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**BHT 3100: HUMAN RESOURCE MANAGEMENT**

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**School of Vocational & Practical Skills Studies**

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**P/B E1**

**Lusaka**

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As distance student, you shouldn’t expect to sit behind the chair and learn everything from the lecturer who contributes only 25% towards your learning. You are expected to be resourceful and to find time to study and research as an individual or as a group. The lecturer is only there as a guide or facilitator each time you come for contact sessions. Take advantage of the presence of lecturers and your fellow students to cover as much work as possible.

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 **HUMAN RESOURCE MANAGEMENT – BHT 3104**

**UNIT 1: NATURE AND SCOPE OF HUMAN RESOURCE MANAGEMENT (HRM)**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* the term ‘human resource management’ (HRM),

**2.** *Distinguish* between personnel management (PM) and human resource management (HRM).

**3.** *List* the objectives of HRM.

**4.** *Outline* the scope of HRM.

**5.** *Discuss* the various functions performed by HRM.

**INTRODUCTION**

An organisation is made up of four resources, namely, men, material, money and machinery. Of

these, the first one is living one, *i.e*, human and the other three are non-living *i.e*, non-human. It is the human/people that make use of non-human resources. Hence, people are the most significant resources in an organisation. It is man who makes all the difference in organizations. L.F. Urwick1 had remarked that “business houses are made or broken in the long-run not by markets or capital, patents, or equipment, but by men”. According to Peter F. Drucker, “man, of all the resources available to man, can grow and develop.”

Besides being living being, human resources differ from non-human resources in other respects also. Human resources are heterogeneous in the sense that they differ in personality, perception, emotions, values, attitudes, motives and modes of thoughts. Their behaviour to stimuli is often inconsistent and unpredictable. While other resources depreciate, human resources appreciate with

the passage of time. Better educated, more skilled, better aware of their interest and rights are also

some distinguishing features of modern human resources. These make it difficult for managers to use human resources always in an effective and efficient manner. Given the highly competitive and complex business environment, attracting and retaining qualified and competent employees have become a real challenge of the day for the managers. The ‘rule of thumb’ has become obsolete and redundant. The need of the new perspective is to have right people for right jobs. This mantra offers organizations an edge, which management experts term as ‘competitive advantage’ or ‘core

competency’ to survive and thrive in the competitive business environment. The same gives genesis to the concept of HRM in business organizations.

The main objective of this unit is to present a perspective for human resource management in the Zambian context. Accordingly, the meaning, objectives, scope and functions become the subject matter of this unit. The unit sets tone for discussion in the subsequent units of the book.

**1.1 MEANING AND DEFINITION**

Before we define HRM, it seems pertinent to first define the term ‘human resources’. In common

parlance, human resources means ‘the people’. However, different management experts have defined human resources differently. For example, Michael J. Jucius has defined human resources as “a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components”.

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According to Leon C. Megginson “From the national point of view, human resources are knowledge, skills, creative abilities talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees”.

Sumantra Ghosal considers human resources as human capital. He classifies human capital into three categories-intellectual capital, social capital and emotional capital. Intellectual capital consists of specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity.

Social capital is made up of network of relationships, sociability, and trustworthiness. Emotional

capital consists of self-confidence, ambition and courage, risk-bearing ability, and resilience.”

Now it is clear from above definitions that human resources refer to the qualitative and quantitative aspects of employees working in an organisation.

**Let us now define human resource management.**

In simple words, HRM is a process of making the efficient and effective use of human resources

so that the set goals are achieved. Let us consider some important definitions of HRM.

According to Flippo, “Personnel management, or say, human resource management is the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational and social objectives are accomplished”.

The National Institute of Personnel Management (NIPM) of Zambia has defined human resource/personnel management as “that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success”.

According to Decenzo and Robbins, “HRM is concerned with the people dimension in management. Since every organisation is made up of people, acquiring their services, developing

their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organisation are essential to achieving organisational objectives.

This is true, regardless of the type of organisation—government, business, education, health, recreation, or social action”.

Thus, HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organisation so that the goals of an organisation are achieved in an effective

and efficient manner. In short, HRM is an art of managing people at work in such a manner that they give their best to the organisation.

**1.2 DIFFERENCE BETWEEN PERSONNEL MANAGEMENT (PM) AND HUMAN RESOURCE MANAGEMENT (HRM)**

There are differences of opinion so far as the comparison between personnel management (PM)

and human resource management (HRM) is concerned. A number of people, from students to managers to academics, mistakenly think that PM and HRM are synonymous concepts. There are some others who treat the two concepts as different. Hence, it is important to appreciate the difference between PM and HRM. According to Goss, HRM has three principal distinguishing features as compared to PM.

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These are: emphasis not just on rule and contract but beyond them; focus on strategy; and individualisation of employee relations. A discussion on each of these follows:

**1.** The assumptions underlying PM concepts emphasize clearly defined rules, procedures and contracts. Adherence to these rules and procedures governs the actions of the management.

The relationship between the work force and the management is governed by collective bargaining

as well as employment contracts. Especially collective bargaining becomes significant because

employees and management see and treat each other as having divergent interests, Here, pluralism is respected as a social value and the role of unions in HR is considered legitimate. On the contrary, HRM emphasizes open-ended contracts, the terms of which are linked to the exigencies of business, conflict is viewed as something pathological, resulting from negative inter-personal relations rather than structural contradictions. Management assumes responsibility to motivate employees and constantly inspires performance based on commonality of goals.

**2.** PM does not focus on strategic management. Its main goal is peaceful or good labour- management relations. Its function is mainly reactive. On the other hand, HRM is a proactive function. It does not view labour-management relations as an end in themselves. It is not only concerned with the present organisational needs but anticipates future needs and then acts appropriately. HRM also seeks to release the inner potential and creativity of people.

**3.** The edifice (structure) of PM is built on the collective agreement between the employees and the management.

Employees get standardized rewards based on job evaluation. But, HRM leads to individualization

of collective relations. Thus, performance- related pay (PRP) is given key strategic emphasis.

Pay is linked with contribution made by an employee to the realisation of organisational goals.

HRM seeks to develop the competencies of the employees so as to derive benefit from this development for the organisation, and to integrate individual and organisational goals. Skill formation and developments are recognized as the main hallmarks of HRD. The ultimate aim is to use the full potential of human resources for serving the needs of the customers and developing organisational competencies.

Some authors have developed these basic points into detailed differences as shown in Table 1.1.

**Table 1.1: Comparing HRM with PM**

|  |  |  |
| --- | --- | --- |
| ***Dimensions*** | ***PM*** | ***HRM*** |
| **A** | Nature of relations | Pluralist | Unitarist or Neo-unitarist |
| **B** | Perception of conflict | Conflict is institutionalized | Conflict is pathological |
| **C** | Contract  | Emphasis on compliance | Beyond contract commitment |
| **D** | Role of procedures | Rules dominated | Culture and values dominated |
| **E** | Planning perspective | Ad hoc, reactive | Integrated, proactive |
| **F** | Acceptability of unions | Acceptable | Not desirable |
| **G** | Level of trust | Low | High |
| **H** | Key relation | Labour management | Customer |
| **I** | Management’s role | Transactional | Transformational |
| **J** | Basis of job design | Division of labour | Teams |
| **K** | Key people | PM/IR specialists | Line people and general managers |
| **L** | Skill acquisition | Training & Development | Learning organization |
| **M** | Reward management | Standardized job evaluation | Performance related |

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**1.3 OBJECTIVES**

The primary objective of HRM is to ensure the availability of right people for right jobs so as the

organisational goals are achieved effectively. This primary objective can further be divided into the following sub-objectives:

**1.** To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.

**2.** To utilize the available human resources effectively.

**3.** To increase to the fullest the employee’s job satisfaction and self-actualisation.

**4.** To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.

**5.** To help maintain ethical policies and behaviour inside and outside the organisation.

**6.** To establish and maintain cordial relations between employees and management.

**7.** To reconcile individual/group goals with organisational goals.

Werther and Davis have classified the objectives of HRM into four categories as shown in table 1.2.

**Table 1.2: HRM Objectives and Functions**

|  |  |  |
| --- | --- | --- |
| **S/N** | **HRM OBJECTIVES** | **SUPPORTING FUNCTIONS** |
| 1 | Societal Objectives | 1. Legal compliance2. benefits3. Union management relations |
| 2 | Organizational Objectives | 1. Human resource planning2. Employee relations3. Selection4. Training and Development5. Appraisal6. Placement7. Assessment  |
| 3 | Functional Objectives | 1. Appraisal2. Placement3. Assessment |
| 4 | Personal Objectives | 1. Training and Development2. Appraisal3. Placement4. Compensation5. Assessment |

**Source:** *William* B. Werther, Jr and Keith Davis, *Human Resource and Personnel Management,* p. 15.

**1.4 SCOPE**

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organisation. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organisation (see figure 1.1). The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in, detail in seriatim.

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**Fig. 1.1: Scope of HRM**

**CONTROL**

Human Resource Audit

Human Resource Accounting

Human Resource IS

**ACQUISITION**

Human Resource Planning

Recruitment, Selection, Placement

**HUMAN RESOURCE MANAGEMENT**

**DEVELOPMENT**

Training, Career Development, Organizational Development, Internal Mobility

**MAINTENANCE**

Remuneration

Motivation

Health & Security

Industrial Relations

Performance Appraisal

The National Institute of personnel Management, Calcutta13 has specified the scope of HRM as

follows:

**1. The Labour or Personnel Aspect.** This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

**2. Welfare Aspect.** It deals with working conditions, and amenities such as canteen, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

**3. Industrial Relations Aspects.** This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

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**1.5 FUNCTIONS**

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the functions performed by the human resource management can broadly be classified into two categories, viz. (1) managerial functions, and (2) operative functions. These are discussed in turn.

**Managerial Functions**

**Planning.** Planning is a predetermined course of actions. It is a process of determining the organisational goals and formulation of policies and programmes for achieving them. Thus, planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

**Organising.** Organising is a process by which the structure and allocation of jobs are determined.

Thus, organising involves giving each subordinate a specific task, establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

**Staffing:** This is a process by which managers select, train, promote and retire their subordinates.

This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

**Directing/Leading:** Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale, motivating subordinates etc. for achieving the goals of the organisation.

**Controlling:** It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

**Operative Functions**

The operative, also called, service functions are those which are relevant to specific department.

These functions vary from department to department depending on the nature of the department.

Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM, A brief description of these follows:

**Procurement.** It involves procuring the right kind of people in appropriate number to be placed

in the organisation. It consists of activities such as manpower planning, recruitment, selection, placement and induction or orientation of new employees.

**Development.** This function involves activities meant to improve the knowledge, skills, aptitudes

and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

**Compensation.** Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures

equitable and fair remuneration for employees in the organisation. It consists of activities such as

job evaluation, wage and salary administration, bonus, incentives, etc.

**Maintenance.** It is concerned with protecting and promoting employees while at work. For this

purpose, various benefits such as housing, medical, educational transport facilities, etc. are provided to the employees.

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Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organisation, be large or small organisation.

Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in Zambia. Accordingly, the next unit is devoted to discuss evolution and environment

of HRM in Zambia.

**ACTIVITIES**

**1.** Define human resource management. How does it differ from personnel management?

**2.** “Human resource management is old wine in new bottle”. Comment.

**3.** Explain the objectives of HRM. How can these objectives be achieved?

**4.** “There are two sets of human resource management functions— managerial and operative.” Discuss these functions.

**5.** Outline the scope of human resource management in the light of ongoing changes in management thought.

**UNIT 2: HUMAN RESOURCE PLANNING**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* human resource planning and differentiate it from manpower planning.

**2.** *Appreciate* the need for and importance of human resource planning.

**3.** *Outline* and *elaborate* the process involved in human resource planning.

**4.** *Describe* human resource information system.

**5.** *Identify* problems / barriers which complicate and distort the effectiveness of human resource planning.

**6.** *Describe* how human resource planning can be made effective?

**INTRODUCTION**

Most of us are fairly familiar with the term ‘planning’ in our everyday life. We do often plan in advance about the things to be done on a busy working day. Parents make advance decisions on the education of their children. As students, you also may think in advance how to go ahead with the preparation of your forthcoming examination, how to make use of your time in the best possible

manner. In fact, planning has been an omni present phenomenon in our all walks of life. This holds true of organizations also.

The quality of an organisation is, to a large degree, considered merely the summation of the quality of people it hires and keeps. Therefore, before actually selecting the right people for right jobs, it becomes a prerequisite to decide on the quantity and quality of people required in the organisation.

This is done through human resource planning. Human Resource Management, thus, begins with

human resource Planning (HRP).

It is against this backdrop, this unit is devoted to expose you to various aspects of human resource planning especially in business organizations. The unit specifically deals with meaning, need, importance and process of human Resource planning. It also discusses the prerequisites of a successful human resource planning and the limitations/ barriers which complicate and distort effective human resource planning (HRP).

**2.1 HUMAN RESOURCE PLANNING (HRP) DEFINED**

What is HRP? In simple words, HRP is a process of striking balance between human resources required and acquired in an organisation. In other words, HRP is a process by which an organisation determines how it should acquire its desired manpower to achieve the organisational goals. Thus, HRP helps an organisation have the right number and kind of people at the right places and right times to successfully achieve its overall objectives. Let us also consider a few important definitions of HRP:

According to Terry L. Leap and Michael D. Crino, “HRP includes estimation of how many qualified people are necessary to carry out the assigned activities, how many people will be available and what, if anything, must be done to ensure that personnel supply equals personnel demand at the appropriate point in the future.”

In the words of Beach, “Human resource planning is a process of determining and assuming that

the organisation will have an adequate number of qualified persons, available at the proper times,

performing jobs which meet the needs of enterprise and which provide satisfaction for the individuals involved”.

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Geisler opines, “HRP is the process- including forecasting, developing and controlling-by which

a firm ensures that it has the right number of people and the right kind of people at the right places at the right time doing work for which they are economically most useful.”

Having gone through above definitions, HRP can now be defined as the comparison of an organisation’s existing labour resources with forecast labour demand, and hence the scheduling of

activities for acquiring, training, redeploying and possibly discarding labour. It seeks to ensure that

an adequate supply of labour is available precisely when required.

HRP could be seen as a process, consisting of the following series of activities:

**1.** *Forecasting* future personnel requirements, either in terms of mathematical projections of trends in the economy and developments in the industry, or of judgements estimates based upon specific future plans of the company.

**2.** *Inventorying* present manpower resources and analysing the degree to which these resources are employed optimally.

**3.** *Anticipating Manpower Problems* by projecting present resources into the future and comparing

them with the forecast of requirements, to determine their adequacy, both quantitatively and qualitatively.

**4.** *Planning* the necessary programmes of recruitment, selection, training, employment, utilization, transfer, promotion, development, motivation and compensation so that future manpower requirements will be duly met.

**2.1.1 Manpower Planning vis-a-vis Human Resource Planning**

There are two terms— manpower planning and human resource planning in the management literature. In the current pursuit of human resource management, many organizations appear to be

practicing ‘Human Resource Planning’ as opposed to “Manpower Planning”. How are we to understand this change? Is it one which is best described as, ‘*old wine in new bottles*’. And, hence, simply a matter of semantic change, or is something more fundamental happening in the process, techniques, ambitions and outcomes of resource planning? An attempt is made in this section to address to this question.

In fact, a shift from manpower planning to human resources planning is a shift of the concept of

planning philosophy. In case of manpower planning, it is made based on the “power” or “strengths”

man processes. “Manpower” is the concern of manpower planning. Manpower planning takes care

of the “power” of people to make positive contribution. The other side of the coin, i.e., weaknesses, is not its concern. Taking into account the organisation’s manpower system, manpower planning includes the key elements like manpower forecasting job analysis, career path, training etc.

After all, all men are human beings, So, to say, they are primarily human beings with human strengths, weaknesses, desires, needs, hopes and aspirations. This human side of manpower/workforce is stressed in the human resources planning. But it does not mean that the manpower aspect is ignored or rejected. The fact remains that the manpower aspect is taken care of, but the human aspect is given more emphasis in planning process.

Human resources planning, thus, refers to the resourcefulness and human aspect of the whole enterprise. Human ability to contribute to productivity is the hallmark of human resource planning.

Therefore, it assigns greater importance to develop human potentiality and helps individual employee overcome his weaknesses, if any, so as to strengthen his/her positive contribution to the organisation.

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Accordingly, human resources planning primarily concentrates on the key elements like human resource development, succession planning, human resource needs, human values, personnel policy, overall human resources’ needs in a long-term perspective, a cordial organisational climate particularly with the help of cordial industrial relations and employee welfare, and so on.

In sum and substance, while manpower planning is concerned with the “power” of people to make positive contributions, human resource planning is primarily interested in the “people” themselves

and not merely on people’s “power”. In other words, human and humane aspects are more emphasized in human resources planning.

**2.2 OBJECTIVES OF HRP**

The main objective of having human resource planning is to have an accurate number of employees required, with matching skill requirements to accomplish organisational goals. In other words, the

objectives of human resource planning are to:

 Ensure adequate supply of manpower as and when required.

