by the superior and he avoids competition in future.

8. Inability of the subordinate:

The subordinate does not have any ability to accept any new work. The superior, who knows this fact, hesitates to delegate powers.

9. Inability of the superior:

If the superior is an inefficient person, the work method and procedures designed by him are likely to be faulty. So, the superior wants to keep all the authority with himself to hide the inability.

II. HESITATION ON THE PART OF SUBORDINATES:

Sometimes, the subordinates are not willing to accept delegation even though the superiors are very much interested in delegation. The reasons for not accepting the authority by the subordinates are given below:

1. Love of spoon-feeding:

If a subordinate is given a chance to take a decision, he may not like to decide things himself. Subordinate is used to spoon feeding and hence he may be reluctant to accept delegation.

2. Easier to ask:

Subordinates often find it easy to ask their superiors for an answer than to find it out for themselves.

3. Fear of criticism:

Sometimes, a subordinate may fear that even for a silly mistake in a decision, his superior may criticize him. This suppresses the initiatives of the subordinate.

4. Lack of information (or) resource:

A subordinate may hesitate to accept new work due to lack of information or resources to do the work effectively.

5. Lack of self-confidence:

Lack of self-confidence in a subordinate is also one of the reasons for not accepting any authority.

6. Other work:

Subordinate may feel that they will not be able to finish any additional work along with the existing work. Subordinates think that if they accept authority, they may be forced to accept more work in the future.

7. Inadequate incentives:

A subordinate may not come forward to accept any authority if there is no personal gain in doing so.

8. Fear of failure:

Some subordinates feel that they may fail and so they do not want to accept additional responsibilities.

5.5 EFFECTIVE ORGANISING AND CULTURE - RESPONSIVE ORGANISATIONS

5.5.1 Organisation culture

Culture, particularly in large organizations, can be difficult to influence or change. The size of an organization and the strength of its culture are the biggest contributors to cultural inertia. It is that set of important understanding that members of a community share in common. Big and strong organizational cultures will have a powerful tendency to continue moving in the direction

they are already moving (momentum). Therefore, managers must understand not only how to create culture, but also how to change it when necessary to ensure a positive, efficient and ethical culture. Organisation culture is defined as the "set of values, often taken for granted, that help people in an organisation understand which actions are considered acceptable and which are considered unacceptable. Often these values are communicated through stories and other symbolic means".

5.5.2 Cultural Factors

Understanding how to change an organizational culture requires some insight into what creates culture in the first place and how altering those components may impact meaningful cultural development. Edger Schein (1985) has suggested that there are a number of basic assumptions around which cultural paradigms form:

- ❖ Humanity's Relationship to Nature
- ❖ The Nature of Reality and Truth
- ❖ The Human Nature
- ❖ The Nature of Human Activity
- ❖ The Nature of Human Relationship

While these are only a few of the elements of culture, they capture a wide variety of components that managers can use to influence and change the general cultural predisposition.

5.5.3 Implementing Culture Change

Cummings and Worley identify a useful way to frame the stages in integrating broad organizational change through cultural reform in six stages. These stages include:

1. Ensure clarity in the strategic vision. This means making sure that the mission statement, vision statement and overall strategy work together to create one strong culture statement. The vision in particular must describe the new culture forcefully and persuasively.
2. Ensure flow from the top to down. This means communicating specific aspects of needed culture change at the upper managerial level.

3. Lead by example. Top management needs to exhibit the kinds of values and behaviours that they want to see in the rest of the company.
4. Identify areas in the organizational structure and control systems which require updates to conform to the new or adapted culture. This includes altering employee handbooks, compensation strategies, hierarchy, decision-making authority and other central components of structure.
5. Follow through on the mandate. Terminating employees who do not conform to the desired culture is difficult. But it allows you to bring in new talent that aligns better without desired culture. Ensuring proper emphasis on the new culture in training materials is useful in this process.
6. Finally, ensure that the ethical and legal implications of the adapted culture are understood, planned for and in line with corporate ethics.

Joint ventures and mergers and acquisitions usually require large cultural changes. When different cultures comes together, it is wise to expect some degree of culture-clash and differences of opinion. Managers, particularly upper management, must be aware of the implications of cultural change, the facts of organizational culture and the steps involved in altering it, the general strategy is useful for managers leading meaningful cultural change at all levels.

Several methods have been used to classify organizational culture. We will briefly discuss three influential models on organizational culture.

5.5.4 Models on organisational culture

1. Hofstede's Cultural Dimensions

Hofstede's cultural dimensions theory is one of the most cited and referenced. Hofstede looked for global differences in cultural across 100,000 IBM employees in 50 countries in an effort to determine the defining characteristics of global cultures in the workplace. With the rise of globalization, this is particularly relevant to organizational culture.

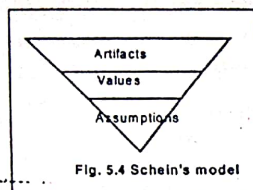
Through this process, he underlined observations that relate to six different cultural dimensions.

Staffing and Related HRD Functions 5.21

- ❖ **Power distance:** Power distance is simply the degree to which superior can exert powers and how difficult it is for a subordinate to contradict them.
- ❖ **Uncertainty avoidance:** Uncertainty avoidance describes an organization's comfort level with risk-taking. As risk and return are largely correlative in the business environment, it is particularly important for organizations to instill a consistent level of comfort with taking risks.
- ❖ **Individualism vs. Collectivism:** This is the degree to which an organization integrates a group mentality and promotes a strong sense of community (as opposed to independence) within the organization.
- ❖ **Masculinity vs. Femininity:** This refers to the ways that behaviour is characterized as "masculine" or "feminine" within an organization. For example, an aggressive and hyper-competitive culture is likely to be defined as masculine.
- ❖ **Long-Term Orientation:** This is the degree to which an organization or culture plans pragmatically for the future or attempts to create short-term gains.
- ❖ **Indulgence vs. Restraint:** This pertains to the amount (and ease) of spending and fulfillment of needs. For example, a restrained culture may have strict rules and regulations for tapping company resources.

2. Edgar Schein's Cultural Model

Edgar Schein's model underlines three types of culture within an organization, which as a simpler model than Hofstede's, is somewhat more generalized. Schein focuses on artifacts, values and assumptions:



The basic premise behind this model is that artifacts, values and assumptions integrate into organizational culture. These three types represent different aspects of an organization's culture, growing less tangible and more complex as it moves from the top to down.

- ❖ **Artifacts:** How desks are situated, how people dress, how offices are decorated, etc., are examples of organizational artifacts.
- ❖ **Values:** Values pertain largely to the ethics embedded in an organization. What does the organization stand for? This is usually openly communicated with the public and demonstrated internally by employees. An example might be a non-profit organization trying to mitigate poverty. The values of charity, understanding, empowerment and empathy would be deeply ingrained within the organization.
- ❖ **Assumptions:** The final type of culture, is much more difficult to deduce through observation alone. These are tacit assumptions that understood by the way in which communication occurs and individuals behave. They are often unconscious, yet hugely important. In many ways, this correlates with Hofstede's cultural dimensions. For example, a culture of avoiding risk wherever possible may be an assumption which employees act upon without realizing it and without receiving any directives to do so. High power distance could make employees think that they should show a high degree of deference to their superiors without being specifically told to do so.

3. Charles Handy's Four Types of Culture

Charles Handy put forward a framework for four different types of culture that remains relevant today. His four types include:

- ❖ **Power culture:** In this type of culture, there is usually a head who makes rapid decisions and controls the organizational direction. This is most appropriate in smaller organizations and requires a strong sense of deference to the leader.
- ❖ **Role culture:** Structure is defined and operations are predictable. Usually this creates a functional structure, where individuals know their job, report to their superiors (who have a similar skill set) and value efficiency and accuracy above all.
- ❖ **Task culture:** Teams are formed to solve particular problems. Power is derived from membership in teams that have the expertise to execute a task. Due to the importance of given tasks and the number of small teams in play, a matrix structure is common.
- ❖ **Person culture:** In this type of culture, horizontal structures are most applicable. Each individual is seen as valuable and more important than the organization itself. This can be difficult to sustain, as the organization may suffer due to competing people and priorities.

5.5.5 The seven elements of culture

1. Social Organization

- ❖ Organizing its members into small units to meet basic needs and create social structure.
- ❖ **Family Patterns:** Family is the most important unit of social organization, children learn how they are expected to act and what to believe.
- ❖ **Nuclear family:** Wife, husband, children. This is a typical family in an industrial society.
- ❖ **Extended family:** Several generations living in one household, working and living together Grandparents, aunts and uncles, cousins. Respect for elders is strong.

- ❖ **Social classes:** Rank people in order of status, depending on what is important to the culture (Money, job, education, ancestry, etc.)

2. Customs and Traditions

Rules of Behaviour are enforced ideas of right and wrong. They can be customs, traditions, rules or written laws.

3. Religion

- ❖ Answers basic questions about the meaning of life.
- ❖ Supports values that groups of people feel are important.
- ❖ Religion is often a source of conflict between cultures.
- ❖ Monotheism is a belief in one God.
- ❖ Polytheism is a belief in many Gods.
- ❖ Atheism is a belief in no Gods.

4. Language

- ❖ Language is the cornerstone of culture.
- ❖ All cultures have a spoken language (even if there are no developed forms of writing).
- ❖ People who speak the same language often share the same culture.
- ❖ Many societies include a large number of people who speak different languages.
- ❖ Each language can have several different dialects.

5. Arts and Literature

- ❖ They are the products of the human imagination.
- ❖ They help us pass on the culture's basic beliefs.
- ❖ Examples: Art, music, literature and folk tales.

6. Forms of Government

- ❖ People form governments to provide for their common needs, keep order within society and protect their society from outside threats.
- ❖ **Definition of government:** 1. Person/people who hold power in a society; 2. Society laws and political institutions.

- ❖ **Democracy:** People have supreme power, government acts by and with consent.
- ❖ **Republic:** People choose leaders who represent them.
- ❖ **Dictatorship:** Ruler/group holds power by force usually relying on military support for power.

7. Economic systems

- ❖ How people use limited resources to satisfy their wants and needs.
- ❖ Answers the basic questions: What to produce, how to produce it and for whom.
- ❖ **Traditional Economy:** People produce most of what they need to survive (hunting, gathering, farming, herding cattle, make own clothes/tools).
- ❖ **Market Economy:** Buying and selling goods and services.
- ❖ **Command Economy:** Government controls what/how goods are produced and what they cost. Individuals have little economic power.
- ❖ **Mixed Economy:** Individuals make some economic decisions and the government makes others.

5.5.6 Types of culture

An overview of four organizational culture types:

- ❖ **Control (hierarchy) Culture:** A highly structured and formal place to work. Rules and procedures govern behaviour. Leaders strive to be good coordinators and organizers who are efficiency-minded. Maintaining a smooth-running organization is most critical. Formal policies are what hold the group together. Stability, performance and efficient operations are the long-term goals. Success means dependable delivery, smooth scheduling and low cost. Management wants security and predictability.
- ❖ **Compete (market) Culture:** A results-driven organization focused on job competition. People are competitive and goal-oriented. Leaders are demanding, hard-driving and productive. The emphasis on winning unifies the organization. Reputation and success are

common concerns. Long-term focus is on competitive action and achievement of measurable goals and targets. Success means market share and penetration. Competitive pricing and market leadership are important.

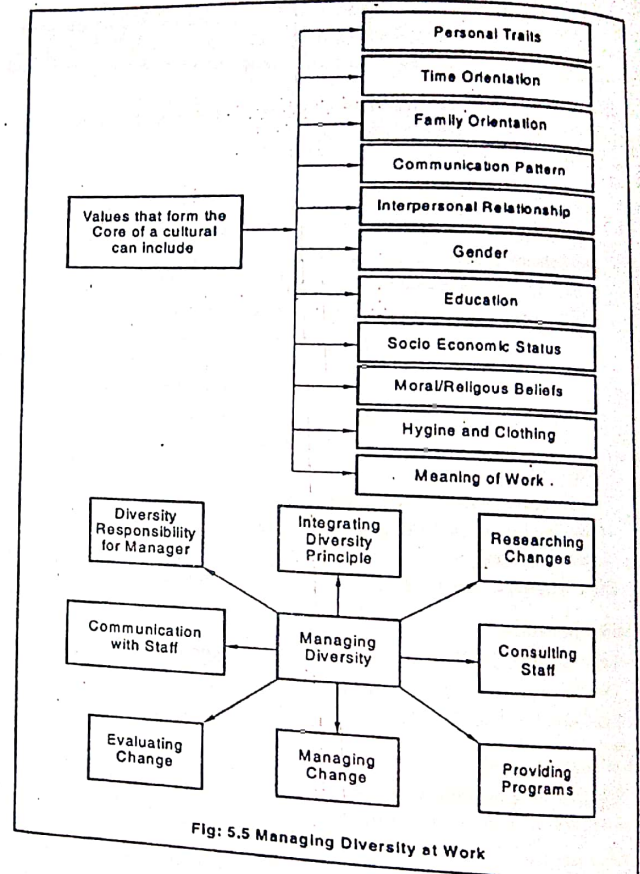
- ❖ **Collaborate (clan) Culture:** An open and friendly place to work where people share a lot of themselves. It is like an extended family. Leaders are considered to be mentors or even parental figures. Group loyalty and sense of tradition are strong. There is an emphasis on the long-term benefits of human resources development and great importance is given to group cohesion. There is a strong concern for people. The organization places a premium on teamwork, participation and consensus.
- ❖ **Create (adhocracy) Culture:** A dynamic, entrepreneurial and creative place to work. Innovation and risk-taking are embraced by employees and leaders. A commitment to experimentation and thinking differently are what unify the organization. They strive to be on the leading edge. The long-term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being an industry leader is important. Individual initiative and freedom are encouraged.