 Ensure proper use of existing human resources in the organisation.

 Forecast future requirements of human resources with different levels of skills.

 Assess surplus or shortage, if any, of human resources available over a specified period of time.

 Anticipate the impact of technology on jobs and requirements for human resources.

 Control the human resources already deployed in the organisation.

 Provide lead time available to select and train the required additional human resource over a specified time period.

According to Sikula5, “the ultimate purpose/objective of human resource planning is to relate future human resources to future enterprise needs so as to maximise the future return on investment

in human resources”.

**2.3 NEED FOR AND IMPORTANCE OF HRP**

The need for human resource planning in organisation is realised for the following reasons:

**1.** Despite growing unemployment, there has been shortage of human resources with required skills, qualification and capabilities to carry on works. Hence the need for human resource planning.

**2.** Large number of employees who retire, die, leave organizations, or become incapacitated because of physical or mental ailments, need to be replaced by the new employees. Human resource planning ensures smooth supply of workers without interruption.

**3.** Human resource planning is also essential in the face of marked rise in workforce turnover which is unavoidable and even beneficial. Voluntary quits, discharges, marriages, promotions and seasonal fluctuations in business are the examples of factors leading to workforce turnover in organizations. These cause a constant ebb and flow in the work force in many organizations.

**4.** Technological changes and globalisation usher in change in the method of products and distribution of production and services and in management techniques. These changes may also require a change in the skills of employees, as well as change in the number of employees required. It is human resource planning that enables organizations to cope with such changes.

**5.** Human resource planning is also needed in order to meet the needs of expansion and diversification programmes of an organisation.

**6.** The need for human resource planning is also felt in order to identify areas of surplus personnel or areas in which there is shortage of personnel.

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Then, in case of surplus personnel, it can be redeployed in other areas of organisation. Conversely, in case of shortage of personnel, it can be made good by downsizing the work force.

Human resource planning is *important* to organisation because it benefits the organisation in several ways. The important ones are mentioned below:

**1.** Human resource planning meets the organisation need for right type of people in right number at right times.

**2.** By maintaining a balance between demand for and supply of human resources, human resource planning makes optimum use of human resources, on the one hand, and reduces labour cost substantially, on the other.

**3.** Careful consideration of likely future events, through human resource planning might lead to

the discovery of better means for managing human resources. Thus, foreseeable pitfalls might be avoided.

**4.** Manpower shortfalls and surpluses may be avoided, to a large extent.

**5.** Human resource planning helps the organisation create and develop training and succession planning for employees and managers. Thus, it provides enough lead time for internal succession of employees to higher positions through promotions.

**6.** It also provides multiple gains to the employees by way of promotions, increase in emoluments

and other perquisites and fringe benefits.

**7.** Some of the problems of managing change may be foreseen and their consequences mitigated.

Consultations with affected groups and individuals can take place at an early stage in the change process. This may avoid resistance for change.

**8.** Human resource planning compels management to asses critically the strength and weaknesses

of its employees and personnel policies on continuous basis and, in turn, take corrective measures to improve the situation.

**9.** Through human resource planning, duplication of efforts and conflict among efforts can be avoided, on the one hand, and coordination of worker’s efforts can be improved, on the other.

**10.** Last but no means the least, with increase in skill, knowledge, potentialities, productivity and

job satisfaction, organisation becomes the main beneficiary. Organisation is benefitted in terms of increase in prosperity / production, growth, development, profit and, thus, an edge over its competitors in the market.

**4.3.1 Levels of Human Resource Planning**

Human resource planning is useful at different levels.

**At the National Level.** Human resource planning by Government at the national level covers population projections, programme of economic development, educational and health facilities, occupational distribution and growth, mobility of personnel across industries and geographical regions.

**At the Sector Level.** This would cover manpower requirements of the agricultural sector, industrial sector and service sector.

**At the Industry Level.** This would forecast manpower need for specific industries, such as engineering, heavy industries, textile industries, plantation industries, etc.

**At the Level of Industrial Unit.** It relates to the manpower needs of a particular enterprise.

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**2.4 HUMAN RESOURCE PLANNING PROCESS**

How to have the right number of people with right skills at right times? The process of human resource planning helps in this regard. The human resource planning process consists of activities

relating to future demand for and supply of manpower and matching the two in the context of overall organisational plans and objectives.

The various activities involved in the process of human resource planning are now discussed one by one.

**1. Analysing Organisational Plans and Objectives.** The process of human resource planning begins with analysing the overall plans and objectives of organisation. The reason being the human

resource plans stem from business plans. Analysis of business plans into sub-sectional and functional plans such as technology, production, finance, marketing, expansion and diversification

provides for assessing the human resource requirements for each activity in each section and department.

Similarly, the analysis of organisational objectives also provides for human resources required by an organisation. For example, if the objective of the organisation is rapid growth and expansion, it would require more human resources for all its functional areas. Thus, it is evident that the human resource planning needs to be made in accordance to the overall organisational plans and objectives.

**2. Analysing Objectives of Human Resource Planning.** The main purpose of human resource

planning is matching employees’ abilities to enterprise requirements, with an emphasis on the future instead of present arrangements. According to Sikula7, “the ultimate mission or purpose of

human resource planning is to relate future human resources to future enterprise need so as to maximise the future return on investment in human resources”. For this, managers need to specify

the objectives of human resource planning with regard to the utilization of human resources in the organisation. While developing specific objectives of human resource planning, certain questions need to be addressed like:

 Whether the vacancies, as and when these arise, will be filled in by promotion, transfer or from external sources?

 What will be the selection procedure?

 How will provisions be made for training and development of employees?

 How to restructure job positions, i.e., how to abolish the old or boring jobs and replace these by the challenging ones?

 How to downsize the organisation in the light of changing business and industrial environment?

**3. Forecasting Demand for Human Resources.** The demand for human resources in an organisation is subject to vary from time to time, depending upon both external and internal factors. External factors include competition, economic and political climate, technological changes, government policy, etc. Among the internal factors include growth and expansion, design and structural changes, management philosophy, change in leadership style, employee resignation, retirement, termination, death, etc. Therefore, while forecasting future demand for human resources in the organisation, these factors need to be taken into consideration.

Forecasting demand for human resources is good for several reasons8 because it can help: (*i*) quantify the number of jobs required at a given time for producing a given number of goods, or offering a given number of services. (*ii*) ascertain a staff-mix needed at different points of time in

the future, and (*iii*) ensure adequate availability of people with varying qualifications and skills as and when required in the organisation.

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How to forecast requirement for human resources in the future? There are various techniques varying from simple to sophisticated ones employed in human resource forecasting. These include:

**1. Management Judgement.** This technique is very simple and time-saving. Under this technique,

either a “bottom-up’ or a ‘top-down’ approach is employed for forecasting future human resource requirement of an organisation. In case of bottom-up approach, lime managers prepare departmental requirements for human resource and submit it to the top managers for their review and consideration. In the ‘top-down’ approach, the top managers prepare the departmental forecasts which are reviewed with the departmental heads or managers. However, neither of these approaches is accurate. Forecasts based on these approaches suffer from subjectivity. This technique is suitable only for small firms or in those organizations where sufficient data- base is not readily available.

**2. Work-Study Method.** This method can be used when it is possible to measure work and set standards and where job methods do not change frequently. In this method, as used by Fredrick Winslow Taylor in his ‘Scientific Management’, time and motion study are used to ascertain standard time for doing a standard work. Based on this, the number of workers required to do standard work is worked out. The following example illustrates this method.

Planned output for next year 25,000 units

Standard hours per unit 4

Planned hours required for the year (25000 × 4) 100,000

Productive hours per worker/year (after allowing normal overtime, absenteeism and idle time) 2,000

Number of workers required:

 100,000

 2,000

  50

Supposing, the span of control is ten, then, there will be requirement for five (50/10) supervisors also to supervise the work of 50 workers as forecast just above.

**3. Ratio- Trend Analysis.** This is one of the quickest forecasting techniques. Under this method, forecasting for future human resource requirements is made on the basis of time series data. In other words, this technique involves studying past ratios (e.g., total output/ number of workers, total sales volume/ number of sales persons, direct workers, is made for indirect workers) and, based on these, forecasting is made for future ratios. While calculating future ratios, allowances can be made for expected changes in organisation, methods and jobs. The demand for human resources is calculated on the basis of established ratios between two variables.

Go through the following illustration. It will help you understand how Ratio-Trend Analysis is used for forecasting human resources requirement of an organisation.

**Illustration**

Production level in 1999-2000 100,000 Units

Number of workers in 1999-2000 100

Ratio (worker/production) 100:1,00,000 or 1:1,000

Number of supervisors in 1999-2000 10

Ratio 10:100 or 1:10

Estimated production in 2000-2001 1,20,000 Units

Number of workers required in 2000-2001

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1, 20, 000 ×1

= 120

1, 000

Number of supervisors required in 2000-2001

1

× 120 = 6

10

In case, there is change in the employees mental and physical health in 2000-2001, the above estimates need to be revised accordingly in order to estimate appropriate requirement for human resources in 2000-2001.

**4. Delphi Technique.** Delphi technique is named after the ancient Greek oracle at the city of Delphi. This is one of the judgemental methods of forecasting human resource needs. It is a more

complex and time-consuming technique which does not allow group members to meet face-to-face.

Therefore, it does not require the physical presence of the group members. The following steps characterize the Delphi technique:

**1.** The members are asked to provide their estimates of human resource requirements through a series of carefully designed questionnaires.

**2.** Each member anonymously and independently completes the first questionnaire.

**3.** Results of the first questionnaire are compiled at a central location, transcribed, and copied.

**4.** Each member receives the copy of the result.

**5.** After viewing the results, members are again asked to review their estimates. The initial results typically trigger new estimates or cause changes in the original position.

**6.** Steps 4 and 5 are repeated as often as necessary until a consensus is reached.

The Delphi technique insulates group members from the undue influence of others. Also, since it

does not require the physical presence of group members, even a global company could use this technique with members/managers stationed in different countries. As the technique is extremely time consuming, it is frequently not appropriate when a speedy decision is necessary. Further, the technique might not develop the rich pool of alternatives that interacting or nominal groups do. The ideas that might arise from the heat of face-to-face interaction might never come up.

**5. Flow Models.** Among the flow models, the simplest one is called the Markov model. This model involves the following:

(*i*) Determination of time period that will be covered under forecast.

(*ii*) Establishment of employee’s categories, also called *states*. There should not be overlapping among the various categories.

(*iii*) Enumeration of annual flows among various categories or *states* for several time periods.

(*iv*) Estimation of probability of flows or movements from one category to another based on past

trends in this regard.

However, the Markovian model suffers from disadvantages like heavy reliance on past data, which may not be accurate in abnormal situations like periods of turbulent change, and individual accuracy in forecast is sacrificed at the cost of group accuracy.

**6. Mathematical Models.** Mathematical models express relationship between independent variables (e.g., production, sales, etc.) and dependent variable (e.g., number of workers required). The following is one10 such widely used mathematical model for forecasting employees need:

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 + 1/% = *Laggn G En Y*

Where, *En* is the estimated number of workers required in *n* number of years. Lagg refers to the overall value (in rupee terms) of current business operations. *G* denotes the overall growth in business activity over *n* years at current value terms i.e. in rupees.

*X* implies average improvement in productivity estimated during *n* number of years.

*Y* is level of business activity per worker. Following above formula, estimates for manpower requirements in future are made. Due allowence can also be made for expected changes in business

strategy in future.

**4. Forecasting Supply of Human Resources.** Having forecast human resource demand, the next task involved in human resource planning is to forecast human resource supply. Forecast of human resource supply gives the quantity and quality of people available from internal and external sources of manpower supply, after making due allowances for absenteeism, transfers, promotions, changes in work hours, and other conditions of works.

Forecasting of human resources begins with the current human resource inventory, also called

*human resource audit*. In brief, human resource inventory contains information about present human resources in the organisation. It reveals what is available in the stock of manpower and what can be expected in future. Thus, it can indicate whether the supply of human resources is less than its demand or more than its demand. Whatever be the situation, the same will be made good accordingly.

**5. Matching Demand and Supply.** Once demand for and supply of human resources of an organisation is forecast, the two need to be reconciled. Such reconciliation will reveal either shortage or surplus of human resources in future. Accordingly, action plans will be prepared to meet the situation, i.e., to strike a balance between the two. In the case of shortage of human resources, this will be met through recruitment, transfer, promotion, training and development, retention, etc.

On the contrary, in case of surplus human resources, it can be made good through schemes like redeployment, retrenchment, voluntary retirement scheme (VRS) through golden handshake, etc.

will be recommended and implemented. Yes, downsizing should be done in consultation with the

employees’ union. This will help avoid employees’ resistance for change in job size of organisation.

**6. Monitoring and Control.** The sixth and final step involved in human resource planning is monitoring and control. Once the action plans are implemented, these need to be reviewed, regulated and monitored against the set standards. Monitoring of action plans and programmes help reveal deficiencies, if any. Corrective measures help remove deficiency and, thus, control the implementation of action plans in the right direction. In case of changes in business environment, the action plans formulated earlier need to be modified in the light of changing needs of organisation in the changed environment.

**2.4.1 Guiding Principles of Effective HRP**

There are certain fundamental principles that make human resource planning effective. These are as follows:

 The plan should be as detailed as expenditure constraints allow.

 Plan should not extend too far into the future, accurate prediction of the distant future is simply impossible.

 All alternative courses of action should be considered.

 Side effects and implications of the actions envisaged should be examined.

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 Instructions to individuals and departments must be incorporated into the plan.

 Plans should be concise and easy to understand.

Once the plan so formulated is executed, its effectiveness in achieving set stated objectives should be periodically monitored. Variations, if any, between actual and desired positions must be identified as early as possible and the remedial measures should be introduced immediately.

There cannot be a good planning without good data and information. Hence, the need for good and sufficient data relating to human resources of an organisation. This is made possible by Human Resource Information System (HRIS).

**2.4.2 Human Resource Information System (HRIS)**

Human Resource Information System (HIRS) refers to a computerised system that aids the processing of information relating to human resource management. It is a system of gathering, classifying, processing, recording and disseminating the information required for effective management of human resources in an organisation. HRIS forms an integral part of the Management Information System (MIS). MIS includes information relating to assets, finances, production, marketing, sales, accounting, etc. HIRS collects and analyzes data relating to human resources of the organisation.

The inputs of HRIS include the information relating to employees, their abilities, qualifications, potentialities, creative instincts, age, sex, their jobs, pay scales, organisational objectives, policies

and procedures, etc.. These inputs are processed and transformed into multiple forms of outputs like printouts and many other devices. These outputs are made available at the fingertips of the managers through computer network. Thus, managers find HRIS as a decision support system device for managing human resources in the organisation.

HRIS is considered superior one to that of manual system. The main advantages that HRIS offers include:

(*i*) It is both time saving and cheaper device.

(*ii*) It gives accurate information relating to human resources.

(*iii*) It makes information readily available as and when desired.

(*iv*) It acts as a decision support system.

(*v*) It establishes strong management control.

**2.5 PROBLEMS / BARRIERS TO HRP**

Human resource planning is as important is not so easy to make. The planners face various problems while formulating human resource plans. The major ones are discussed as follows:

**1.** People perceive that people are available in abundance in our labour surplus economy. Then, why to spend time and money in forecasting human resources? Surprisingly, this perception about human resource planning is also held by the top management.

**2.** Another problem in human resource planning is that the demand for and supply of human resources is not cent percent accurate. Experience suggests that longer the time horizon for forecasting human resource requirements, greater is the possibility of inaccuracy in estimates of human resource needs.

**3.** Various types of uncertainties like labour turnover, absenteeism, seasonal employment, market

fluctuations and changes in technology render human resource planning ineffective. The reason being these uncertainties make human resource forecast mere a guess far from reality.

**4.** Sometimes human resource planning suffers from a conflict between quantitative and qualitative

approaches used for it. Some people view human resource planning as a mere numbers game to track the flow of people across the departments and in and out of the organisation.

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Conversely, others take a qualitative approach focusing on the quality of human resources like career planning development, skill, morale, etc.

**5.** Generally, human resource personnel are perceived as experts in handling personnel matters.

But they are not experts more than often. Hence, human resource requirements estimated by such people are not realistic ones. The organisational plans based on such estimates are endangered to be flopped.

**6.** As human resource planning is based on data relating to human resources, the same is not maintained in a proper manner in some of the industrial organizations. Then, in the absence of reliable data, it becomes difficult to develop effective human resource plans.

In sum and substance, problems in human resource planning arise both from inherent limitations of forecasting, on the one hand, and from weaknesses of human who do it, on the other. But both can be overcome.

**2.6 HOW TO MAKE HRP EFFECTIVE?**

Following are some of the steps that may improve the effectiveness of human resources planning.

**1.** Human resource plans must be viewed as an integral part of corporate planning. So to say, human resource plans should be tailored with the objectives, strategies and overall environment of the particular organisation.

**2.** The support and commitment of the top management be ensured before starting the process of human resource planning.

**3.** Personnel records must be complete, up-to-date and readily available to ensure an adequate and strong data-base. Data-base serves as backbone for human resource planning.

**4.** The time horizon of the human resource plan should be appropriate to accommodate the changing needs and circumstances of the particular organisation.

**5.** Both quantitative and qualitative aspects of human resource plans should be stressed in a balanced manner in order to avoid conflicts between the two.

**ACTIVITIES**

**1.** What do you understand by human resource planning? How is it different from manpower planning?

**2.** “Human resource planning is a prerequisite for effective management of human resources of an

organisation’’. In the light of this statement, analyze the significance of human resource planning.

**3.** Explain with suitable illustrations the process of human resource planning.

**4.** How is demand for human resource forecast?

**5.** “The human resource planning is becoming more and more important and complex with organizations are becoming more global”. Comment.

**6.** Discuss the problems faced in human resource planning. How can these problems be overcome?

**7.** How is human resource information system useful in human resource planning?

**9.** If you were a human resource planner, how will you develop accurate human resource plans when there are so many rapidly changing environmental factors around you over which you have either little or no control?

**10.** Writes notes on:

(*a*) Delphi Technique of Human Resource Forecasting.

(*b*) Human Resource Information System.

(*c*) Personnel Audit.

(*d*) Human Resource Inventory.

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**UNIT 3: JOB ANALYSIS AND DESIGN**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Understand* the nature of job analysis, job description and job specification.

**2.** *Appreciate* the need for job analysis.

**3.** *Outline* the process involved in job analysis.

**4.** *Discuss* the methods of data collection for job analysis.

**5.** *Define* job design and enumerate the factors that affect job design.

**6.** *Explain* the techniques/methods used for job design.

**INTRODUCTION**

Alongside its forecasts of the demands for human resources to perform various jobs, as discussed in the previous unit 4, managers, especially managers of men, need to know the nature and requirements of jobs to be filled in the organisation. Such knowledge can be obtained through job analysis and design. This unit accordingly deals with the same.

**3.1 CONCEPTS**

Before we proceed to explain the concept of job analysis, let us first understand the meaning of the term ‘job’ itself.

**Job:** In simple words, a job may be understood as a division of total work into packages/positions.

According to Dale Yoder 1, “A job is a collection or aggregation of tasks, duties and responsibilities which as a whole, is regarded as a regular assignment to individual employees and which is different from other assignments”. Thus, a job may be defined as a group of positions involving some duties, responsibilities, knowledge and skills. Each job has a definite title based on standard trade specializations within a job. Each job is different from other jobs like peon, clerk, supervisor, accountant, manager, etc. A job may include many positions. A position is a particular set of duties and responsibilities regularly assigned to an individual.

**3.1.1 Job Analysis**

Job analysis refers to the process of collecting information about a job. In other words, it refers to

the anatomy of the job. Job analysis is performed upon ongoing jobs only. It contains job contents. For example, what are the duties of a supervisor, grade II, what minimal knowledge, skills and abilities are necessary to be able to adequately perform this job? How do the requirements for a supervisor, grade II, compare with those for a supervisor, grade I? These are the questions that job analysis answers.

Let us consider a few important definitions of job analysis.

According to Jones and Decothis, “Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training

required; relationship to other jobs, physical demands; environmental conditions”.

Edwin B. Flippo has defined job analysis as the process of studying and collecting information

relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications”.

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

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Now, job analysis can be defined as an assessment that describes jobs and the behaviours necessary to perform them.

There are two major aspects of job analysis: These are:

**1.** Job Description

**2.** Job Specification

A brief description of these follows:

**3.1.2 Job Description**

Job description is prepared on the basis of data collected through job analysis. Job description is a functional description of the contents what the job entails. It is a narration of the contents of a job.

It is a description of the activities and duties to be performed in a job, the relationship of the job with other jobs, the equipment and tools involved, the nature of supervision, working conditions and hazards of the job and so on. All major categories of jobs need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job. Thus, job description differentiates one job from the other. In sum, job description is a written statement of what a job holder does, how it is done, and why it is done.

**Purposes of Job Description.** Job description is done for fulfilling the following purposes:

 Grading and classification of jobs

 Placement and Orientation of new employees

 Promotions and transfers

 Outlining for career path

 Developing work standards

 Counselling of employees

 Delimitation of authority

**3.1.3 Job Specification**

While job description focuses on the job, job specification focuses on the person i.e, the job holder. Job specification is a statement of the minimum levels of qualifications, skills, physical and other abilities, experience, judgement and attributes required for performing job effectively. In other words, it is a statement of the minimum acceptable qualifications that an incumbent must possess to perform a given job. It sets forth the knowledge, skills and abilities required to do the job effectively.

Job specification specifies the physical, psychological, personal, social and behavioural characteristics of the job holders.

**Usages of Job Specification:** The uses of job specification include:

 Personnel planning

 Performance appraisal

 Hiring

 Training and development

 Job evaluation and compensation

Job Analysis and Design

 Health and safety

 Employee discipline

 Work scheduling

 Career planning

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**3.1.4 Job Evaluation:**

Job evaluation is a comparative process of establishing the value of different jobs in a hierarchical

order. It allows one to compare jobs by using common criterial to define the relationship of one job to another. This serves as basis for grading different jobs and developing a suitable pay structure for them. It is important to mention that job evaluation cannot be the sole determining factor for deciding pay structures because job evaluation is about relationships, and not absolutes.

The techniques used for job evaluation include ranking, job classification, points rating, etc.

**3.2 WHY JOB ANALAYSIS? (USES)**

Through job analysis is useful for overall management of all personnel activities, the same is specified as follows:

**1. Human Resource Planning:** Human resource planning, estimates the quantity and quality of people will be required in future. How many and what type of people will be required depends on the jobs to be staffed. Job-related information available through job analysis is, therefore, necessary for human resource planning.

**2. Recruitment and Selection:** Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after

having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as basis for recruitment and selection of employees in the organisation.

**3. Training and Development:** Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement’. job enrichment, job rotation, etc., are also based on job analysis only.

**4. Placement and Orientation:** As job analysis provides information about what skills and qualities are required to do a job, the management can gear orientation programmes towards helping the employees learn the required skills and qualities. It, thus, helps management place an employee on the job best suited to him/her.

**5. Job Evaluation:** As mentioned earlier also, job evaluation refers to determination of relative

worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined manly on the basis of information provided by job analysis.

**6. Performance Appraisal:** Performance appraisal involves comparing the actual performance of

an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment

serves as basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.

**7. Personnel Information:** Increasing number of organizations maintain computerised information about their employees. This is popularly known as ‘Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provide decision support5. Information relating to human resources working in the organisation are provided by job analysis only.

**8. Health and Safety:** Job analysis helps in identifying and uncovering hazardous conditions and unhealthy environmental factors such as heat, noise, fumes, dust, etc.) and, thus, facilitates management to take corrective measures to minimise and avoid the possibility of accidents causing

human injury.

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**3.3 PROCESS OF JOB ANALYSIS**

Job analysis is as useful is not so easy to make. In fact, it involves a process. Though there is no

fool-proof process of making job analysis, following are the main steps involved in job analysis:

**1. Organisational Job Analysis:** Job analysis begins with obtaining pertinent information about a job. This, according to Terry, is required to know the makeup of a job, its relation to other jobs, and its contribution to performance of the organisation. Such information can be had by dividing background information in various forms such as *organisation charts* i.e., how the particular job is related to other jobs; *class specifications* i.e., the general requirement of the job family; job description i.e., starting point to build the revised job description, and flow charts i.e, flow of activities involved in a particular job.

**2. Selecting Representative Jobs for Analysis:** Analysing all jobs of an organisation is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.

**3. Collection of Data for Job Analysis:** In this step, job data features of the job and required qualifications of the employee are collected. Data can be collected either through questionnaire, observation or interviews. However, due care should be taken to select and use the method of data

collection that is the most reliable in the given situation of the job.

**4. Preparing Job Description:** The job information collected in the above ways is now used to prepare a job description. Job description is a written statement that describes the tasks, duties and

responsibilities that need to be discharged for effective job performance.

**5. Preparing Job Specification**: The last step involved in job analysis is to prepare job specification on the basis of collected information. This is a written statement that specifies the personal qualities, traits, skills, qualification, aptitude etc. required to effectively perform a job.

**3.4 METHODS OF DATA COLLECTION**

Job analysis is based on job data. Hence the question: how to collect job related data? A variety of methods are available for collecting job data. The method that was historically linked to the concept of job analysis was observation supplemented by the interview. In recent years, questionnaires, check lists, critical incidents, diaries, personnel records and technical conference method have also been experimented for collecting job-related data.

A brief description of each method is in order.

**Observation**

Under this method, data is collected through observing an employee while at work. The job analyst on the basis of observation carefully records what the worker does, how he/she does, and how much time is needed for completion of a given task. This is the most reliable method of seeking first-hand information relating to a job. This method is suitable for jobs that consist primarily of observable physical ability, short job cycle activities. The jobs of draftsman, mechanic, spinner or

weaver are the examples of such jobs. However, the flip side of this method is that this method is not suitable for jobs that involve unobservable mental activities reveal overlaps and grey areas and have not complete job cycle. That it is time consuming is its yet another handicap. Given these, the job analyst needs to be quite skillful in collecting data about jobs with a high degree of discretion or decision content. Training can make the job analyst skillful.

**Interview**

In this method, the job analyst directly interviews the job holder through a structured interview form to elicit information about the job.

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This method is found suitable particularly for jobs wherein direct observation is not feasible. By way of directly talking to the job holder, the interviewer job analyst may extract meaningful information from the job holder about his/her job. However, the interview method is both time consuming and costly. Particularly, the professional and managerial jobs due to their complicated nature of job, require a longer interview. This may also be a possibility that bias on the part of the analyst and the job holder i.e., the respondent may cloud the accuracy and objectivity of the information gathered through interview. Nonetheless, the effectiveness of the interview method will depend on the ability of both — interviewer and respondent — in asking questions and responding them respectively.

The following guidelines, as outlined by Carrol L. Shartle, Otis and Lenhert, may help the interviewer make his/her interview more effective:

 Introduce yourself to make the worker knows who you are and why you are there.

 Allay the worker’s fear whatsoever by showing keen interest in both him/her and his/her job.

 Do not advise the worker how to do the job.

 Try to talk to the worker in his/her language, to the extent possible.

 Do not create confusion between the work and the worker.

 Make a full — fledged job study within the objectives of the programmes; and

 Verify the job information whatsoever obtained.

**Questionnaire**

Questionnaire method of job data collection is desirable especially in the following two situations:

**First,** where the number of people doing the same job is large and to personally interview them is difficult and impracticable.

**Second,** where giving enough time to employees is desirable to enable them to divulge and explore the special aspects of the jobs.

In this method, the employee is given structured questionnaire to fill in, which are then returned to the supervisors. The supervisor, after making the required and necessary corrections in the information contained in the questionnaire, submits the corrected information to the job analyst. Questionnaire provides comprehensive information about the job.

Information so obtained can be quantified and processed in the computer.

The greatest advantage of the questionnaire method is that it enables the analyst to cover a large number of job holders in the shortest possible time. However, the method suffers from certain shortcomings as well. In the absence of direct rapport between the job analyst and the employee, both cooperation and motivation on the part of the employee tends to be at low level. Often employee due to lack of training and skill, do not express the job-related information in a meaningful and clear fashion. As such, job related data tends to be inaccurate. Moreover, the method is time-consuming and costly.

**Checklists**

The checklist method of job data collection differs from the questionnaire method in the sense that it contains a few subjective questions in the form of yes or know. The job holder is asked to tick the questions that are related to his/her job 10. Checklist can be prepared on the basis of job information obtained from various sources such as supervisors, industrial engineers, and other people who are familiar with the particular job. Once the checklist is prepared, it is then sent, to the job holder to check all the tasks listed in the list he/she performs. He/she is also asked to mention the amount of time spent on each task by him/her and the type of training and experience required to do each task.

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Information contained in checklist is, then, tabulated to obtain the job-related data.

Like questionnaire method, the checklist method is suitable in the large organizations wherein a large number of workers are assigned one particular job. Since the method is costly and, therefore, is not suitable for small organizations.

**Critical Incidents**

This method is based on the job holder’s past experiences on the job. They are asked to recapitulate and describe the past incidents related to their jobs. The incidents so reported by the job holders are, then, classified into various categories and analyzed in detail. Yes, the job analyst requires a high degree of skill to analyze the incidents appropriately described by the job holders. However, this method is also time-consuming one.

**Diaries or Log Records**

In this method, the job holder is asked to maintain a diary recording in detail the job-related activities each day. If done judiciously, this method provides accurate and comprehensive information about the job. This overcomes memory lapses on the part of the job holder. As recording of activities may spread over several days, the method, thus, becomes time-consuming one.

The disadvantage associated with this method is that it remains incomplete because it does not give desirable data on supervisor relationship, the equipment used and working conditions prevalent at the work place.

**Technical Conference Method**

In this method, a conference is organised for the supervisors who possess extensive knowledge about job. They deliberate on various aspects of the job. The job analysist obtains job information

from the discussion held among these experts/supervisors. The method consumes less amount of time. However, the main drawback of this method is that it lacks accuracy and authenticity as the actual job holders are not involved in collecting job information.

It is seen from the preceding description that no single method is complete and superior. In fact, none of the method is to be considered as mutually exclusive. The best data related to a job can be

obtained by a combination of all methods described above.

Before we skip to the next content, a brief mention about the problems with job analysis is in order. The problems that may crop up while conducting job analysis are:

**1.** Lack of support from the top management.

**2.** Relying on one source and method of data collection.

**3.** Non-trained and non-motivated job holders who are the actual source of job data.

**4.** Distorted information/data provided by the respondents i.e., the job holders because of non-preparedness on their part.

**3.5 CONCEPT OF JOB DESIGN**

What is job design? As we just explained, job analysis provides job-related data as well as the skills and knowledge required for the incumbent to perform the job. A better job performance also

requires deciding on sequence of job contents. This is called ‘job design’. Job design is a logical sequence to job analysis. In other words, job design involves specifying the contents of a job, the work methods used in its performance and how the job relates to other jobs in the organisation.

A few definitions on job design are produced here with a view to help you understand the meaning of job design in a better manner.

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Michael Armstrong has defined job design as “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 superiors, subordinates and colleagues”.

Mathis and Jackson 12 have defined job analysis as “a process that integrates work content (tasks, functions, relationships), the rewards (extrinsic and intrinsic), and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and organizations.”

Popplewell and Wildsmith define job design in these words: “......involves conscious efforts to organise tasks, duties, and responsibilities into a unit of work to achieve certain objectives”.

Having gone through the above definitions of job design, it can now be described as a deliberate attempt made to structure both technical and social aspects of the job to attain a fit between the individual (job holder) and the job. The very idea is that job should be designed in such a way as to enable employees to control over the aspects of their work. The underlying justification being that by doing this, it enhances the quality of the work life, harnesses the potential of the workers in a more effective manner and thereby improves employee performance.

**3.6 FACTORS AFFECTING JOB DESIGN**

Job design is not an exclusive one. It affects and is also affected by various factors. All the factors that affect job design are broadly classified into three categories:

**1.** Organisational factors

**2.** Environmental factors

**3.** Behavioural factors.

A description of each of these follows:

**3.6.1. Organisational Factors**

The various factors under organisational factors include task features, work flow, ergonomics, work practices, etc. A brief description of these follows:

**Task Features:** A job design involves a number of tasks performed by a group of workers.

Further, each task consists of three internal features, namely, (*i*) planning, (*ii*) executing, and (*iii*) controlling.

An ideal job design needs to integrate all these three features of tasks to be performed.

**Work Flow:** The very nature of a product influences the sequences of jobs, i.e., work flow. In order to perform work in an effective and efficient manner, the tasks involved in a job need to be sequenced and balanced. Consider the car as a product. The frame of a car needs to be built before the fenders, and similarly the doors will be built later 14. Thus, once the sequence of tasks is determined, then the balance between tasks is established.

**Ergonomics:** Ergonomics refers to designing and shaping job in such a manner so as to strike a fit between the job and the job holder. In other words, jobs are designed in such a way to match job requirements with worker’s physical abilities to perform a job effectively.

**Work Practices:** Practice means a set way of doing work based on tradition or collective wishes of workers. While designing jobs, these work practices need to be taken into consideration. Evidences are available to state that ignoring work practices can result in undesirable consequences.

F.W. Taylor determined work practices by time and motion study. Such determinations require repeated observations.

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However, the accuracy of the determined work practice is subject to distortions depending on the competence of the observer and deviations from the normal work cycle.

Another limitation of this method is its applicability only when production is underway.

**3.6.2 Environmental Factors**

Environmental factors include social and cultural expectations, and employee ability and availability.

These are discussed one by one.