5.5.7 Managing cultural diversity

The concept of diversity is based on individual acceptance and respect. It is understanding that individuals are unique and different. It acknowledges the existence of broad cultural groups within a culture. Culture diversity includes the following parameters:

1. Language
2. Race
3. Ethnicity
4. Values and Religious practices
5. Political views
6. Social and family responsibilities

Cultural values are frequently the sources of cross-cultural difference in a multicoloured workplace.



5.6 GLOBAL AND ENTREPRENEURIAL ORGANIZING ✓

The Globalization of Management: ✓

The term "global village" may appropriately describe the world we live in today. Advances in technology in aerospace, communications, fiber optics, computers, and the Internet link people from all around the globe.

While Japan sends its young people to the United States to study management techniques, managers in the United States often look to Japan for ways of implementing some of these techniques (such as quality management). The point here is not that one approach is better than another, but, rather, that many countries can contribute to managerial theory and practice. In an environment of global competition, only the best companies will succeed, and management is a critical factor for their success.

A perceptive observer will note that the role of managers is expanding. New approaches are required to avoid managerial obsolescence and improve managerial productivity. There is a need for more effective planning, flexible approaches to organizing, better managing of human resources, an environment factorable for motivation, and methods for effective and efficient control that use the new information technology. Above all, the field of management requires intellectual and inspirational leadership around the world to make organization more productive for the benefit of humanity.

While there are hopeful trends in the development of a unified theory of management, they have profound implication for the practice of management in the future.

The trend of globalization and intense global competitiveness will continue, facilitated by the information technology, especially the Internet. Social as well as demographic changes will result in having more women in top management positions. Similarly, customers will continue to demand quality of products and services at reasonable prices. Companies will have to respond to those demands through effective operations and often through global strategies and adjustments in organization structures. In fact, many firms have to be redesigned to meet the demands created by developments in technologies such as wireless communication and mobile commerce (m-commerce).

Managers have to realize the need for lifelong learning in the classroom or through distance learning programs now offered by several universities. Indeed many companies have set up their own in-house "universities" to keep up with the knowledge explosion. Individuals will often have multiple careers with different companies and various industries. There is the tendency of organization to be flatter with fewer organizational levels. Team-based management will assist in overcoming organizational barriers often created by functional orientation.

Leaders need to articulate the vision for the organization and motivate management teams, often consisting of members with multicultural backgrounds, to share that vision and contribute to the common purpose of the enterprise. This requires managers with multiple language skills and cultural sensitivity. Organizations in the twenty-first century will often form strategic alliances or engage in mergers. While managers are asked to think globally, they also must act locally to meet the specific needs of the customers who demand quality and service at a competitive price.

5.7 RECRUITMENT ✓

Recruitment is the processes of finding the apt candidates and inducing them to apply for the job in an organisation. The recruitment should be a sound one. If it is not so, the morale of the staff will be very low and the image of the company will be tarnished.

The success of any recruitment depends upon the procedure followed by the company while recruiting the members. Jobs with low salary, uninteresting jobs or difficult jobs cannot be filled up by the company very easily. Every company has to recruit its staff members but the quantum of recruitment may vary from one company to another company. The variation may be due to the size of the company, recruitment policy of the company, nature of the job and the like.

5.7.1 Sources of recruitment: ✓

The source of recruitment is based on the policy followed by the company. The job can be filled up out of the employees of the company or from outside the company. If the job is filled up out of the present employees of the company, it is said to be the *internal source* of the company.

If the same job is filled up from out of the candidates available in the society, it is said to be the *external source*. A clear picture of the internal sources and the external sources is given below.

1. Internal source of recruitment

1. Transfer
2. Promotion

2. External source of recruitment

1. Advertisement (Company Invitations and Walk-in-Interview)
2. Social Media like Facebook and Twitter, Watsapp and Website
3. Recommendations
4. Gate Applicants
5. Employment Exchange (Govt. & Private)
6. Personal Consultants
7. Educational Institutions
8. Waiting List
9. Unsolicited Applications
10. Jobbers and Contractors
11. Field Trips
12. Leasing

1. INTERNAL SOURCES OF RECRUITMENT

Whenever a job falls vacant, it can be filled up by giving a promotion to the present employee of the company. It is based on the promotion policy followed by the company. In certain cases, a same cadre staff member is deputed to the job by the company. This is called a *transfer*. This is also based on the transfer policy followed by the company.

Advantages:

1. It increases the morale among the staff members of the company.
2. Giving promotion keeps the employee happy.
3. It attracts efficient staff members.
4. The training expenses may be reduced to some extent.
5. A person who has got a promotion, inspires the staff members to acquire a thorough knowledge of his job.
6. Internal promotion helps the staff members to derive job satisfaction.
7. A promoted staff member may make use of his past experience in the new post.
8. It increases the security of the job of the staff member.
9. A new responsibility can be entrusted safely to the promoted staff members on the basis of contents of Service Register.
10. It ensures the continuity of job to the staff members and stability of the organisation.
11. It induces the staff members to work hard to get promotion.
12. The expenses for advertisement, recruitment, test and interview are avoided.

Disadvantages:

1. If the higher post is filled internally, the company will not be able to get fresh and original ideas and initiative from the staff members.
2. The outsiders do not have a scope to show their ability in the performance of the work.
3. An underqualified person may be appointed in the higher post.
4. If the promotion is guaranteed to the internal staff members after the expiry of a specific period, the concerned staff member does not care to work efficiently.

*Job grade
Job grade*

2. EXTERNAL SOURCES OF RECRUITMENT

There are various external sources of recruitment. They are briefly explained below:

1. Advertisement:

When a company wants to inform the public that it has a vacancy, it puts up an advertisement. The details of the job and the qualification of the candidates are briefly given. The company may receive the applications in response to the advertisement. After that, interview will be conducted. In certain cases, the walk in interview method may be adopted by the company. In the walk-in-interview method, the applications are received from the candidates. The date and time and place of the interview are mentioned in the advertisement. In this way, a person can be recruited immediately through an advertisement.

2. Social Media:

Nowadays, due to emergence of Information Technology, Communication Network, and social media it is very easy to inform the public with no cost. The advertisement given in newspaper and TV media can be posted in Facebook, Twitter and Whatsapp and Website, can receive good response from public.

3. Recommendations:

Here, recommendation means appointment of a person on getting a recommendation letter from a person reliable and well-known to the company. In certain cases, an employee of the company may bring the candidates to the company for the purpose of being appointed.

4. Gate applicants:

The educated unemployed youth may contact the company to get employment. These candidates may not have any recommendations. Even the company might not have issued any advertisement for the post. The candidate personally approaches the appointing authority of the company. If such candidate is found fit for any one of the posts which are vacant at that time, the candidate is appointed.