**Social and Cultural Expectations:** Gone are days when workers were ready to do any job under any working conditions. But, with increase in their literacy, education, knowledge, awareness, etc.

have raised their expectations from the jobs. In view of this, jobs for them need to be designed accordingly. It is due to this reason that the job design now is characterised by the features like work hours, rest breaks, vocations, religious beliefs, etc. Disregarding these social expectations can create dissatisfaction, low motivation, high turnover and low quality of working life.

**Employee Ability and Availability:** The various task elements should be included in accordance

with the employee abilities and capabilities. Incorporating job elements beyond the employee ability will be causing mismatch between the job and the job holder. Therefore, due consideration should be given to employee ability while determining job design. Henry Ford did follow it. He made job design simple and requiring little training for assembly line considering that most potential workers lacked any automobile-making experience.

**3.6.3 Behavioural Factors**

Behavioural factors are based on the premise that people are influenced to work to satisfy their needs. Higher the need, more one finds job challenging. One’s behaviour at work is governed by certain factors as discussed below:

**Autonomy:** Autonomy means freedom to control one’s actions/responses to the environment.

Research studies report that jobs that give autonomy to workers also increase sense of responsibility and self-esteem. On the contrary, absence or lack of autonomy can cause workers apathy to jobs and, in turn, low and poor performance.

**Use of Abilities:** Workers perform jobs effectively that offer them opportunities to make use of their abilities. Workers find such jobs as interesting and challenging.

**Feedback:** Job design should be determined in such a way that workers receive meaningful feedback about what they did. Feedback helps workers improve their performance.

**Variety:** Lack of variety, or say, doing the same work, causes boredom which, in turn, leads to fatigue. Fatigue causes mistakes and accidents. But, by incorporating elements of variety in the job, boredom, fatigue and mistakes can be avoided and the job can be done in an effective and efficient manner.

**3.7 METHODS/TECHNIQUES OF JOB DESIGN**

How to design jobs? Jobs can be designed to range from very simple to highly complex depending

on the use of the worker’s skills. Some of the popular methods of job design used are:

**1.** Work Simplification

**2.** Job Rotation

**3.** Job Enrichment

**4.** Job Enlargement

A discussion of each of these is in order.

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**3.7.4 Work Simplification**

Under this method, the job is simplified by breaking it down into small sub-parts.

Then, each part of the job is assigned to a worker who does the same task over and over again.

This enables the worker to gain proficiency and deftness in doing the repetitive task. This increases worker’s productivity, on the one hand, and, in turn, profits, on the other. The training costs of so

simplified jobs are virtually nil because very low level of skill is required to do these simplified jobs.

However, due to the repetitive job, workers feel boredom. They tend to remain absent frequently.

Boredom also leads to mistakes and accidents. On the whole, the quality and quantity of output gets adversely affected20. Thus, the company may not always reap the benefits of task specialization due to work simplification.

**3.7.2 Job Rotation**

One solution to boredom, as seen in work simplification, is job rotation’. Job rotation implies the

moving of employees from job to job without any change in the job. In case of job rotation, an employee performs different jobs, but of the same nature. The advantages of job rotation are: (*i*) It

removes boredom (*ii*) It broadens employee’s knowledge and skill. (*iii*) Employees become competent in several jobs rather than only one. However, job rotation suffers from certain disadvantages also. (*i*) Frequent shifting of employees across the jobs causes interruption in the job routine. (*ii*) Employees may feel alienated when they are rotated from job to job. (*iii*) The employees who look for more challenging assignments may still feel frustrated.

**3.7.3 Job Enlargement**

Job enlargement involves adding more tasks to a job. This is a horizontal expansion in a job. By adding more tasks to job, job enlargement expands job scope and gives variety of tasks to the job

holder. For example, a mail-sorter’s job could be enlarged to include physically delivering the mail to the various departments in the organization. Job enlargement reduces boredom and monotony by providing the employee more variety of tasks in the job. Thus, it helps increase interest in work and efficiency. A recent study found that by expanding the scope of job, workers found benefits such as more satisfaction, enhanced customer service, and less errors.

It is said that job enlargement removes boredom and contributes to employee motivation. However, the same is not validated in practice. Even with job enlargement, the job could become boring to employee after a time especially when the job was already monotonous. That’s why Frederick Herzberg tempted to say that job enlargement is simply “adding zero to zero”, meaning that “One set of boring tasks (zero) is simply added to another set of boring tasks (zero)”. That is very possibly the reasons why job enlargement is usually resisted by employees.

**3.7.4 Job Enrichment**

Another approach to designing motivating jobs is job enrichment. Reasons for job enrichment being installed are varied. As seen earlier, the excessive job specialisation (through job rotation) has been dehumanising the work by making the worker’s job routine, repetitive and removing all challenges from it. As such, human capabilities are not being fully utilised under such conditions and it is creating frustration among the workers and alienating them from their jobs. Moreover, workers today are better educated and higher paid.

Job enrichment involves adding motivating factors to job. Thus, job enrichment is a vertical expansion of a job by adding more responsibility and freedom to do it.

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Fredrick Herzberg 22 *et.al.* describe job enrichment as that type of improvement in the context of the job which may give a worker more of a challenge, more of a complete task, more responsibility, more opportunity for growth, and more chance to contribute his ideas. Job enrichment increases *job depth*, which refers to the degree of control employees have over their work.

Job enrichment can improve the quality of work output, employee motivation, and satisfaction.

Let a real case be quoted.

In the Traveller’s Insurance Company, the job of a key operator was enriched to include:

(*a*) Working for one particular department;

(*b*) Communicating directly with user-clients;

(*c*) Checking one’s own quality;

(*d*) Establishing a personal work schedule, and

(*e*) Correcting one’s errors.

The result was all-encouraging.

(*a*) An increase in the quantity of output by 31%

(*b*) Decrease in the error rate by 8.5%.

(*c*) Decrease in absenteeism by 3%

Job enrichment is founded on the Herzberg’s two factor theory of motivation. Herzberg has outlined the process involved in a job enrichment programme.

**3.8 HOW TO ENRICH JOB?**

There is no single way of enriching a job. The technology and the circumstances dictate which techniques or combination of techniques could be appropriate. Some of the important techniques

followed for enriching job are:

**1.** Increasing responsibilities of the employees by adding variety of tasks.

**2.** Assigning the employee a complete natural unit of work i.e., reducing task specialisation.

**3.** Allowing the employee to set his own standards.

**4.** Making the employee directly perform for his work.

**5.** Encouraging the participation of employees in planning work, innovating new techniques and reviewing new results.

**6.** Introducing new and more difficult and challenging tasks not previously assigned to and handled by the employee.

**7.** Removing some controls from while ensuring that individuals are clearly accountable for achieving standards.

**8.** Allowing the employee to make crisis decision in problem situations rather than relying on the boss.

According to Edwin B. Flippo, the most critical core dimension of job enrichment is that of job autonomy. The autonomy is created through a process of “vertical loading” of job, that is the employee is given self-management rights in multiple areas. In fact, the same is the critical difference between job enrichment and job enlargement.

**ACTIVITIES**

**1.** Briefly describe the concept of job analysis, and explain the job analysis process.

**2.** From the human resource manager’s point of view, what are the uses of job analysis?

**3.** Bring out the factors that affect job design

**4.** Distinguish between:

(*a*) Job Description and Job Specification (*b*) Job Enlargement and Job Enrichment (*c*) Job Analysis and job Design.

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**UNIT 4: RECRUITMENT**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* recruitment and *list* the factors that affect recruitment.

**2.** *Describe* different sources of recruitment.

**3.** *Outline* various steps involved in recruitment process.

**4.** *Highlight* the recruitment practices followed in Zambia.

**5.** *Explain* the methods of recruitment.

**6.** *Indicate* the essential attributes of an effective recruitment programme.

**INTRODUCTION**

Once it is determined what types of jobs in how many numbers are to filled up with what qualification of people, then what next is done is search for people with such qualification. So, to say, the next step involved in acquiring human resource is to hire right people in right number for jobs falling vacant. Hiring of people involves three broad groups of activities but not mutually exclusive, viz., recruitment, selection and placement, in that order.

Recruitment is the first step in the process of filling a vacancy. In this unit, you will learn the meaning and purpose of recruitment, sources of recruitment, recruitment process, recruitment practices in Zambia, effectiveness of recruitment programme, etc.

**4.1 MEANING AND DEFINITION**

Recruitment is the generating of applications or applicants for specific positions to be filled up in

the organisation. In other words, it is a process of searching for and obtaining applicants for jobs so that the right people in right number can be selected.

Go through the following definitions of recruitment. These will help you understand the meaning

of recruitment in a better manner.

According to Dale Yoder, “Recruitment is a process to discover the sources of manpower to meet

the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force”.

In the words of Werther and Davis, “Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected”.

Flippo has defined recruitment as “a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation”.

According to Bergmann and Taylor, “Recruitment is the process of locating, identifying, and attracting capable applicants”.

Recruitment can now easily be defined as the process of searching for and securing applicants for the various job positions which arise from time to time in the organisation.

**4.2 FACTORS AFFECTING RECRUITMENT**

There are a number of factors that affect recruitment. These are broadly classified into two categories:

**1.** Internal Factors

**2.** External Factors

These are discussed one by one.

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**4.2.1 Internal Factors**

The internal factors also called endogenous factors are the factors within the organisation that affect recruiting personnel in the organisation. Some of these are mentioned here.

**1. Size of the Organisation:** The size of an organisation affects the recruitment process. Experience suggests that larger organizations find recruitment less problematic than organizations with smaller in size.

**2. Recruiting Policy:** The recruiting policy of the organisation i.e., recruiting from internal sources (from own employees) and from external sources (from outside the organisation) also affects recruitment process. Generally, recruiting through internal sourcing is preferred, because own employees know the organisation and they can well fit into the organisation’s culture.

**3. Image of Organisation:** Image of organisation is another internal factor having its influence on the recruitment process of the organisation. Good image of the organisation earned by a number of overt and covert actions by management, helps attract potential and competent candidates. Managerial actions like good public relations, rendering public services like building roads, public parks, hospitals and schools help earn image or goodwill for the organisation. That is why blue chip companies attract large number of applications.

**4. Image of Job:** Just as image of organisation affects recruitment, so does the image of a job also.

Better remuneration and working conditions are considered the characteristics of good image of a job. Besides, promotion and career development policies of organisation also attract potential candidates.

**4.2.2 External Factors**

Like internal factors, there are some factors external to organisation which have their influence on

recruitment process. Some of these are given below:

**1. Demographic Factors:** As demographic factors are intimately related to human beings, i.e., employees, these have profound influence on recruitment process. Demographic factors include sex, age, literacy, economic status etc.

**2. Labour Market:** Labour market conditions i.e., supply and demand of labour is of particular importance in affecting recruitment process. For example, if the demand for a specific skill is high

relative to its supply, recruiting employees will involve more efforts. On the contrary if supply is more than demand for a particular skill, recruitment will be relatively easier.

In this context, the observation made by I I PM in regard to labour market in Zambia is worth citing:

“The most striking feature in the Zambian Labour market is the apparent abundance of labour yet the ‘right type’ of labour is not too easy to find”.

**3. Unemployment Situation:** The rate of unemployment is yet another external factor having its

influence on the recruitment process. When the unemployment rate in a given area is high, the recruitment process tends to be simpler. The reason is not difficult to seek. The number of applicants is expectedly very high which makes easier to attract the best qualified applicants. The reverse is also true. With a low rate of unemployment, recruiting process tends to become difficult.

**4. Labour Laws:** There are several labour laws and regulations passed by the Central and State Governments that govern different types of employment. These cover working conditions, compensation, retirement benefits, and safety and health of employees in industrial undertakings. Child Labour (Prohibition and Regulation) Act, 1986, for example, prohibits employment of children in certain employments.

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**5. Legal Considerations:** Another external factor is legal considerations with regard to employment. Reservation of jobs for the scheduled castes, scheduled tribes, and other backward classes (OBCs) is the popular example of such legal consideration. The Supreme Court of Zambia has given its verdict in favour of 50 per cent of jobs and seats. This is so in case of admissions in the educational institutions also.

**4.3 SOURCES OF RECRUITMENT**

The various sources of recruitment are classified into two broad categories, namely:

**1.** Internal sources

**2.** External sources.

The sources included under each category are discussed accordingly as follows:

**4.3.1 Internal Sources**

**1. Present Employees:** Promotions and transfers from among the present employees can be a good source of recruitment. Promotion implies upgrading of an employee to a higher position carrying higher status, pay and responsibilities. Promotion from among the present employees is advantageous because the employees promoted are well acquainted with the organisational culture, they get motivated, and it is cheaper also. Promotion from among present employees also reduces the requirement for job training.

However, the disadvantage lies in limiting the choice to a few people and denying hiring of outsiders who may be better qualified and skilled. Furthermore, promotion from among present employees also results in inbreeding which creates frustration among those not promoted.

Transfer refers to shifting an employee from one job to another without any change in the position/post, status and responsibilities. The need for transfer is felt to provide employees a broader and varied base which is considered necessary for promotions. Job rotation, involves transfer of employees from one job to another on the lateral basis.

**2. Former Employees:** Former employees is another source of applicants for vacancies to be filled up in the organisation. Retired or retrenched employees may be interested to come back to the company to work on a part-time basis. Similarly, some former employees who left the organisation for any reason, may again be interested to come back to work. This source has the advantage of hiring people whose performance is already known to the organisation.

**3. Employee Referrals:** This is yet another internal source of recruitment. The existing employees

refer their family members, friends and relatives to the company as potential candidates for the vacancies to be filled up in the organisation. This source serves as one of the most effective methods of recruiting people in the organisation because employees refer to those potential candidates who meet the company requirements known to them from their own experience. The referred individuals are expected to be similar in type in terms of race and sex, for example, to those who are already working in the organisation.

**4. Previous Applicants:** This is considered as internal source in the sense that applications from

the potential candidates are already lying with the organisation. Sometimes, the organizations contact through mail or messenger these applicants to fill up the vacancies particularly for unskilled or semiskilled jobs.

**Evaluation of Internal Source**

Let us try to evaluate the internal source of recruitment. Obviously, it can be done in terms of its

advantages and disadvantages. The same are spelled out as follows:

**Advantages:** The advantages of the internal source of recruitment include the following:

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**1. Familiarity with own Employees:** The organisation has more knowledge and familiarity with

the strengths and weaknesses of its own employees than of strange and unknown outsiders.

**2. Better Use of the Talent:** The policy of internal recruitment also provides an opportunity to the

organisation to make a better use of the talents internally available and to develop them further and further.

**3. Economical Recruitment:** In case of internal recruitment, the organisation does not need to spend much money, time and effort to locate and attract the potential candidates. Thus, internal recruitment proves to be economical, or say, inexpensive.

**4. Improves Morale:** This method makes employees sure that they would be preferred over the outsiders as and when vacancies will be filled up in their organisation.

**5. A Motivator:** The promotion through internal recruitment serves as a source of motivation for employees to improve their career and income. The employees feel that organisation is a place where they can build up their life-long career. Besides, internal recruitment also serves as a means of attracting and retaining competent employees in the organisation.

**Disadvantages:** The main drawbacks associated with internal recruitment are as follows:

**1. Limited Choice:** Internal recruitment limits its choice to the talent available within the organisation. Thus, it denies the tapping of talent available in the vast labour market outside the organisation. Moreover, internal recruitment serves as a means for “inbreeding”, which is never healthy for the future of the organisation.

**2. Discourages Competition:** In this system, the internal candidates are protected from competition by not giving opportunity to otherwise competent candidates from outside the organisation. This, in turn, develops a tendency among the employees to take promotion without showing extra performance.

**3. Stagnation of Skills:** With the feeling that internal candidates will surely get promoted, their skill in the long run may become stagnant or obsolete. If so, the productivity and efficiency of the

organisation, in turn, decreases.

**4. Creates Conflicts:** Conflicts and controversies surface among the internal candidates, whether

or not they deserve promotion.

**4.3.2 External Sources**

External sources of recruitment lie outside the organisation. These outnumber internal sources.

The main ones are listed as follows:

**1. Employment Exchanges:** The main functions of these employment exchanges with their branches in most cities are registration of job seekers and their placement in the notified vacancies. It is obligatory for the employer to inform the outcome of selection within 15 days to the employment exchange. Employment exchanges are particularly useful in recruiting blue-collar, white-collar and technical workers.

**2. Employment Agencies:** In addition to the government agencies, there are a number of private

employment agencies who register candidates for employment and furnish a list of suitable candidates from their data bank as and when sought by the prospective employers. At best, the representatives of the employment agencies may also sit on the panel for final selection of the candidates.

The employer organizations derive several advantages through this source. For example, this method proves cheaper than the organizations recruiting themselves. The time saved in this method can be better utilized elsewhere by the organisation.

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**3. Advertisement:** Advertisement is perhaps the most widely used method for generating many applications. This is because its reach is very high. This method of recruitment can be used for jobs like clerical, technical and managerial. The higher the position in the organisation, the more specialized the skills, or the shorter the supply of that resource in the labour market, the more widely dispersed the advertisements is likely to be.