5. Employment exchange:

The job seekers register their names with their qualifications with the employment exchange. The company can get a list of candidates who have requisite qualifications to fit in a job. Out of the listed candidates, any one of them can be selected. The employment exchange is of two kinds, i.e., public employment exchange and private employment exchange.

6. Personnel consultant:

Private consultant is a separate specified agency doing the function of recruitment of the personnel on behalf of the company. In other words, the functions of personnel department of any company are performed by the personnel consultants. It receives the applications from the candidates, verifies the applications, conducts interviews and selects the candidates. The personnel consultant receives fees from the company for its service.

7. Educational institutions - Campus Interview:

Universities, colleges and institutions are formed to offer specific courses. The educational institutions make an arrangement for campus interview. The business concerns come to the campus of educational institutions to recruit the students for various posts. The selected students are requested to join the post after completing the course.

8. Waiting list:

The business concern prepares a waiting list of candidates who have already been interviewed. But, they are not appointed for lack of vacancy. Whenever a vacancy arises, the vacancy may be filled up by the company out of the waiting list.

9. Unsolicited applicants:

Unsolicited applications means the application received through mail from the candidate. The application brings the information regarding the name and address of the candidate, his age, educational qualification, experience, area of interest, etc. If there is any vacancy at that time, the candidate will be recruited for the specified post. Normally, this type of application is considered for the posts at the lower level.

10. Jobbers and contractors:

The casual vacancy may be filled up by the company through the jobbers and contractors. Normally, unskilled candidates are appointed in this way. They are available at short notice and for a less salary. This type of candidate is brought by the jobbers and contractors to the place of work and they receive some commission from the company for this service.

11. Field trips:

A company may send a group of experts to the towns and the cities where the various kinds of candidates required by the company are available. In this case, a prior advertisement may be issued in newspapers. The advertisement contains information regarding the date, venue and time of the interview. The interview is conducted in different places. This is procedure followed to recruit the candidates under field trips.

12. Leasing:

This type of source of recruitment is followed by the public sector organisation. The reason is that the organisation wants to manage the problems particularly at higher level. Before recruiting the staff members, the period of service is fixed by the company and it is conveyed to the staff members.

Merits of External Source:

There are some advantages to the company if the appointment is made through external source. These advantages are discussed below:

1. Choice:

A company can recruit a person out of a large number of applicants. Each and every candidate's plus points and minus points are taken into consideration for the purpose of recruitment. Then, the best candidate can be selected by the company.

2. New outlook:

If a new person is recruited by the company, a new way of approach may be used to solve the problem, which will give maximum benefits to the company.

3. Wide experience:

If the recruited new candidate has experience in various fields, the company can get the benefit of the candidate's experience.

Demerits of External Source:

The external sources also have some demerits. They are listed below.

1. Grudging of existing employee:

If a candidate is recruited from external sources, the existing staff may have a grudge against him. It results in demoralisation of the staff members.

2. Lack of co-operation:

The existing staff members do not extend their co-operation to the person who is selected from out of external sources. In addition to this, the existing staff members make the new recruit face the difficulties and try to disorient him in relation to his work.

3. Expensive:

Recruitment of a person from outside the company requires a lot of formalities. The formalities include issuing advertisement, receiving the applications, screening the applications, despatching the interview letters, fixation of interview date, time and place, formation of an interview committee etc. Completing all the above said procedure involves a lot of expenditure.

4. Trade union:

If the trade union of the company is very strong, it is very difficult to convince the trade union and recruit a person from outside a company.

5. Danger of non-adjustment:

If a newly recruited person fails to adjust himself to the working conditions of the company, it leads to more expenditure in looking for his replacement. Besides, it causes irritation and quarrel between the recruited person and the existing staff members.

5.8 SELECTION PROCESS, TECHNIQUES AND INSTRUMENTS

Selection is the device used in an organisation to select a suitable person who has required educational qualifications, skills, abilities, personality and the like. When an organisation gets more number of applications than needed, a screening test may be conducted through which unsuitable candidates may be rejected.

5.8.1 Stages of selection process:

It may be said that recruitment is a positive function of the management. But selection is a negative function of management. The reason is that 'eliminating applications' is more difficult than 'selecting them'.

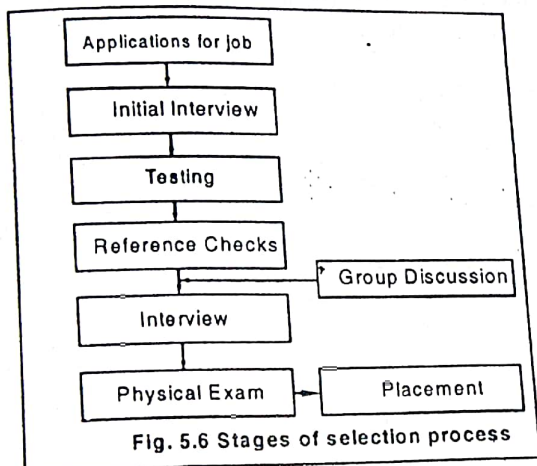


Fig. 5.6 Stages of selection process

Normally, the selection process has the following stages:

1. Receiving and screening of applications:

Prospective employees are requested to submit the applications in white paper or in a prescribed form. In both the cases, full particulars of the employee should be given. The information relates to the name of the

candidate, age, educational qualification, date of birth, experience, parent's name and occupation, address for communication, etc. The same information is kept as a permanent record in the organisation.

2. Initial interview:

It is otherwise called *preliminary interview*. The object of conducting this interview is to know whether the applicant is physically and mentally fit for the job. Questions are put to the candidate for evaluation. These questions are related to his qualifications, experience, interest, age, nativity, and the like. Only a minimum time is spent for this interview. Candidates who have passed in the initial interview are called for the next selection procedure.

3. Blank application:

A specific format is followed for this selection process. The nature of the format varies for each job. The reason is that different qualifications and skills are required for different jobs. Care should be taken to ensure that the candidates provide brief and pointed answers for queries raised in the form. Besides, irrelevant answers should be avoided and all relevant information should be given in the form.

4. Test:

The test is conducted by the organisation for the purpose of knowing more about the applicants to be selected or rejected. Normally, many organisations ask the applicants questions to know more about their aptitude, interest, general awareness, etc.

Tests can be classified into two kinds. They are Proficiency Test and Aptitude Test. Proficiency Test refers to the testing of the skills and abilities possessed by the candidate. Aptitude Test refers to measuring of the skills and abilities which may be developed by the applicant to perform the job in future.

KINDS OF TEST:

(a) Proficiency Test

- (i) Temperament Test ✓
- (ii) Achievement Test ✓
- (iii) Interest Test ✓

Skills and Ability.