While preparing advertisement, lot of care has to be taken to make it clear and to the point. It must

ensure that some self-selection among applicants takes place and only qualified applicants respond to the advertisement. For this, advertisement copy should be prepared by using a four-point guide called AIDA. The letters in the acronym denote that advertisement should attract *Attention,* gain *Interest,* arouse a *Desire* and result in *Action.*

**4. Professional Associations:** Very often, recruitment for certain professional and technical positions is made through professional associations also called ‘*headhunters*’. Professional associations prepare either list of job seekers or publish or sponsor journals or magazines containing advertisements for their members. The professional associations are particularly useful for attracting highly skilled and professional personnel.

**5. Campus Recruitment:** This is another source of recruitment. Though campus recruitment is a

common phenomenon particularly in the American organizations, it has made its mark rather recently. Of late, some organizations such as banks, ZESCO, etc., in Zambia have started visiting educational and training institutes/campuses for recruitment purposes.

The method of campus recruitment offers certain advantages to the employer organizations. *First*,

the most of the candidates are available at one place; *Second*, the interviews are arranged at short notice; *Third*, the teaching faculty is also met; and *Fourth*, it gives them opportunity to sell the organisation to a large student body who would be graduating subsequently. However, the disadvantages of this type of recruitment are that organizations have to limit their selection to only “entry” positions and they interview the candidates who have similar education and experience, if at all.

**6. Deputation:** Another source of recruitment is deputation, i.e., sending an employee to another organisation for a short duration of two to three years. This method of recruitment is practiced, in a pretty manner, in the Government Departments and public sector organizations. Deputations is useful because it provides ready expertise and the organisation does not have to incur the initial cost of induction and training. However, the disadvantage associated with deputation is that the deputation period of two/three years is not long enough for the deputed employee to prove his/her mettle.

**7. Word-of-Mouth:** Some organizations in Zambia also practice the ‘word-of-mouth’ method of

recruitment. In this method, the word is passed around the possible vacancies or openings in the organisation. Another form of word-of-mouth method of recruitment is “employee-pinching” i.e., the employees working in another organisation are offered an attractive offer by the rival organizations.

**8. Raiding or Poaching:** Raiding or poaching is another method of recruitment whereby the rival

firms by offering better terms and conditions, try to attract qualified employees to join them. This

raiding is a common feature in the Zambian organizations. Whatever may be the means used to raid rival firms for potential candidates, it is often seen as an unethical practice and not openly talked about.

**Evaluation of External Sources**

Like internal sources of recruitment, external sources are mixed of advantages and disadvantages.

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The following are the main advantages:

**1. Open Process:** Being a more open process, it is likely to attract large number of applicants/ applications. This, in turn, widens its options of selection.

**2. Availability of Talented Candidates:** With large pool of applicants, it becomes possible for the organisation to have talented candidates from outside. Thus, it introduces new blood in the organisation.

**3. Opportunity to Select the Best Candidates:** With large pool of applicants, the selection process becomes more competitive. This increases prospects for selecting the best candidates.

**4. Provides Healthy Competition:** As the external members are supposed to be more trained and

efficient. With such a background, they work with positive attitude and greater vigour. This helps

create healthy competition and conducive work environment in the organisation.

However, the external sources of recruitment suffer from certain *disadvantages* too: These are:

**1. Expensive and Time Consuming:** This method of recruitment is both expensive and time consuming. There is no guarantee that organisation will get good and suitable candidates.

**2. Unfamiliarity with the Organisation:** As candidates come from outside the organisation, they

are not familiar with the tasks, job nature and the internal scenario of the organisation.

**3. Discourages the Existing Employees:** Existing employees are not sure to get promotion. This

discourages them to work hard. This, in turn, boils down to decreasing productivity of the organisation.

Now the question arises is: Where from can an organisation recruit potential job seekers?

The source that is used should reflect the local labour market, the type or level of position, and the size of the organisation.

**4.4 RECRUITMENT PROCESS**

As was stated in the beginning of the unit, recruitment is the process of locating, identifying, and attracting capable applications for jobs available in an organisation. Accordingly, the recruitment process comprises the following five steps:

(*i*) Recruitment Planning

(*ii*) Strategy Development

(*iii*) Searching

(*iv*) Screening

(*v*) Evaluation and Control

Now, a brief description of these follows:

**Recruitment Planning**

The first step involved in the recruitment process is planning. Here, planning involves to draft a comprehensive job specification for the vacant position, outlining its major and minor responsibilities; the skills, experience and qualifications needed; grade and level of pay; starting date; whether temporary or permanent; and mention of special conditions, if any, attached to the job to be filled.

**Strategy Development**

Once it is known how many with what qualifications of candidates are required, the next step involved in this regard is to devise a suitable strategy for recruiting the candidates in the organisation.

The strategic considerations to be considered may include issues like whether to prepare the required candidates themselves or hire it from outside, what type of recruitment method to be used,

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what geographical area be considered for searching the candidates, which source of recruitment to be practiced, and what sequence of activities to be followed in recruiting candidates in the organisation.

**Searching**

This step involves attracting job seekers to the organisation. There are broadly two sources used

to attract candidates. These are:

**1.** Internal Sources, and

**2.** External Sources

These have been just discussed, in detail.

**Screening**

Though some view screening as the starting point of selection, we have considered it as an integral part of recruitment. The reason being the selection process starts only after the applications have been screened and shortlisted.

In the Universities, applications are invited for filling the post of Professors. Applications received

in response to invitation, i.e., advertisement are screened and shortlisted on the basis of eligibility and suitability. Then, only the screened applicants are invited for seminar presentation and personal interview. The selection process starts from here, i.e., seminar presentation or interview.

Job specification is invaluable in screening. Applications are screened against the qualification, knowledge, skills, abilities, interest and experience mentioned in the job specification. Those who do not qualify are straight away eliminated from the selection process. The techniques used for screening candidates vary depending on the source of supply and method used for recruiting. Preliminary applications, de-selection tests and screening interviews are common techniques used for screening the candidates.

**Evaluation and Control**

Given the considerable cost involved in the recruitment process, its evaluation and control is therefore, imperative. The costs generally incurred in a recruitment process include. (*i*) salary of recruiters; (*ii*) cost of time spent for preparing job analysis, advertisement, etc.; (*iii*) administrative

expenses; (*iv*) cost of outsourcing or overtime while vacancies remain unfilled; and (*v*) cost incurred in recruiting unsuitable candidates.

**4.5 METHODS OF RECRUITMENT**

Recruitment methods refer to the means by which an organisation reaches to the potential job seekers. In other words, these are ways of establishing contacts with the potential candidates. It is

important to mention that the recruitment methods are different from the sources of recruitment. The major line of distinction between the two is that while the former is the means of establishing links with the prospective candidates, the latter is location where the prospective employees are available. Dunn and Stephen have broadly classified methods of recruitment into three categories. These are:

**Direct Method:** In this method, the representatives of the organisation are sent to the potential candidates in the educational and training institutes. They establish contacts with the candidates seeking jobs. Sometimes, some employer firms establish direct contacts with the professors and solicit information about students with excellent academic records. Sending the recruiter to the conventions, seminars, setting up exhibits at fairs and using mobile office to go to the desired centres are some other methods used to establish direct contact with the job seekers.

**Indirect Methods:** Indirect methods include advertisements in newspapers, on the radio and television, in professional journals, technical magazines etc.

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This method is useful when (*i*) organisation does not find suitable candidates to be promoted to fill up the higher posts, (*ii*) when the organisation wants to reach out to a vast territory, and (*iii*) when organisation wants to fill up scientific, professional and technical posts.

While placing an advertisement to reach to the potential candidates, the following three points need to be borne in mind:

 *First*, to visualise the type of the applicant one is trying to recruit.

 *Second*, to write out a list of the advantages the job will offer.

 *Third*, to decide where to run the advertisement, i.e., newspaper with local, state, nation-wide

and international reach or circulation.

**Third Party Methods:** These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organizations, trade unions, data banks, labour contractors etc., to establish contact with the jobseekers.

**4.6 EFFECTIVENESS OF RECRUITMENT PROGRAMME**

One last mention about the effectiveness of recruitment programme before we end this unit.

Though there has so far not been evolved any formula as such that makes a recruitment programme

effective. However, a successful and effective recruitment programme necessitates to have certain

attributes such as:

 A well-defined recruitment policy.

 A proper organisational structure.

 A well-laid down procedure for locating potential job seekers.

 A suitable method and technique for tapping and utilizing these candidates.

 A continuous assessment of effectiveness of recruitment programme and incorporation of suitable modifications from time to time to improve the effectiveness of the programme.

 An ethically sound and fool-proof practice telling an applicant all about the job and its position, the firm to enable the candidate to judiciously decide whether or not to apply and join the firm, if selected.

**ACTIVITIES**

**1.** Define recruitment. Bring out the factors that influence recruitment.

**2.** What are the various sources of recruitment? Discuss their relative merits and demerits.

**3.** If you were a personnel officer in a scientific institution and asked to recruit scientists, which source of recruitment you will use for this purpose and why?

**4.** Explain the recruitment process.

**5.** Distinguish between different methods of recruitment. Which method, in your opinion, will be

more suitable to recruit a higher post like production manager?

**6.** Write a note on recruitment practices followed in the Zambian organizations-both public and private sector organizations.

**7.** What are the key attributes that make a recruitment programme effective?

**8.** Write short notes on: (*a*) Blind Advertisement (*b*) Raiding of Employees (*c*) Direct Method of Recruitment (*d*) Screening

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**UNIT 5: SELECTION**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* selection and *appreciate* the need for scientific selection.

**2.** *Discuss* the steps involved in selection process.

**3.** *Explain* the methods of selection.

**INTRODUCTION**

Selection starts where recruitment ends. Or say, selection follows recruitment. Having identified

the potential candidates, the next logical step in the human resource process is selection of the qualified and competent candidates in the organisation. Due attention needs to be given to selection as it establishes the ‘best fit’ between job requirements and the candidate’s qualification.

Mismatch between the two can have a far-reaching impact on the organisational functioning.

This is the premise why this unit is devoted to a detailed explanation of selection with its various aspects.

Let us begin with understanding the meaning and definition of selection.

**5.1 MEANING AND DEFINITION**

What is selection? Selection is hiring the best candidate from the pool of applications. It refers to the process of offering jobs to one or more applicants/candidates from the applications received through recruitment. In other words, it is the process of picking the suitable candidates from the pool of job applications to fill various jobs in the organisation.

Following are some of the popular definitions of selection:

According to Yoder, “Selection is the process by which candidates for employment are divided

into class — those who will be offered employment and those who will not”.

David and Robbins have defined selection as a “managerial decision-making process as to predict which job applicants will be successful if hired”.

In the opinion of Koontz et.al, “Selection is the process of choosing from among the candidates from within the organisation or from the outside, the most suitable person for the current position or for the future position.”

According to Stone4, “Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job”.

Now, selection can be defined as a process of choosing the most suitable candidates from applicants for the various jobs in the organisation. It seeks to ensure which applicants will be successful if hired. Thus, selection is an exercise in prediction.

**5.1.1 Selection Differs from Recruitment**

Recruitment and selection are often considered as synonymous and are used interchangeably.

They are the two sides of the same coin, there exists a fine distinction between the two. How selection differs from recruitment is neatly brought out in the table below.

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|  |  |
| --- | --- |
| ***Recruitment***  | ***Selection*** |
| 1.Recruitment technically precedes selection. | Selection follows recruitment. |
| 2. Recruitment refers to the process ofidentifying and encouraging potentialcandidates to apply for jobs in theorganisation. | Selection involves choosing the best out ofthose recruited. |
| 3. Recruitment is positive as it aims atincreasing the number of job seekers(applications) for wider choice or increasingthe selection ratio. | Selection, on the other hand, is said to benegative in its application inasmuch as it rejects a large number of unqualified applicants in order to identify those who are suitable for the jobs. |
| 4. In sum, recruitment involves searching | Selection involves comparing those alreadysearched. |

**Distinction between Recruitment and Selection**

**5.2 SELECTION METHODS / PROCESS**

There is no single universally accepted selection process followed by all organizations. The selection process is likely to vary from organisation to organisation depending upon the nature of

jobs and organisation. Notwithstanding, following are the steps involved in a standard selection process:

**5.3.1 Preliminary Interview**

Preliminary interview follows screening which was discussed in the previous unit. Like screening, the purpose of the preliminary interview is to eliminate unsuitable or unqualified candidates from

the selection process. In screening unqualified candidates are eliminated on the basis of information given in the application form, whereas preliminary interview rejects misfits for reasons, which did not appear in the application forms. Due care needs to be taken to ensure that the weeding out process does not lead to the elimination of desirable candidates. Obviously, preliminary interviews should be conducted by someone who inspires confidence, who is genuinely interested in people and whose judgement in the adjudging of applicants is fairly reliable. Besides, the interviewer should be courteous, kind and receptive. He/she should not appear brusque or impatient. That is precisely the reason, preliminary interview is also called ‘*courtesy interview*’.

**5.3.2 Application Blanks**

Application blank is the commonest device for getting information from a prospective candidate.

Almost all organizations require job seekers to fill up an application. This serves as a personal record of the candidate bearing personal history profile, detailed personal activities, skills and accomplishments. Accordingly, the following data is generally called on from the applicant through application blank:

(*a*) **Biographical Information:** It includes name, father’s name, age, sex, nationality, height, marital status, identification mark and number of dependents.

(*b*) **Educational Information:** These cover candidate’s academic qualification, courses, year of

passing, subjects offered, percentage of marks, division, names of the educational institutions, training acquired, scholarship, etc.

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(*c*) **Work Experience:** It includes positions held, name of the employer, nature of job, salary, duration of various assignments, reasons for leaving the present job, membership of professional

bodies, etc.

(*d*) **Salary:** It refers to the minimum salary acceptable and minimum joining period required.

(*e*) **Extra Curricular Information:** It covers information like participation in games, level of

participation, prizes won. dramas, debates, NSS, NCC, hobbies, etc.

(*f*) **References:** It includes the names of (two or three) referees who know the character, work and abilities of the candidate. However, empirical evidences8 report a very slight relationship between references and performance measures. Besides inaccurate facts, this can also be attributed to the referee’s inability to assess and describe the candidate, and his limited knowledge about him.

The questions inserted in the question blank should be valid. Superfluous questions should be avoided. The information supplied by the candidate in the application blank should be authentic and verifiable. In case of false information given, the selection of the candidate, if selected, should stand cancelled.

Now, some issues that concern application blank seem pertinent to mention here: (*i*) What items

should be included in the application blanks and what weightage should be assigned to them to take the decision on selection? (*ii*) What is the reliability and validity of information generated through application blanks to determine its worth in predicting success on the job? (*iii*) How to justify the inclusion of certain items in the application blanks?

**1.** Application blanks have been the most important tools for generating information about the candidates. Hence, generally all kinds of information is asked in the application blanks. In the Zambian context, Hafeez analyzed the contents of application blanks of 20 organizations (08 private Sector, 05 public sector, and 07 government departments). According to his analysis, the number of items and sub-items in these application blanks ranged from 14 to 50 with an average of 25 items and sub-items.

Some studies have used a weighted application blank. The procedure followed includes identification of items that differentiate long from short tenure, and then developed point scales for items such as age, education, job held previously and marital status.

**2.** So far, very little is known about the validity of items shown in the application blanks. To what extent the various items like biographic variables predict work efficiency is not thoroughly investigated to reach to a fool-proof conclusion. Let some stray and scattered evidences in this respect be given here:

Some studies conducted in the West have shown that some biographic variables can predict efficiency in work. A study by Naylor and Vincent10 showed significant relationship between absenteeism and number of dependents. Female employees with large number of dependents were found to be more absent than those with a smaller number of dependents. However, no relationship was found between absenteeism and age and marital status of the female employees.

In Zambia, Das conducted a correlative study between work efficiency (rated on 5-point scale)

and some biographic variables like age, income, education, previous experience, length of service, marital status and number of dependents of 150 clerical staff.

He found a positive significant correlation between number of dependents and length of service and work efficiency.

Employees with more dependent and more length of service, compared to less dependents and short length of service, were significantly more efficient. However, age and efficiency were found negatively related.

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So far previous experience and education are concerned, a selection report on two batches of BBA graduates from the Zambian Institute of Management, Ahmedabad reported a significant positive correlation between previous education and grades in college for one batch of students, but not the other. However, not much confidence can be placed in the relationship because the magnitude of coefficients is too low.

**3.** Not all the information contained in application blanks is used to make selection decision.

Then, the question is: Why should an organisation seek that information? Further, though certain variables may show high predictive power on work efficiency, but can they be justifiably included in the application blanks? Particular reference is made here on items seeking information on religion, sex, language and place of birth. Given our democratic setup, one can also question the legality of seeking information on these variables. Because, Article of the Constitution of Zambia prohibits discrimination on the basis of “religion, race, sex, language, or place of birth whether in respect of employment or admission to educational institutions”. Although organizations may not be concerned with these items while making selection decisions, but it haunts applicants whether such information is used for discrimination purposes. As such, inclusion of such items in application blank may deter the applicants to apply on the one hand, and may also tarnish the image of the organizations, on the other. Therefore, organizations should avoid to ask information on such items.

**3.3.3 Selection Tests**

Individuals differ in many respects including job-related abilities and skills. In order to select a right person for the job, individual differences in terms of abilities and skills need to be adequately and accurately measured for comparison. This is done through a device called ‘selection test’. Selection test is a device that uncovers the information about the candidate which are not known through application blank and interview. In this way, selection test is an adjunct to a selection method.

What is selection test? Test is defined differently by different writers and psychologists. Some define test as “an objective and standardised measure of a sample behaviour.” It is considered standardised because the procedure of administering the test, the environment in which the test is

conducted, and method of calculating individual score are uniformly applied. It is called objective

because test measures the individual differences in terms of their abilities and skilled following an

unbiased and scientific method avoiding interference of human factors.

According to Lee J. Groonbach15, “A test is a systematic procedure for comparing the behaviour

of two or more persons”.

Milton M. Blum has defined test as “a sample of an aspect of an individual’s behaviour, performance and attitude”.

After going through above definitions of test, now test can simply be defined as *a systematic procedure for sampling human behaviour.*

All tests are first psychological and then tests of specific abilities and skills. A close scrutiny of above definitions of tests against the following three constructs will help comprehend the meaning of test in better manners.

**1. Objective:** Here, ‘objective’ means the validity and reliability of measuring job related abilities

and skills. It is crazy of the whole testing movement. The psychological tests should show that the

test is predictive of the important aspects of role behaviour relevant to the job for which the candidate is under evaluation. Besides, objectivity also refers to equality of opportunity for those being tested avoiding discrimination in terms of caste, creed, sex, religion etc.

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**2. Standardized:** In our earlier mentioned definition, ‘standardized’ refers to the uniformity of procedure administered and the environment in which the test is taken. Here uniformity refers to testing conditions which include the time limit, instructions, testee’s, state of mind and health, room temperature, test instruments, etc.

**3. Sample of Behaviour:** This refers to the fact that a total replication of reality of human behaviour in any given testing situation is just not possible. Therefore, the behaviour predicted through test is likely to be representative one, or say, a sample of behaviour.

**Purpose of Tests**

Tests, i.e. psychological tests are conducted for various purposes. They include:

**1.** Guiding and counselling students seeking admissions in the educational institutes.

**2.** Career guidance to those thinking to make careers in specific vocations.

**3.** Research into human behaviour and its personality.

**4.** Employment selection of the candidates for an organisation. As regards selection tests, these

are conducted mainly to fulfil the following purposes:

(*i*) For the selection and placement of new employees.

(*ii*) For appraising employees for promotional potentials.

(*iii*) For counselling employees to enable them to perform better in their jobs.

William C. Byham puts the use of selection tests in these words: *“The tests are the most misused, the least understood, yet the most valuable sources of information about applicants”*.

**Types of Tests**

The history of tests, as cited by Saiyadain20, can be traced back to the efforts of Francies Galton

who developed a variety of tests of sensory determination to measure person’s intellect as far back as 1883. Since then, there is no looking back with regard to the use of selection tests. As a result, a large number of general aptitude tests and specific skill tests for the purpose of selecting employees are available to - day. All the tests so far developed for the selection of employees can broadly be divided into two categories:

**Ability Tests**

Though a number of ability tests have been developed so far for the use of employee selection,

important among these are the following:

**1. Aptitude Tests:** Aptitude tests measure ability and skills of the testee. These tests measure and indicate how well a person would be able to perform after training and not what he/she has done.

Thus, aptitude tests are used to predict the future ability/ performance of a person. There are two objectives of the aptitude tests. *One* to advise youth or jobseekers regarding field of activities in which they are likely to succeed. This is called ‘vocational guidance’. *Second,* to select best persons for jobs where they may succeed. This test is called ‘vocational selection’.

Specific aptitude tests have been designed to measure special abilities to perform a job. Examples

of such tests are Mechanical Aptitude Test, Clerical Aptitude Test, Artistic Aptitude Test, Musical

Aptitude Test, Management Aptitude Test, Differential Aptitude Test, etc.

**2. Achievement Tests:** Achievement tests measure a person’s potential in a given area/job. In other words, these tests measure what a person can do based on skill or knowledge already acquired

by him/her. Achievement tests are usually used for admission to specific courses in the academic

institutions. In these tests, grades in previous examinations are often used as indicators of achievement and potential for learning. Zambian industries have now started conducting these tests to judge for themselves the level of proficiency attained rather than believing their scores in academic examinations.

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Achievement tests are also known by the names, proficiency tests, performance, occupational or trade tests.

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

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

**3. Intelligence Tests:** Intelligence tests measure general ability for intellectual performance.

The core concept underlying in intelligence test is mental age. It is presumed that with physical age, intelligence also grows. Exceptions to this may be there. So, to say, if a five-year old child does the test for six years or above, his/her mental age would be determined accordingly. Mental age is generally indexed in terms of Intelligence Quotient (IQ) and calculated by using the following formula:

IQ= Mental Age × 100

        Actual Age

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

remove decimal). IQ levels may vary because of culture and exposure. Saiyadain has qualitatively described various levels of IQs as below:

***IQ Verbal Description***

Above 130 Very Superior

120-129 Superior

110-119 Bright

90-109 Average

80-89 Dull

70-79 Border line defective

50-59 Moron

25-49 Imbecile

Below 25 Idiot

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

**4. Judgment Tests:** These tests are designed to know the ability to apply knowledge in solving

a problem.

**5. Personality Tests**

Personality tests are also called personality inventories. These tests measure predispositions, motivations and lasting interests of the people. Personality tests are subsumed under four broad categories as given below:

**1. Interest Tests:** These tests are designed to discover a person’s area of interest, and to identify the kind of work that will satisfy him. Interest is a prerequisite to successfully perform some task. These tests owe their origin to the vocational efforts. The most widely used interest test is Kuder Reference Record. It consists of three forms. The first form measures vocational interest such as mechanical, computational, artistic, literary, musical and clerical interest. Interests in personal areas such as group activities, avoiding conflicts etc., are measured by the second form of interest

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tests. The third form of interest test measures preference reactions to particular occupations like accountant, salesman, farmer, etc. The best known among these three forms of interest test is the Kuder Preference Record i.e. vocational test.

**2. Personality Tests:** These tests are also known as ‘*personality inventories*’. These tests are designed to measure the dimensions of personality i.e., personality traits such as interpersonal competence, dominance- submission, extroversions-introversions, self-confidence, ability to lead

and ambition.

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

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

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

**Advantages of Testing**

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

**1. Predicts Future Performance:** A well designed test can predict the future performance of an

individual. Thus, test can be used for hiring personnel, transfer or promotion of the personnel for

higher positions.

**2. Diagnoses the Situation and Behaviour:** Knowing why people behave the way one does requires understanding the particular variables/situation that cause behaviour. Her again, well planned tests help understand the situation.

For example, though decline in productivity could be caused by a host of factors, tests can help understand such decline due to human factors.

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

**4. Uncover What not Covered by Other Devices:** One important advantage of conducting tests

is that they uncover qualifications and talents of the testee that cannot be detected by application

blanks and interviews.

**5. Serve as Unbiased Tools:** Based on reliability and validity norms, tests do also serve as unbiased tools of selection process.

**6. Quantify the Test Results:** Above all, tests being quantifiable, yield themselves to scientific and statistical analyzes. Thus, tests also save basis for research in personnel issues and matters.

Valid job-related tests will also pay off in increasing ability to identify in advance those employees

who will perform most effectively in the organisation.

**Developing a Test Programme**

Developing a test programme is never simple. It requires careful planning, experiment, technical

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knowledge, etc. Services of experts in psychology and psychometrics and use of statistical techniques are also requisitioned.

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

(*i*) **Deciding the Objectives of Testing Programme:** Developing a test programme starts with

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

(*ii*) **Analysing Jobs:** Jobs are duly analyzed to identify as to which human traits and skills are necessary for effective performance of jobs.

(*iii*) **Choosing Tests to Measure Characteristics:** Several tests i.e., ‘Battery of Tests’ are chosen

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

(*iv*) **Administering the Tests:** Once the tests are chosen, then these are administered on the applicants under consideration to measure the predetermined skills and traits.

(*v*) **Establishing Criteria of Job Success:** Success criteria are laid down in terms of output in both quantity and quality, attendance record, rate of accidents, rate of promotion, professional achievement, etc.

(*vi*) **Analysing the Results of Tests:** At last, the test scores secured by the applicant are carefully analyzed in the light of success criteria. Based on this, the final decision is taken either to select the applicant for further processing or rejection.

**Limitations of Tests**

Tests suffer from certain limitations. Hence, while applying tests for selection of candidates, the following guidelines should be observed:

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

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

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

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

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

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

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

**5.3.4 Selection Interview**

The next step in the selection process is ‘employment interview’. Interview is the widely used selection method. It is a face-to-face interaction between interviewee and interviewer. If handled carefully, it can be a powerful technique in having accurate information of the interviewee otherwise unavailable.

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At the same time, if the interview is not handled carefully, it can be a source of bias, restricting or distorting the flow of communication.

Different scholars have defined ‘interview’ differently. According to Scott and others3, “an interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons”. Bingham and others35 define an interview as a ‘conversation with a purpose”.

Thus, interview can be defined as an attempt to secure maximum amount of information from the

candidate concerning his/her suitability for the job under consideration. It tries to achieve an accurate appraisal of the applicant in terms of his/her educational qualification, training, family background, previous work experience and judge the applicant’s certain qualities like manners, appearance, conversational ability, meet other people pleasantly, etc.

**Objectives of Interview**

In the selection process, interview serves the following objectives:

**1.** Verifies the information obtained through application form and tests.

**2.** Helps to obtain additional information from the applicant otherwise not available.

**3.** Gives the candidate necessary facts and information about the job and the organisation.

**4.** Helps establish mutual understanding between the company and the candidate and build the company’s image.

According to Richard Calhoon, employment interview serves the following three objectives:

*First*, it is the only way to see an applicant in action – how he looks, his manner, his bearing.

*Second*, it is the only way to witness how he interacts and how he responds, his way of thinking, the effect of his personality on others.

*Third*, it is perhaps the best way to get at the ‘*will do*’ features of a performance– motivation, initiative, stability, perseverance, work, habits and judgments.

**Types of Interviews**

Four types of interviews for selection have been identified. These are:

**1. Preliminary Interview:** The interviews conducted to screen the applicants to decide whether further detailed interview will be required are called preliminary interviews. The candidate is given

freedom by giving job details during the interview to decide whether the job will suit him.

One of the drawbacks associated with the preliminary interview is that it might lead to the elimination of many desirable candidates in case interviewers do not have much and proper experience in evaluating candidates. The positive argument, if any, for this method is that it saves time and money for the company.

**2. Patterned Interview:** In this interview, the pattern of the interview is decided in advance.

What kind of information is to be sought or given, how the interview is to be conducted, and how much time is to be allotted to it, all these are worked out in advance. In case interviewee drifts, he/she is swiftly guided back to the structured questions. Such interviews are also called *standardized interviews*.

**3. Depth Interview:** As the term itself implies, depth interview tries to portray the interviewee in

depth and detail. It, accordingly, covers the life history of the applicant along with his/her work experience, academic qualifications, health, attitude, interest, and hobbies. This method is particularly suitable for executive selection. Expectedly, depth interview involves more time and money in conducting it.

**4. Stress Interview:** Such interviews are conducted for the jobs which are to be performed under stressful conditions.

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The objective of stress interview is to make deliberate attempts to create stressful or strained conditions for the interviewee to observe how the applicant behaves under stressful conditions. The common methods used to induce stress include frequent interruptions, keeping silent for an extended period of time, asking too many questions at a time, making derogatory remarks about the candidate, accusing him that he is lying and so on. The purpose is to observe how the candidate behaves under the stressful conditions – whether he loses his temper, gets confused or frightened.

However, stress-inducing must be done very carefully by trained and skilled interviewer otherwise it may result in dangers. Emotionally charged candidates must not be subjected to further stressful conditions.

The candidate should be given sufficient chance to cope with such induced stress before he leaves.

**Limitations of Interview**

Research studies have firmly established that, among all selection methods, interview has been the most researched and carefully documented method. However, interview suffers from some limitations also.

**1.** Interviewers may not have a clearly defined technique developed. This results in lack of validity in evaluation of the candidate.

**2.** There is always variation in offering scoring points to the candidate by the interviewers.

**3.** Interview can help judge the personality of the candidate but not his ability for the job.

**4.** A single characteristic of the candidate found out on the basis of interview, may affect the judgment of the interviewer on other qualities of the applicant. This is called ‘*halo effect*’.

**5.** The biases of interviewers may cloud the objectivity of interview.

**6.** Finally, interview is a time consuming and expensive device of selection.

The above listed limitations or defects in interview underline the need for observing certain guideline to make interviews more effective.

**Guidelines for Effective Interviewing**

Below are given some guidelines if observed can make interview more effective:

**1.** The interview should have a definite time schedule known to both the interviewers and the interviewee.

**2.** Interview should be conducted by the competent, trained and experienced interviewers.

**3.** The interviewers should be supplied with specific set of guidelines for conducting interview.

**4.** The interviewers should ensure an element of privacy for the interviewee.

**5.** A resume for all the candidates to be interviewed should be prepared and the same be made available to the interviewers before the interview starts.

**6.** The interview should not end abruptly but it should come to close tactfully providing satisfaction to the interviewee.

**7.** The interviewers should show their sensitivity to the interviewee’s sentiments and also sympathetic attitude to him/her.

**8.** The interviewers should also evince emotional maturity and a stable personality during the interview session.

**5.3.5 Reference Checks**

The reference check as yet another step in the selection process is the selection process is used for the purpose of verifying information and also obtaining additional feedback on an application.

The candidate is asked to supply two-three names of persons i.e., referees who know him/her personally. Previous employers, University Professors, neighbours and friends can act as references.

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However, references are treated as a mere formality and are hardly used to influence selection decisions. The obvious reasons are:

**1.** References are normally those who speak well about the candidate.

**2.** Referee employer may give favourable opinion about the candidate to get rid of them.

**3.** Sometimes referee either does not know much about the candidate or does not want to divulge the truth about the candidate because it might adversely affect the selection or promotion of the concerned candidate.

**5.3.6 Physical Examination**

The last tool used in the selection process is physical examination. The main purpose of conducting

physical or medical examination is to have proper matching of job requirement with the physical ability of the candidate. Among various objectives of a physical test, the major ones are to detect if the individual is carrying any infectious diseases, to identify health defects of an individual for undertaking certain works detrimental to his/her health and to protect companies from employees

filing compensation claims for injuries and accidents caused by pre-existing ailments.

However, with regard to physical examination, there are few matters of concern. The pre-placement physical examination often fails to detect complicated diseases because of two reasons. *Firstly,* test is cursory. *Secondly*, not enough is known about some ailments. Added to this is growing automation which requires less physical strengths for jobs. Moreover, a sound physical condition is no guarantee against accidents. This, then, underlines concern for safety.

**5.3.7 Final Selection**

The last step in the selection process is the final selection of the candidate for a job. The candidates who have cleared all the above hurdles are finally selected and a letter of job offer is issued to them. The job offer i.e., appointment letter contains the details like pay-scale, allowances and other terms and conditions of the job. It also contains when and whom he should report for joining the duty. When he/she reports for joining, he/she needs to be placed in a particular section or division and introduced to the job and organisation.

**ACTIVITIES**

**1.** What do you understand by selection? Explain in brief the steps involved in selection procedure.

**2.** Discuss various types of employment tests normally taken by the industrial organizations.

**3.** What are the major problems of the interview as a selection device? What can management do to reduce some of these problems?

**4.** Discuss the importance and limitations of psychological tests in employee selection.

**5.** How will you develop a test programme? Discuss the precautions that you should observe in the case of psychological tests.

**6.** How valid are the data obtained from the polygraph? When might you want to use the polygraph test?

**7.** You are working as the Personnel Manager in the Hindustan Paper Corporation, Jagi Road, Assam. The mill asks you to appoint management trainees for its production and personnel departments. What sources will you explore and how will the trainees be selected?

**8.** Write notes on:

(*a*) Psychological Tests

(*b*) Stress Interview

(*c*) Application Blank

(*d*) Personality Tests

(*e*) Reference Check

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**UNIT 6: EMPLOYEE TRAINING**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* training and distinguish between training, development and education.

**2.** *Appreciate* the need for employee training.

**3.** *Explain* why employee training is important.

**4.** *Identify* the major steps involved in training programmes.

**INTRODUCTION**

Organizations run on long-term basis also termed as ‘external basis’ adapting with changing conditions. Hence, they need human resources *inter alia* at present and future. The process of human resource management (HRM) starts with planning, as seen in the previous section, for how many and what kind of people will be needed at different points of time in the organisation. Therefore, once employees have been recruited and selected, the next step involved in the HRM process is to transform them to meet the future requirements of the organisation. Such transformation of employees is done by means of training and development.