(b) **Aptitude Test**

- (iv) Intelligence Test
- (v) Personality Test
- (vi) Situational Test
- (vii) Judgement Test
- (viii) Efficiency Test

- (i) **Temperament tests** are used to measure the likes, dislikes and habits of an individual. It is helpful to find out whether a particular individual can put up himself in a society or not.
- (ii) **Achievement test** is used to measure the level of knowledge for performing the work assigned to an individual. It is otherwise called performance test or trade test. Sometimes, the achievement test is conducted theoretically, i.e., answers are received by putting questions to the individual. For example, an accounting test may measure the accounting performance of an accountant in terms of accuracy and neatness.
- (iii) **Interest test** is used to discover the individual's interest in having the work assigned to him/her. It is assumed that an individual who is interested in one type of work, does better than the one who is not interested. Interest of an individual may be relating to outdoor activities, accounting, clerical, social service etc. It is otherwise called **Vocational Test**.
- (iv) **Intelligence Test** is used to measure the mental ability, capacity and general awareness of the individual. The most common intelligence tests used for management purposes are group tests, individual tests, self-evaluation test, self-administered tests, performance tests, verbal comprehension, word fluency, memory, inductive reasoning, test of reasoning, number facility, speed of perception and the like. The Intelligence Test is conducted age-wise. If the management selects highly intelligent people, its training process is easy and training expenses are low.

- (v) **Personality Test** is conducted to measure courage, initiative, emotion, confidence, reaction, ability to mix with others, ability to motivate, general behaviour of the individual, cheerfulness, leadership, patience and domination of character.
- (vi) **Situational Test** is conducted to measure the reaction of applicants to a particular situation. Besides, the applicant's ability to succeed in his job in a particular situation is also measured.
- (vii) **Judgement Test** is conducted to measure the ability of an individual in applying the knowledge, intelligence and experience to solve the problems presented before him.
- (viii) **Efficiency test** is used to know how quickly and efficiently an individual uses his hands to accomplish the work assigned to him. It is otherwise called **dexterity test**.

5. Checking References:

Sometimes, the applicants are requested to furnish references. Applicants may include the name and address of parent educational institutions and the present employer. The information furnished in the applications are checked from these persons. If the referee is a present employer, the applicant's job performance, salary drawn particulars, reasons for leaving the job, etc., are checked.

A letter of recommendation may also be treated as a reference. The prospective employer can collect information about the applicant regarding his character, conduct, ability etc., from the referee. Some management firms do not take much interest in this regard. The verification of references might give correct information about the applicant. Some applicants may give incorrect information regarding experience, past salary drawn and reasons for leaving the job. But these are identified with the help of checking references.

Many managements which do not hold good opinion about the applicant are not ready to give references. At the same time, some applicants have some well-wishers who are considered as potential as reference, and no negative answer is received from those references.

6. Interview:

Interview is considered as a method of personal appraisal through face to face conversation and observation. The management selects a candidate through a interview by one or more persons. The interviewing persons are experts in the interview technique and they have a thorough knowledge in their respective fields. Interview helps the employer to evaluate the candidate regarding the personality, smartness, intelligence, attitude, etc.

In any interview, the interviewer has a dominant position over the candidate. The interview is divided into two i.e., preliminary interview and final interview. The final interview is conducted only for candidates who succeed in the preliminary interview. The candidate should succeed in two stages of interview. In the first stage, the personnel department makes a thorough evaluation of a candidate. In the second stage, the successful candidates from the first stage are sent to the functional department. The candidate who has successfully passed the second stage is selected.

KINDS OF INTERVIEW:

There are different kinds of interviews conducted by the management. Some of the interviews are briefly explained below:

- (a) **Direct interview:** Under this type of interview, straight-away questions are put before the applicant to get answers for them. Face to face conversation is the trend towards the interview. The in-depth knowledge of applicant is not observed under this type of interview. But, the skills, character, area of interest and attitudes of the applicant can be identified to some extent.
- (b) **Indirect interview:** Questions are not raised directly by the interviewer. The particular applicant is requested to express his views on any topics as he likes. The interviewer carefully listens to what the applicant expresses. The interviewer does not interpret the applicant's views. The applicant has full freedom of expression. The personality of the applicant is easily assessed by the management.
- (c) **Patterned interview:** A number of standard questions are framed well in advance which are to be put before the applicant. The answers for these questions are found while framing the questions and answers are written near

the questions. These are used for a verification purpose when answers are given by the applicant during the interview.

(d) **Stress interview:** Irritating questions are put before the applicant by the interviewer. If any applicant gets angry when these types of questions are put to him, the particular applicant is evaluated as unfit for the job. For example, the interviewer may ask, "How many legs does an eight legged insect have?" or "Dear Mr. Lakshmanan, what is your name?". These are some questions which irritate any body in normal conditions.

(e) **Systematic in-depth interview:** Under this type of interview, the interviewer asks any one of the questions initially. Then, he proceeds step-by-step to get an integrated view of the skills and personality of the applicants.

(f) **Board or panel interview:** A group of persons called interviewers ask the applicant questions in the area of interest of the applicants. Immediately after the interview, they evaluate the performance of an applicant based on the answer given by the applicant.

(g) **Group Discussion:** Group Discussion is a modern method used to test the candidate's confidence and communication skills. It also shows the ability of the candidate to reason and to analyse given situations. Team work and leadership can also be measured using a Group Discussion.

A Group Discussion is usually carried out by selecting a group of 6 to 8 candidates for the discussion. The panel of interviewers then select a topic to be discussed. Two minutes of preparation time is given to the candidates who can speak for (or) against the given topic. The candidates then speak about their points on the topic, either supporting or rejecting each others claims. The panel judges the candidates on their ability to reason and speak about the given topic. During a group discussion, factors like eye contact, body language etc are also important and can be taken into consideration.

PROCESS OF INTERVIEW:

The following procedure may be adopted for an interview:

(a) **Review of background information:** The interviewer has to collect the information regarding the applicant's bio-data *and the* job for which he has applied. This process is known as *review* of background information.

(b) **Preparation of questions:** The interviewer has to prepare the questions in the area in which the applicant is interested. The question is presented by the interviewer in an understandable way. The answers are received from the applicant one by one. The next question is raised only after getting a full answer to the first question. The sub-questions may be raised by the interviewer during the interview, if the need arises.

(c) **Putting the applicant at ease:** There is a mental and emotional strain to the applicants. These may be removed by the interviewer.

Outsiders except interviewers and applicants are not allowed to be present in the interview room. All the necessary facilities and comforts are arranged by the management in order to put the applicant at ease. Some mannerisms like causing interruptions through raising number of sub-questions unnecessarily or raising eye-brows or any odd behaviour frequently should be avoided by the interviewer.

(d) **Drawing out the best applicant:** The interviewer has to follow acceptable norms to select an applicant for appointment. But, the norms should be correct and they should provide a basis to select a suitable person.

(e) **Concluding the interview:** The applicant leaves the room after the interview is over. The interviewer immediately assesses the applicant's performance in the interview. Some interviewers take notes during the interview. These notes may be used to assess the applicant. The next applicant is called for an interview after the process is over.

7. Final selection:

Finally, a suitable applicant is selected on the basis of performance in the above mentioned test and interview. Only the required number of applicants are selected by the management. The competent authority has to approve the selection of the applicants.