Based on skill requirements for job performance, employees required in an organisation are broadly classified into two categories, viz., operatives and supervisory/managerial. Operatives perform routine and repetitive type of jobs. We shall discuss issues involved in training at operative level in this unit. How an organisation can develop its supervisory and managerial employees will be the subject matter of our next Unit.

**6.1 CONCEPT OF TRAINING**

What is meant by training? Training is the process of teaching the new and/or present employees

the basic skills they need to effectively perform their jobs. Alternatively speaking, training is the act of increasing the knowledge and skill of an employee for doing his/her job. Thus, training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organisation to acquire and also to apply the required knowledge, skill and attitudes to perform their jobs effectively.

According to Edwin B. Flippo, “training is the act of increasing the knowledge and skills of an

employee for doing a particular job.”

Michael Armstrong points “training is the systematic modification of behaviour through learning which occurs as a result of education, instruction, development and planned experience”.

In the opinion of Michael J. Jucious, “Training is any process by which the attitudes, skills and

abilities of employees to perform specific jobs are improved.”

Thus, it can be concluded that training is a process that tries to improve skills, or add to the existing level of knowledge so that the employee is better equipped to do his present job, or to mould him to be fit for a higher job involving higher responsibilities. In other words, training is a learning experience that seeks a relatively permanent change in an individual that will improve his/her ability to perform his job.

**Difference between Training, Development and Education**

Some people consider the three terms namely, training, development and education as synonymous, i.e., meaning the same thing. But, all the three terms mean different things as explained hereunder.

**Training**

The meaning of training has just been explained.

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**Development**

Compared to the term ‘training’, the term ‘development’ has broader scope and aim to develop people in all respects. Accordingly, development covers not only activities/skills which improve job performance, but also those activities which bring about growth of the personality, help individuals progress toward maturity and actualisation of their potential. Thus, development enables individuals to become not only good employees but better men and women also. Clearly, development is an ongoing continuous process, while training is a one-shot deal. In ultimate sense, development refers to behavioural modification of people through continuous learning practices. Development relates to non-technical organisational functions such as problem solving, decision-making and relating to people.

**Education**

Like the term ‘development’, the term ‘education’ is also wider in scope and broader in purpose when compared to training. Education is the (life-long) process of increasing the general knowledge and understanding of people about the total environment. Thus, education is person and theory based.

Its main purpose is to improve the conceptual understanding of the people about a subject or theme or environment. Education is imparted through schools or colleges or universities, through the contents of programmes aimed at improving the knowledge and understanding of the people about

their environment.

Having gone through the meanings of the three terms, education is not found much different from

development. However, training is found quite different from development in four ways as stated

below:

(*i*) What is learned:

(*ii*) Who learns;

(*iii*) Why such learning takes place; and

(*iv*) When learning occurs?

**6.2 NEED FOR TRAINING**

Training is the act of improving one’s knowledge and skill to improve his/her job performance.

Training is job-oriented. It bridges the gap between what the employee has and what the job demands.

For that matter, imparting training to employees working in all organised sectors of human activity is no longer a matter of debate. As a matter of fact, of late, the need for training has been recognized as an essential activity not only in the business organizations, but also in academic institutions, professional bodies and the government departments. For example, attending one orientation and two refresher courses has been made compulsory for the University/College teachers with an objective to improve their knowledge and skill for improving their job (teaching) performance. Several conditions have contributed to make the organizations realize and recognize the need for imparting training to their employees. Venkata Ratnam and Srivastava have listed these conditions as follows:

(*i*) Sub-optimal performance of organizations in government, public and private sectors.

(*ii*) The ever-widening gap between planning, implementation and completion of projects.

(*iii*) Technological change necessitating acquisition of new knowledge, ability and skills.

(*iv*) Increasing qualitative demand for managers and workmen.

(*v*) Increasing uncertainties and complexities in the total environment necessitating flexible and adaptive responses from organizations.

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(*vi*) Need for both individuals and organizations to grow at rapid pace.

(*vii*) To meet challenges posed by the global competition.

(*viii*) To harness the human potential and give expression to their creative urges.

(*ix*) To enable employees to move from one job to another.

(*x*) To bridge the gap between what employee has in terms of knowledge and skill and what his/

her job actually demands.

In view of the above needs, employees need training to be imparted in the following areas:

**Areas of Training**

**Knowledge:** Training aimed at imparting knowledge to employees provides for facts, information

and principles related to his/her job. In general, training imparted in the knowledge area considers

three aspects, namely, job context, job content and quality of work.

**Technical Skills:** The training in this area aims at teaching the employees the physical acts or actions like operating a machine, working with a computer, using mathematical tools to take decisions, etc. It is somewhat like induction training.

**Social Skills:** The training in this area is broader in scope embracing many aspects. This category

of training aims at the development of individuals and team work.

Accordingly, employees are imparted training to acquire and sharpen such behavioural and human relations skills that help improve inter-personal relationship, better team work and effective leadership.

**Techniques:** Training in this area involves teaching employees the manners how to apply knowledge and skills to dynamic situations.

**Attitudes:** This involves orientation or induction programmes that help change the employees attitudes favourable toward the achievement of organisational goals. Through training programmes, employees’ attitudes are moulded to render support for the effective completion of company activities and inculcate the spirit of better co-operation and greater loyalty among the employees.

**Experience:** It is not and cannot be taught or imparted in the classroom. It is gained by putting knowledge, skills, techniques and attitudes into use over a period of time in different work situations. Experience makes one perfect.

**8.3 IMPORTANCE OF TRAINING**

The following two Chinese proverbs highlight the importance of the employee training:

“Give a man a fish, and you have given him meal. Teach man to fish, and you have given him livelihood.”

“If you wish to plan for a year sow seeds, if you wish to plan for ten years plant trees, if you plan

for life-time develop men.”

The importance of employee training can best be appreciated with the help of various advantages

it offers to both employees and employers. These are explained under the following heads:

**1. Better Performance:** Training improves employee’s ability and skills and, in turn, improves employee’s performance both in quantity and quality. Better or increased employee performance directly leads to increased operational productivity and increased organisational profits. Improvements in employee performance/productivity in developed countries5 lend support to this statement.

**2. Improved Quality:** In formal training programmes, the best methods of performing jobs are standardised and then taught to employees. This offers two-fold benefits. *Firslty,* uniformity in work performance helps improve the quality of work or service.

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*Secondly,* better informed, or say, trained workers are less likely to make operational mistakes.

**3. Less Supervision:** A trained worker is self-reliant. He knows his work and way to perform it well. Therefore, his work requires less supervision. The supervisor can devote his time on more urgent works.

**4. Less Learning Period:** A well planned and systematically organised training programme reduces the time and cost involved in learning. Training enables to avoid waste of time and efforts in learning through trial-and-error method.

**5. High Morale:** Training not only improves the ability and skill of employees, but also changes

employee attitude toward positive. Higher performance, job satisfaction, job security and avenues for internal promotion, leads to high morale among the employees. high morale, in turn, makes employees more loyal to the organisation.

**6. Personal Growth:** Training improves employee’s ability, knowledge and skills and, thus, prevents employee’s obsolescence. This makes employees growth-oriented.

**7. Favourable Organisational Climate:** The aforesaid advantages combinedly lead to an improved and favourable organisational climate characterised by better industrial relations and disciplines, reduced resistance to change, reduced absenteeism and turnover of employees, and improved stability of organisation.

Thus, it may be observed that the importance of training can be imbued with multiplicity of justifications. In fact, a systematic and effective training is an invaluable investment in the human

resources of an organisation. Therefore, no organisation can choose whether or not to train employees.

The only choice left to organisation is whether training shall be haphazard, casual and possibly misdirected or whether it shall be made a carefully planned part of an integrated programme of human resource management.

Hence, the real problem for an organisation is how to design an effective training programme.

This we discuss in the following section.

**6.4 STEPS IN TRAINING PROGRAMMES**

The beginning of the modern-day concept of training could be traced far back to the Stone Age when people used to transfer knowledge in particular activity through signs and deeds to others. It

was only during the industrial revolution the formal and vocational training was started to instruct the apprentices about the operation of machines. Since then, there is no looking back in this regard.

Today, training has become the most important organisational activity not only in the business organizations but in the educational institutions also. It’s a fact that many organizations have realized the need for training, created infrastructure and provided financial support. However, the results of many training programmes have been far less than the desired ones. Researchers opine that this is so mainly because of non-alignment of training programmes with the overall human resource development (HRD) strategies of the organizations. Then the question is how to achieve such alignment. According to them, this can be achieved only when training activities are carried out in a systematic manner. A systematic and integrated approach to training should consist of various interrelated components.

**ORGANIZATIONAL ANALYSIS**

 Identification of Organizational objectives/needs/growth potential and resources

**TASK/ROLE ANALYSIS**

 Identification of knowledge, skills and attitudes required

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**MANPOWER ANALYSIS**

 Identification/definition of target population and performance analysis

**STATEMENT OF TRAINING NEED**

 Identification of gap between existing and required level of knowledge, skills and attitudes

 Isolate problem areas amenable to resolution through training

**SETTING TRAINING OBJECTIVE**

 In terms of behavioural changes

 In terms of output/results

**DEVELOP MEASURES OF JOB PROFICIENCY, DEVELOP TRAINING POLICY, PLAN, PROCEDURES, RECORDS PLAN AND DESIGN TRAINING PROGRAMMES**

 Course construction

 Arrange resources

**CONDUCT TRAINING PROGRAMMES**

 Individual

 Group

 On-the-job

**FOLLOW UP AND EVALUATION**

 Carry out evaluation at various phases against the training

objectives set

 Develop follow-up measures for monitoring

**VALIDATE**

 Against measures of job proficiency

**ENSURE FEEDBACK OF RESULTS, REVISE IF NECESSARY**

The various activities involved in developing training programmes, can be broadly classified into five steps as follows:

8.4.1. Identification of training needs

8.4.2. Setting training objectives

8.4.3. Designing training methods

8.4.4. Administration of training programmes

8.4.5. Evaluation of training

In the following pages, we will discuss them in greater detail.

**6.4.1 Identification of Training Needs**

We mentioned earlier that training bridges gap between what employee has (in terms of skills and

abilities) and what his/her job demands. This clearly underlines the need for proper identification of training needs of employee. Identifying training needs is a process that involves establishing areas where employees lack skills, knowledge, and ability in effectively performing their jobs. Training needs have to be related both in terms of the organisation’s demands and that of the individual employee.

Many methods have been proposed for identifying training needs of the employees. For example,

Sinha has listed in rank order the following five methods of identifying training needs:

**1.** Views of the line manager

**2.** Performance appraisal

**3.** Company and departmental plans

**4.** Views of training manager

**5.** Analysis of job difficulties

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Here our examination is based on McGhee and Thayer’s model of training needs identification.

It consists of the following three components:

**1.** Organisational analysis

**2.** Task analysis

**3.** Man analysis

These are discussed in seriatim.

**Organisational Analysis.** It involves a comprehensive analysis of organisation in terms of its objectives, resources, resource allocation and utilization, culture, environment, and so on. Such an

analysis would help identify deficiencies and mechanisms that would be needed to make adjustments in those identified deficiencies. Generally, organisational analysis includes the following steps:

(*i*) **Analysis of Objectives:** Organisational analysis begins with achieving a clear understanding

of both short and long-run goals and also the order of priorities accorded to various objectives. Long-run objectives are broken down into specific objectives and strategies for each of the department/division/unit. Short-run objectives are constantly in need of adaptation to the changing environment, both external and internal. However, long-run goals, if carefully thought out, are expected to be much less subject to modification. General objectives are also needed to be translated into specific operational targets.

(*ii*) **Resource Utilization Analysis:** Once the organisational objectives are analyzed, the next step involved in identifying training needs is to analyze the allocation of human and other physical resources and evaluate their level of utilization in meeting operational objectives. In order to examine the flow of the inputs and outputs of the total system, various efficiency indices can be developed and used. While using these efficiency indices, focus should be on the contribution of human resources in meeting the organisational goals.

(*iii*) **Environmental Scanning:** Such an analysis is done to study the organisation as a subsystem

operating in a distinct environment consisting of socio-cultural, economic and political components. This enables the organisation to identify the environmental factors which the organisation can influence and the constraints which cannot control.

(*iv*) **Organisational Climate Analysis:** The organisational climate is a reflection of its members’

attitudes towards various aspects of work, supervision, company procedure and so on.

These have own bearing on affecting the effectiveness of a training programme in the organisation.

**Task Analysis:** This is also called job or operational analysis. This involves a detailed analysis of

various components of a job, its various operations, and the conditions under which it has to be performed. Task analysis will indicate the skills and training required to perform the job at the required standard. For almost all jobs have an expected standard of performance. If these standards for the performance of the job are known, then it is possible to know whether the job is being performed at the desired level of output i.e., standard or not. Knowledge of task as gained through task analysis will help in understanding what skills, knowledge and attitudes an employee should have to fulfil the expected performance.

**Man Analysis:** This is the third component in identifying employee training needs. The focus of man analysis as on the individual employee, his skills, abilities, knowledge and attitude. Of the three analyzes, this is more complex one because of difficulties in assessing human contribution. The reason is that the available measures to study man (employee) are much less objective and suffer from many individual variations.

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Yet, data on the relevant aspects such as production, meeting deadlines, quality of performance, personal data such as work behaviour, absenteeism, late-coming etc., can be collected through records, observations, meeting with employee and others who work with him.

Through these it is possible to get an indication of the training requirements of an employee.

According to Dayal, a detailed study of jobs and skill analysis is absolutely necessary. The training accordingly imparted would help the employee adjust to their job requirements.

**6.4.2 Setting Training Objectives**

Having identified the training needs, i.e., the gap between the existing and the desired repertoire of knowledge, attitude and skills of employee, the next logical step involved in designing a training

programme is to fill in this gap. This is done through setting training objectives. Thus, basic objective of training is to establish a match between man and his job. Since need for training may vary from employee to employee at different levels of organisation, so objectives of training may also vary for employees working at different levels of organisation. However, while setting training objectives, only employee’s growth should not be taken as an end. Recognizing employees’ growth a means to organisational growth, training objectives need to be integrated accordingly.

In view of this, the objectives of training can be listed as follows:

(*i*) To impart induction to new employees the basic knowledge and skills required for efficient performance of the particular tasks. Dayal points out that socialisation process through induction training also helps new employees know more about himself, his hopes, aspirations, and inclinations. These help new employees settle down in the new environment.

(*ii*) To help the employees function more effectively in their present positions by updating them the latest concepts, information, techniques and developing the skills they would require in their particular fields of activity.

(*iii*) To prepare a second line of personnel so that they could occupy higher positions with more

responsibilities as and when these arise in future. This is because mobility is a fact of life.

People are not satisfied if they continue to work in the same position for long.

(*iv*) To develop competency among the employees in newer areas which have been gaining importance during the period. This is why many agencies are imparting training to their employees on creativity, innovativeness, and the like to develop varied competencies for the organisation.

One common element flowing from above objectives is that these objectives of training are deliberately set from the point of view of their relevance to organizations. As a matter of fact, little

attempt is so far made to study what the participants want from such training programmes. Here, two attempts made in this regard seem worth mentioning.

S.K. Kalra collected data on participants’ objectives in attending training programmes. His results show that participants want to attend training programmes to help them develop technical skills, managerial and communication skills.

In a similar attempt, Srinivasan and Virmani also collected data on trainees. While focusing on the individual participant’s desire for attending training programmes, the study highlighted two broad

areas, namely, (*i*) career development and (*ii*) continuing education.

**6.4.3 Designing Training Methods**

Training methods are means of attaining desired objectives set for a training programme. In practice, a variety of training methods are employed for achieving these objectives. But an organisation cannot use all types of training methods for the reasons like cost involved and also their relevance to organisational needs.

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Hence, organisation needs to select a method or mix of methods to meet its training needs. The choice of training methods would depend on a variety of factors, such as purpose of training, nature of contents, relevance to the participants, level of trainees, competence of trainers/ instructors, cost, etc.

Depending on the training results and the process employed to attain these, the various training methods can be broadly categorized into four groups as under:

**On-the-job oriented training methods.** As the name itself denotes, methods included in this cluster are those whose main objectives are centered around the job, i.e., learning on the job itself by a variety of methods. The main methods which fall into this category are discussed here under:

(*i*) **On-the-job Training (OJT).** On-the-job training is probably the most common approach to training which can range from relatively unsophisticated “observe and copy” method to highly structured courses. In this method, the new employee is placed on a job and taught the skills necessary to perform it. A trainer or superior teaches the employee. Since trainee learns by observing and handling the job, this method is also termed as ‘observing, and copying’ or ‘learning by doing’.

(*ii*) **Job Instruction Training (JIT).** In this method, a trainer or supervisor gives instructions to

an employee how to perform his job. This method of training is appropriate for acquisition or improvement of motor skills and routine and repetitive operations. There are four steps involved in this form of training.

(*a*) **Preparation:** Trainee is prepared in terms of his existing skills, securing his interest and attention.

(*b*) **Presentation:** The trainee is presented job operations as a model to copy.