In the case of big organisations, a separate department known as personnel department is in charge of selection. The personnel department manager selects the applicant and approves it. The appointment order will be sent to the applicant without delay. Normally, the applicants are selected provisionally.

8. Medical examination:

It is otherwise called physical examination. This is carried out for the purpose of assessing physical fitness of the prospective employee. Many organisations do not follow the process of medical examination. The reason is that there is no need for medical examination in certain jobs. Medical certificate is received from the doctor after the medical examination is over. This certificate is attached to the joining report of the new employee. Some applicants may be educationally qualified for the job but physically unfit for the job. For certain jobs, minimum physical fitness is required according to the nature of the job.

9. Placement:

The applicants are placed on a probation basis only after completing all the formalities. The probation period may vary from one job to another job according to the nature of the job. The maximum probation period for any job is two years. It may be extended to three years in extraordinary circumstances. The new employees are observed keenly over the probation period. These new employees are regularised on the completion of the probation period successfully.

10. Orientation:

Orientation refers to providing the information regarding the organisation briefly to new employees. The term *information* includes co-workers of new employees, superior, subordinates, location of work place, duties, authorities, responsibilities and the overall administration of the organisation.

The orientation programme is carried out through lectures or films. The new employees are taken round the offices and plant and they are introduced to the existing employees. Printed literature may also be used to

the orientation programme. The orientation programmer helps the new employee to acquire a knowledge of the organisation functioning without any delay. It facilitates the effective performance of a job by the new employee.

The major benefits of an effective orientation program are:

1. Create a favorable impression with respect to the work and the organisation.
2. Strengthen the organisation culture.
3. Reduce conflict caused by inaccurate impression.
4. Help employee relieve anxiety about the job and be comfortable in the position.
5. Gives realistic job expectation.
6. Improve productivity.
7. Reduce turnover and improve employment stability.
8. Save time and effort.

Many organisations have formal orientation programs and other use a more informal approach, in which a manager assigns the new employee to a senior member of the work unit who introduces to immediate co-worker and show where important things are located.

Orientation is in the best interest of both the organisation and the new employee as it helps him to develop culture and enrich his personality.

5.8.2. Promotion:

Promotion may be defined as the placement of an employee to a better job which results in extending prestige, salary, powers, duties, responsibilities and it requires more knowledge and skills to perform the job.

Every employee has the aspiration to get promotion and is ready for acquiring the additional qualification and experience fit for the job. Higher posts and key posts are filled up by the management through the promotion policy. This promotion policy persuades the employees to be loyal to the management.

Basis for promotion:

The promotion is given to any employee on a widely acceptable basis. The basis may be seniority or competence. Seniority refers to the possession of more number of years of service in the same organisation than those of the other employees. Competence refers to the accomplishment of a particular job effectively than the other employees.

Senior employees prefer seniority for promotion. Senior people argue that they have more experience in the job than others. So, they demand seniority as the basis for promotion. The juniors and the management people are in favour of competence.

Whenever the management fixes competence as the basis for promotion, all the employees including senior people are ready to increase their knowledge and skills to get promotion. If promotion is denied to senior people, they do not devote their full attention to perform the job. The younger ones may command the old people if the competence is the basis for promotion. It will be just like a son commanding his father.

Unfit persons may also be eligible to get promotion if the management prescribes seniority as the basis for promotion. Besides, senior people are not ready to acquire additional knowledge and skill which are necessary for the jobs to which they seek promotion.

Hence, it is concluded that the same management may follow both criteria for promotion.

5.9 HUMAN RESOURCE DEVELOPMENT (HRD)

Managers often say that people are their most important asset. Yet the "human assets" are virtually never shown on the balance sheet, although a great deal of money is invested in the recruitment, selection, and training of people.

The human resources of a company are the people who are working for and with the company. Human resource development is the management of those activities involved in the recruiting, developing and maintenance of an effective workforce. The following are the elements of human resource development.

1. Job Analysis - Matching person with the job
2. Human Resource Planning - Manager Inventory chart
3. Recruitment and Selection - System approach to solution
4. Training and Development
5. Management Development
6. Performance Appraisal
7. Management by Objective
8. Compensation and Benefits

5.9.1. Job analysis: - Matching person with the job

Every job includes some requirements to which the workers have to conform. Job analysis is a study of these job requirements and the study of the factors which influence the requirements. Job analysis is used to identify the qualities which a worker must have to do the job. Job analysis usually concentrates on

1. **Performance standards** - To find the expected output in terms of both quality and quantity.
2. **Work Activities** - To identify what tasks must be accomplished.
3. **Work Technologies** - To make note of the technology such as machines and tools which are used.
4. **Job context** - Identification of work conditions, work schedules, social conditions, and compensation.
5. **Personal Requirement** - To identify required skills, education, experience, training and other attributes required for the job. ie matching person with the job. ie matching person with the job.

The above job information may be got by interviewing the workers, observing the workers or by using questionnaires. Questionnaires can involve questions such as purpose of job, activities, priorities, job mobility, work aid etc. The information obtained can be used to create written job descriptions and job specifications.

A job specification would list the minimum qualification that is required by the worker to obtain the job. Job descriptions are the lists of job duties, working conditions, tools, materials and equipment to carry out the job.

5.9.2 Human Resource Planning: - Manager Inventory chart

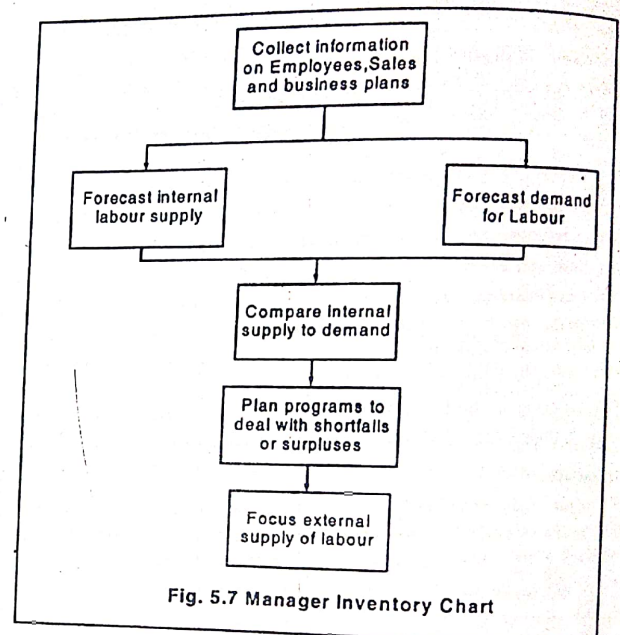


Fig. 5.7 Manager Inventory Chart

Human resource planning is the process by which the company ensures that they have right people at the right place to do the work required. Human resource planning consists of forecasting the requirements of human resources, forecasting their availability and matching supply and demand.

Forecasting Human Resource Supply and Demand:

Forecasting Human resources is the process where the company can estimate how much human resource will be required for future purpose. Human resource forecasting can be divided into short and long term forecasting.

Short term forecasting is carried out during the operation planning period. It can be done by following steps.

1. The demand for the product is forecasted in the light of potential change in environment.
2. The overall sale forecast is estimated
3. Staffing budget for each department is estimated
4. Overall staffing requirements are estimated
5. Depending on the labour market and internal factors, the labour required is forecasted.

Short term replacement of employees is carried out if there are layoffs, transfers, promotions, deaths etc or if new skilled employees are required.

Long Term forecasting follows the same process but it is more complex due to a larger uncertainty with respect to both internal and external factors. Long term forecasting is carried out during the strategic planning period. For long term forecasting, the company has to take into consideration replacement patterns, social factors, new skill requirements, population shifts, and economic trends.

One of the most important steps in conducting human resource forecasting is the analysis of abilities, education, experience, aptitude and performance of existing employees. This can be done by conducting a human resource audit on the employees, working in the organisation.

Matching Supply and Demand:

Once the future demand and supply have been estimated, the supply and the demand must match. The problems which may be encountered here are overstaffing and/or staffing shortages. If there is an overstaffing predicted, attrition can be used to resolve this. Attrition is the process by which the people who leave are not replaced. Shortfall of employees can be corrected

by hiring new people, discouraging retirements and transferring from over staffed areas.

5.9.3 Recruitment and Selection System approach to selection

Already explained in Page No: 5.29, Section 5.7 and Page No: 5.36, Section 5.8

5.9.4 Training and Development:

Training and development are used to help the employees improve their work behaviour. Training is usually used to teach lower level staff how to do their jobs. Development is the process of teaching managers and professional employees who's skills are necessary for current and future assignments.

1. Identifying Training Needs:

The training program should identify the area of work that the workers must be made strong in and the resources of the work which are available to support training. Unfortunately, all problems cannot be solved by training. Training should not be used in circumstances when the expenditure is more than the benefits out of training.

2. Types of Training

Basically the training constitutes of two types

(i) General

- ❖ Communication skills
- ❖ Computer system application and programming
- ❖ Customer service
- ❖ Executive development
- ❖ Management skills and
- ❖ Technological skills and knowledge

(ii) Specific

- ❖ Basic life/work skills
- ❖ Creativity
- ❖ Customer education

- ❖ Diversity/Cultural awareness
- ❖ Remedial writing
- ❖ Managing change
- ❖ Leadership
- ❖ Product knowledge
- ❖ Public speaking/Presentation skills
- ❖ Safety
- ❖ Ethics
- ❖ Sexual harassment
- ❖ Team building
- ❖ Wellness and others

3. Methods of training:

Today several methods of training can be used to enhance both the knowledge as well as the practical skills of the workers. The selection of the appropriate method depends on the people to be trained, nature of the training and the skills to be learned. The most common type of training methods used are:

On the job training is done while the job is being carried out. The actual work is done by the new worker and his job is supervised by a higher and more experienced worker who helps him learn the in's and out's of the job.

Teaching is done by verbally putting forward the skills and technical advice required to do the job. This can either be done on a planned basis or whenever the need arises.

Job Rotation is used to allow the workers to gain skills in all the areas of work by rotating the workers from one job to another.

Apprenticeship is a formal assignment where the new worker has to serve as an understudy to a more experienced worker until he can learn the skills required for the job.

5.9.5 Management Development:

Management development training programs are used over a long term to allow the manager develop the managerial skills to his highest ability. This development does not occur at once but should be considered as an ongoing process to maximize the managers' performance. Depending on the

position of manager in the hierarchy, the managers undergo different level of training.

Basic Level receives the basic supervisory training.

Middle Level receives training in a much broader viewpoint which concentrates on judgemental skills

Top manager must be trained to negotiate and make decisions.

5.9.6 Performance appraisal:

Every now and then, the human resource management must make a formal assessment of the performance of the employees. These appraisals are required because they provide feedback to the employees which will help them to perform better. They also help the employers decide on pay scales, training and promotions.

There are several methods which can be used for performance appraisal, but the most commonly used ones are Objective method, Judgmental method and Management By Objectives, (MBO).

1. Objective Appraisal Method:

Objective Performance Appraisal method is carried out by taking into account the objectives achieved by the employees. These objectives may be volume of products manufactured, number of products sold, scrap rates etc. Obtaining and comparing this type of data is easy. But the objectives appraisal method suffers from two flaws.

- ❖ First, the data may not measure performance in view of organisational goals like customer service or company image.
- ❖ Secondly, the data obtained may have an 'opportunity bias', where some employees, are in a better positions to achieve the objectives, than others.
- ❖ **Example:** A person selling computers in a poor region will be less likely to succeed than one selling computers in a rich region.

2. Judgemental Appraisal Methods:

The judgmental appraisal method can be done in several ways, three of the most commonly used are explained below.

Checklists: A check list is a questionnaire which can be filled in with either "yes" or "no" answers i.e. by ticking for "yes" or not marking for "no". The checklist should describe the workers behaviour with phrase that can be checked or not checked. The major disadvantage with this type

Strongly Agree	Agree	Disagree	Strongly Disagree
1	2	3	4

is that important behaviours cannot be just evaluated by "yes/no" method. Checklists also do not have the ability to weigh the responses.

Graphic Rating Scales: Because the check list has several limitations, the graphic rating scale was developed to rate performance. Here the performance factors are rated from 'strongly agree' to 'strongly disagree' as shown below.

Some types of graphical rating scales measure upto 10 points of ratings. The disadvantage of this type of a scale is that it provides only generalised information about the personality traits and little specific information on job behaviour.

Behaviourally anchored rating scales: This is higher level rating scale which is specifically designed for a job (or) a group of jobs. The supervisors must make rating scales around specific observable behaviours that define behaviour common to varying levels of performance. Behaviourally anchored rating scale can be an effective tool if the anchor statements can correctly describe the levels of job performance.

5.9.7 Management by objective

Already Explained in Page No. 3.16 / Section 3.7

5.9.8 Compensation and Benefits

Compensation and benefits are very important factors in human resource development. *Compensation* can be defined as the financial remuneration an employee receives in exchange for his labour contribution. This includes wages, pay increases and other money related issues. The compensation system is designed to reward the employee in a suitable manner and induce them to perform better.

Benefits Management involves the administration of insurance, education benefits, pensions, vacation and other matters which are valuable to the employee. Benefits being monetary in nature, they are closely related and co-ordinated with compensation management.

Salary Structure: To determine the amount of salary, the employee must receive salary structure designed along with the employment hierarchy. Determining the salary begins with job evaluation which can be carried out in the following steps.

- Carry out the analysis of the job and prepare a job description.
- By using a point based system, the skills required and responsibilities are weighed and evaluated.
- The main jobs are selected, a pay survey is obtained to find the market pay rates.
- A graphical pay trend line is then plotted to compare the survey pay rates with the job evaluation points.
- From this line, the average pay rates for the lesser jobs are assigned.
- The jobs are then grouped into categories and the payscale is determined for each category.

5.10 JOB DESIGN

Job design is the process of

- (a) Deciding the contents of the job.
- (b) Deciding methods to carry out the job.
- (c) Deciding the relationship which exists in the organization.

Job analysis helps to develop job design and job design matches the requirements of the job with the human qualities required to do the job.

According to *Michael Armstrong*, "Job Design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superior, subordinates and colleagues."

5.10.1 Nature of Job Design

Identifying the components of a given job is an integral part of job design. Designing or redesigning jobs encompasses many factors, and a number of different techniques are available to the manager. Job design has been equated with job enrichment, a technique developed by *Frederick Herzberg*, but job design is much broader than job enrichment alone.

5.10.2 Designing Efficient Jobs

If workers perform tasks as efficiently as possible, not only does the organization benefit from lower costs and greater output per worker, but workers should be less fatigued. This point of view has formed the basis of classical industrial engineering, which looks for the simplest way to structure work in order to maximize efficiency. Typically, applying industrial engineering to a job reduces the complexity of the work, making it so simple that almost anyone can be trained quickly and easily to perform the job. Such jobs tend to be highly specialized and repetitive.

In practice, the scientific method traditionally seeks the "one best way" to perform a job by performing time-and-motion studies to identify the most efficient movements for workers to make. Once the engineers have identified the most efficient sequence of motions, the organization should select workers

based on their ability to do the job, then train them in the details of the "one best way" to perform that job. The company also should offer adequate pay to motivate workers to do their Job design.

In a very simple sense, job design means the ways that decision-makers choose to organize work responsibilities, duties, activities, and tasks. Job Redesign thus involves changing work responsibilities, duties, activities, and tasks which is also sometimes called work redesign.

Despite the logical benefits of industrial engineering, a focus on efficiency alone can create jobs that are so simple and repetitive that workers get bored. Workers performing these jobs may feel their work is meaningless. Hence, most organizations combine industrial engineering with other approaches to job design.

5.10.3 Designing Jobs that Motivate

Especially when organizations have to compete for employees, depend on skilled knowledge workers, or need a workforce that cares about customer satisfaction, a pure focus on efficiency will not achieve human resource objectives. These organizations need jobs that employees find interesting and satisfying, and job design should take into account factors that make jobs motivating to employees.

A model that shows how to make jobs more motivating is the *Job Characteristics Model*, developed by *Richard Hackman* and *Greg Oldham*. This model describes jobs in terms of five characteristics:

Skill variety. The extent to which a job requires a variety of skills to carry out the tasks involved.

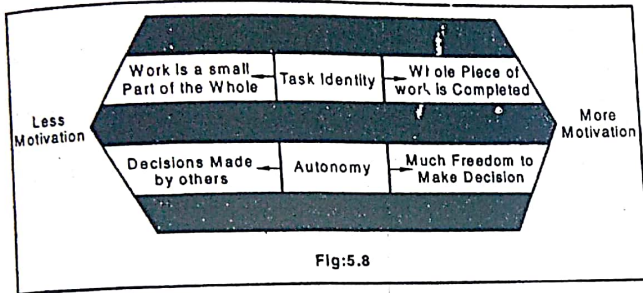
Task identity. The degree to which a job requires completing a "whole" piece of work from beginning to end (e.g., building an entire component or resolving a customer's complaint).

Task significance. The extent to which the job has an important impact on the lives of other people.

Autonomy. The degree to which the job allows an individual to make decisions about the way the work will be carried out.

Feedback. The extent to which a person receives clear information about performance effectiveness from the work itself.

As shown in Figure 5.8 the more of each of these characteristics a job has, the more motivating the job will be, according to the Job Characteristics Model. The model predicts that a person with such a job will be more satisfied and will produce more and better work. This approach to designing jobs includes such techniques as job enlargement, job enrichment, self-managing work teams, flexible work schedules, and telework.



5.10.4 Techniques of Job Design

There are various Techniques/methods in which job design can be carried out. These methods help to analysis the job, to design the contents of the job and to decide how the job must be carried out. These methods are as follows

1. Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to all verticals of an organization. It is a pre-planned approach with an objective to test the employee skills and competencies in order to place him at the right place. In addition to it, it reduces the monotony of the job and gives them a wider experience and helps them gain more insights.

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

2. Job Enrichment

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

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

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

Job enrichment is related to Herzberg's theory of motivation, in which factors such as challenge, achievement recognition, and responsibility are seen as the real motivators. Even though his theory has not gone unchallenged, it has led to a widespread interest, in developing ways to enrich job content, particularly for nonmanagerial employees.

Job enrichment should be distinguished from job enlargement (but some authors do not make this distinction).

Job enlargement attempts to make a job more varied by removing the dullness associated with performing repetitive operations. It means

enlarging the scope of the job by adding similar tasks without enhancing responsibility.

For example, a production line worker may install not only the bumper on a car but also the front hood. Critics would say that this is simply adding one dull job to another, since it does not increase the worker's responsibility. In Job enrichment, the attempt is to build into jobs a higher sense of challenge and achievement. Jobs may be enriched by variety. But they also may be enriched by

1. giving workers more freedom in deciding about such things as work methods, sequence and pace or the acceptance or rejection of materials;
2. encouraging participation of subordinates and interaction between workers;
3. giving workers a feeling of personal responsibility for their tasks;
4. taking steps to make sure that workers can see how their tasks contribute to a finished product and the welfare of the enterprise;
5. giving people feedback on their job performance, preferably before their supervisors get it; and
6. involving workers in the analysis and change of physical aspects of the work environment, such as the layout of the office or plant, temperature, lighting, and cleanliness.

Limitations of job Enrichment:

One of the limitation is technology. With specialized machinery and assembly line techniques, it may not be possible to make all jobs very meaningful. Another limitation is cost. General Motors tried six-person and three-person teams in the assembly of motor homes but found that this approach was too difficult, slow and costly.

There is also some question as to whether workers really want job enrichment, especially of the kind that changes of basic content of their jobs. Various surveys of worker attitudes, even the attitudes of assembly line workers, have shown that a high percentage of workers are not dissatisfied with their jobs and that few want "more interesting jobs".

3. Job Enlargement

Job enlargement is a job design technique wherein there is an increase in the number of tasks associated with a certain job. In other words, it means increasing the scope of one's duties and responsibilities. The increase in scope is quantitative in nature and not qualitative and at the same level.

Job enlargement is a horizontal restructuring method that aims at increase in the workforce flexibility and at the same time reducing monotony that may creep up over a period of time. It is also known as horizontal loading in that the responsibilities increase at the same level and not vertically.

Many believe that since the enlargement is horizontal in nature, there is not a great need for training. Contrary to this, job enlargement requires appropriate training especially on time and people management. Task related training is not required much since the person is already aware of the same.

5.11 PERSONAL CHARACTERISTICS NEEDED IN MANAGER

Explained in Page No: 1.2 of Chapter 1 / Section 1.2