(*c*) **Performance:** The trainee is asked to try out the trainer’s instructions.

(*d*) **Follow up:** The trainee does the job independently without supervision and gets feedback on the same.

(*iii*) **Coaching:** This is similar to the JIT. In this method, the superior teaches or guides the new employee about the knowledge and skills of a specifically defined job. The superior points out the mistakes committed by the new employee and then also gives suggestions to improve upon. For coaching the trainee or new employee effectively, the superior must have interpersonal competence and be able to establish helping relationship with the trainee.

(*iv*) **Job Rotation:** In this method, a trainee moves from one job to another and from one department/ division to another. This type of training method is more appropriate for developing

multiskilling, operational flexibility, providing satisfaction from routine jobs and broadening the overall perspective of the trainee.

**Simulation Methods:** Simulation is a technique which duplicates, as nearly as possible, the actual conditions encountered on a job. These methods have been most widely used in the aeronautical

industry. The methods falling under this category are discussed as follows:

(*i*) **Role Play:** This is just like acting out a given role as in a stage play. In this method of training, the trainees are required to enact defined roles on the basis of oral or written description of a particular situation. This method is mostly used for developing interpersonal interactions and relations among the employees working in sales, marketing, purchasing and the supervisors who deal with people.

(*ii*) **Case Method:** The case is an actual event or situation on organisational problems which is a

written description for discussion purpose.

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Trainees are asked to analyze the event or circumstances with an objective to identify the problem, trace out the causes for it and find out the solution to solve the problems. This method of training is based on this realization that, on many occasions in the real world, managers may not have all the relevant information with them before taking a decision. This is also called decision-making under uncertainty. Therefore, this method is suitable for developing decision-making skills among the top and senior level managers.

(*iii*) **Management Games:** The game is devised on the model of a business situation. Then, trainees are divided into groups who represent the management of competing companies.

They make decisions just like these are made in real-life situations. Decisions made by the groups are evaluated and the likely implications of the decisions are fed back to the groups.

The game goes on in several rounds to take the time dimension into account.

(*iv*) **In-Basket Exercise:** This is also called ‘In-Tray’ method of training. This is built around the ‘incoming mail’ of a manager. The trainee is presented with a pack of papers and files in a tray containing administrative problems and are asked to take decisions on these within a specified time limit. The decisions taken by the trainees are compared with one another. The trainees are provided feedback on their decisions. This forces them to reconsider their administrative actions and behavioural style. Here occurs the learning of trainee.

(*v*) **Vestibule Training:** This is a system in which employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. This type of training is commonly used for training personnel of clerical and semi-skilled grades. The duration of training ranges from a few days to a few weeks. This method relates theory with practice.

**Knowledge-Based Method:** In this method, an attempt is made to impart employees’ knowledge in any subject area covering the aspects like its concepts and theories, basic principles and pure and applied knowing of the subject. The common methods that fall into this category are described hereunder:

(*i*) **Lectures:** Lecture is by far the most commonly used direct method of training. In this method, the trainer provides knowledge to the trainees usually from prepared notes. Notes are also given to the trainees. This method is found more appropriate in situations where some information is required to be shared to a large number of audience and which does not require more participation from the audience. It is a low-cost method. The major limitation of this method is that it does not provide for active involvement of the trainees.

(*ii*) **Conferences/Seminars:** In this method, the trainer delivers a lecture on the particular subject

which is followed by queries and discussions. The conference leader must have the necessary skills to lead the discussion in a meaningful way without losing sight of the topic or theme. This method is used to help employees develop problem-solving skills.

(*iii*) **Programmed Instructions:** This is the recently developed technique based on the principle of positive reinforcement developed by B.F. Skinner. This technique is used to teach nonmotor

and behavioural skills. The subject matter to be learned is prepared and condensed into logical sequence from simple to more complex.

The trainer monitors trainee’s independent progress through the programme. The trainee gets instant feedback on his learning.

However, this method is expensive and time consuming also.

**Experiential Methods:** The objective of these methods is to help an individual understand oneself

and others. This is done through attitudinal change.

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Such understanding helps an individual understand the dynamics of human relationships in a work situation, including at times his managerial style. Some of the methods used for this purpose are:

(*i*) **Sensitivity Training:** Sensitivity training is also known by a variety of names such as T Groups,

laboratory training and encounter groups. (The “T” is for training.). The objective of sensitivity training is to increase participants’ insights into their behaviour and the behaviour of others by encouraging an open expression of feelings in the trainer guided T-group. This is based on this assumption that newly sensitized employees will then find it easier to work together amicably as a group or team. Sensitivity training seeks to accomplish its aim of increasing interpersonal openness, greater concern for others, increased tolerance for individual differences, enhanced listening skills, and increased trust and support. T-group meets continually for periods as long as 1 or 2 weeks. It is less artificial than role playing in as much as the trainee plays himself rather than a structured role.

(*ii*) **Transactional Analysis:** It is a technique of training developed by Eric Berne and popularised

by Thomas Harris of U.S.A. It is a tool of improving human relations and interactions, and of promoting rationale and mature behaviour. It identifies three main aspects of human personality: *Parent* (taught behaviour). *Adult* (thought behaviour), *Child* (felt behaviour). Its basic proposition is that people have to behave as adults, although sometime parent and child behaviour is also useful depending upon the situations and the individual’s personal need/ goal. Adult behaviour is characterised by objectivity, problem-solving orientation, mutual respect and understanding. Parent behaviour takes the form of authoritarianism, protective and patronising instances. Child behaviour pertains to rebellions, angry, dependence-oriented moods. Tantrums, though creative, spontaneous, obedient stances, are not ruled out.

This approach is useful for understanding people’s behaviour particularly when they are involved

in inter-personal relationships. Development of positive thinking, improvement in inter-personal relationships, proper motivation of people and organizational development are some of the important benefits of transactional analysis, as a technique of training.

**6.4.4 Administration of Training Programmes**

Training administration basically refers to consideration of certain matters such as training contents, types of training programmes, location of training, training budgets, lead time, etc., before starting actually imparting training to the employees. These are discussed in greater detail in the following pages.

**Training Contents.** The design of training contents depends on the objectives of training. For example, if the purpose of training is to refresh the engineers, the training contents would predominantly be related to the technical aspects of the job.

On the other hand, if the purpose of training is to focus on human relations, contents would centre around inter-personal competencies, social ability, superior-subordinate and peer relationship, sensitivity to feelings, etc.

The training contents are also influenced by the level of participants in a training programme. In a training programme for the employees working at higher levels, focus should be more on theories, concepts, frameworks, etc. On the contrary, in a training for employees at lower levels, emphasis may be on techniques, application, etc. In other words, at lower levels, thrust should be on ‘how-to-do’ kinds of contents.

Training contents also need to follow a logical sequence to enable the trainee to understand the subject in a total integrated manner. If the contents just come in random succession, learning becomes piecemeal and the learner may not relate one content to the other.

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 In addition, the pace of training should neither be too fast nor too slow because in both extreme cases, the participants may lose interest in the programme.

**Types of Training Programmes:** The objectives of training may also influence the type of training to be imparted to the employees. Chatterjee has classified training programmes into four categories, viz., induction training, supervisory training, technical training and management development.

These are self-explanatory. Hence, no need to discuss.

**Training Location:** Once all the necessary home work is done, the real task before the trainer is now to implement the training programme. Implementation of training involves whether the organisation should send its employees to an external programme or organisation should offer an in-company training programme.

Where employees number to be trained is small, then sponsoring of employees to a programme offered by external agency would be better. But, if a large number of employees are to be trained, conducting one’s own in-house programme would be more meaningful. On the whole, the decision of sponsoring an external programme or organising an in-house programme will depend on issues such as availability of relevant programmes, number of people to be trained, duration for which employees could be taken off the job, timings of training programmes, and cost to be incurred in programme.

**Training Budget:** A training budget for each programme has to be prepared. It would include cost

of facilities like training room, food, transport, lodging, guest faculty, cost of teaching material, etc.

Besides, the wages and salaries of employees participating in the programme should also be taken into consideration as the cost of training programme. The underlying justification behind this is that they would not be making any contribution to the company during the training period and, thus, the payment of their wages and salaries becomes an additional burden on the company’s financial position.

**Lead Time:** In both the cases — be it an in-house programme or employee nomination to some external programme—a trainer needs sufficient time for the same. For example, in the case of in-house training programme, the trainer needs to do the necessary background work in terms of course design, preparation of teaching materials, announcement of the programme, receiving of nominations, arrangement for training/class room, teaching aids, transport, food and accommodation.

With regard to external programmes, trainer needs time to take into account organisational factors

such as release of the employee from his/her job, replacement for the same, and ascertainment of

benefits the trainee will derive from the programme. Thus, adequate lead time is required for preparation both for the nominee, i.e., employee and the organisation, without disruption of normal work.

**6.4.5 Evaluation of Training**

Evaluation follows almost all activities of human beings. The significance of evaluation of activity

lies in the fact that the worth of activity is adjudged. From this point of view, evaluation of training

activity is defined as any attempt made to obtain information, or say, feedback on the effects of training programme and to adjudge the value or worth of the training in the light of that information.

The time and money spent in training underlines the need for evaluation of training. But the question is what exactly to evaluate?

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Evaluation of training generally consists of an evaluation of various aspects of training immediately after the training is over and adjudging its utility to achieve the goals of the organisation. As regards the first, it may be easy to evaluate. But, the assessment of the second is complex one. The reason being the effect of training on organisational performance cannot be isolated from the overall performance because it is a function of complex forces and distinct motives.

These are discussed, in greater detail, in the following pages.

**Evaluation of Training Aspects:** This refers to feedback or reactions of the participants as to how

they found the training programme they underwent. For this, a form containing pertinent queries is prepared and is distributed among the trainees to fill it at the end of the last session. The form seeks information from the trainees on various aspects of the training like contents, reading material, presentation, trainer’s mannerism, etc. Depending on the evaluator’s choice, this could be done session by session rating or an overall rating on all aspects. In addition, information on class room, food, lodging, etc., can also be obtained. In order to seek free and frank opinion on these matters, participants are given the option not to disclose their identity. Information so obtained from the participants is then tabulated and analyzed to get ideas and identify weak areas in the training programme and improve the same if the programme is offered in future also.

**Assessment of Training Utility:** It is already stated that isolating the effect of training on output

is difficult because the ultimate output is a function of several forces and motives. The effectiveness of training also depends on the attitude and perception of the top management toward trained employees.

If the top management is not ready to accept and allow innovations and experimentation by the employee who have just completed training, training may have no effect whatsoever, instead it may frustrate the employee. Nonetheless, behavioural scientists have developed some methods to try out to test the effect of training on output. These methods are based on observation of employee

post-training behaviour, evaluation by the supervisors, peers, subordinates, self-evaluation by the

participant, quantitative and qualitative improvement in his output.

One commonly used method to test the effect of training on employee performance is by the use of a control group where two matched groups are identified and their performance is measured before and after training. Of these, one group goes to the training programme, while the other does not.

Difference in their performance after training is considered as indicator of learning through training and in turn, effect of training on performance. Sikka used this method and found that training makes dent in employee performance.

As regards effectiveness of training, different research studies report different things. For example,

Mehta in his study points out two considerations on which the effectiveness of training depends. *First,* the responsibility for making training effective lies on the trainers. *Second,* the kind of atmosphere and culture in which training is imparted also matters in making a training programme

effective. Thus, according to Mehta, training *per se* is not the answer to the problem, i.e, improvement in performance. In another study, Maheshwari collected data on 999 respondents working in banking sector. He found that though the respondents found training programmes less effective with respect to their contribution to job performance, they endorsed the usefulness of formal training.

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In his study, Barnabas (2001) collected data on supervisory training in a Zambian engineering company. The responses indicated that the inputs in industrial relations had little or no impact on the supervisor’s effectiveness. But, most of them considered that training improved their self-confidence, motivation, and communication ability.

Sinha tried to test whether training is effective or not, in a supervisory training programme. He

asked the participants before the commencement of training programme to write what qualities, in their opinion, should the supervisor possess, and rate them in a ten-point scale. At the end of the programme, they were asked again to write in a ten-point scale, what qualities a supervisor should possess. Their responses were classified into personal, professional and human relations qualities. These are given **Indicators of Training Effectiveness *on a 10-point scale***

**Personal**

1. Have confidence in subordinates — 6

2. Ready to accept suggestions from subordinates 1

3. Polite in nature/behaviour 3

4. Be a man of principles 2 —

5. Look after the difficulties of subordinates 5 —

**Professional**

1. Be punctual — 10

2. Do manpower planning — 4

3. Delegate his powers — 4

4. Have leadership qualities 2

5. Be a good coordinator 4

6. Have good job knowledge 5

7. Be quick in decision-making 3

8. Be duty conscious 1 1

9. Have a sense of future planning 2

10. Arrange for equipment and material 1 —

**Human Relations**

1. Be good in human relations — 10

2. Be honest to the organisation — 7

3. Appreciate the good work of subordinates and motivate them 3

4. Be cooperative 1

All the studies mentioned earlier suggest that training can show visible and effective results in

terms of improvement in skills, qualities and performance of trainees.

**ACTIVITIES**

**1.** What do you mean by training? Distinguish between training, development and education.

**2.** What are the objectives of training? Explain the need for training in an industrial organisation.

**3.** Explain the various methods of training.

**4.** Briefly discuss the steps involved in conducting a training programme in a systematic way.

**5.** Can training be evaluated? Why? How?

**6.** “Training programmes are helpful to avoid personnel obsolescence”. Discuss.

**7.** Explain whether and how the effectiveness of a training programme can be evaluated.

**8.** Write notes on:

(*a*) Management Games

(*b*) Case Study

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(*c*) Vestibule Training

(*d*) Sensitivity Training

(*e*) Transactional Analysis

**9.** How will you identify the training needs of an industrial organisation?

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**UNIT 7: EXECUTIVE/ MANGEMENT DEVELOPMENT**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* executive development and *state* its objectives.

**2.** *Explain* why executive development is important

**3.** *Delineate* the process involved in executive development programme.

**4.** *Discuss* the main executive / management development methods.

**5.** *Describe* the method involved in evaluating executive development programme.

**INTRODUCTION**

While discussing employee training also called ‘operative training’ in the previous unit, we

mentioned that executive or management development will be the subject matter of discussion

unit 9. The present unit is accordingly devoted to discuss the various issues involved in executive development in an organisation.

We begin with explaining the concept of executive or management development

**7.1 CONCEPTS AND OBJECTIVES**

The term ‘development’ implies overall development in a person. Accordingly, executive development means not only improvement in job performance, but also improvement in knowledge, personality, attitude, behaviourism of an executive, etc. It means that executive development focuses more on the executive’s personal growth. Thus, executive development consists of all the means that improve his/her performance and behaviour. Executive development helps understand cause and effect relationship, synthesize from experience, visualize relationships or think logically. That is why some behavioural scientists suggest that the executive development

is predominantly an educational process rather than a training process.

Flippo has viewed that “executive / management development includes the process by which managers and executives acquire not only skills and competency in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope”.

According to S.B. Budhiraja, former Managing Director of Zambian Oil Corporation. “Any activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organisational requirements is called management development”.

It is now clear from the above definitions of executive/management development that it is based

on certain assumptions. We can derive these as follows:

**1.** Executive development, being a predominantly educational process, is a continuous and life-long process. It is not like training as a one-shot programme but an on-going continuous programme throughout the career of an executive or manager.

**2.** Like any kind of learning, executive development is based on the assumption that there always exists a gap between what an executive performs and what he/she can. Executive development harnesses this untapped potential.

**Objectives of Executive Development**

The main objectives of any programme of executive development are to:

**1.** Improve the performance of managers at all levels.

**2.** Identify the persons in the organisation with the required potential and prepare them for higher positions in future.

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**3.** Ensure availability of required number of executives / managers succession who can take over in case of contingencies as and when these arise in future.

**4.** Prevent obsolescence of executives by exposing them to the latest concepts and techniques in their respective areas of specialisation.

**5.** Replace elderly executives who have risen from the ranks by highly competent and academically

qualified professionals.

**6.** Improve the thought processes and analytical abilities.

**7.** Provide opportunities to executives to fulfill their career aspirations.

**8.** Understand the problems of human relations and improve human relation skills.

A. Dasgupta has given the level-wise objectives of the executive/ management development as

follows:

**(*a*) Top Management**

**1.** To improve thought processes and analytical ability in order to uncover and examine problems

and take decisions in the best interests of the country and organisation;

**2.** To broaden the outlook of the executive in regard to his role, position and responsibilities in

the organisation and outside;

**3.** To think through problems which may confront the organisation now or in the future;

**4.** To understand economic, technical and institutional forces in order to solve business problems;

**5.** To acquire knowledge about the problems of human relations.

**(*b*) Middle Line Management**

**1.** To establish a clear picture of executive functions and responsibilities;

**2.** To bring about an awareness of the broad aspects of management problems, and an acquaintance

with and appreciation of interdepartmental relations.

**3.** To develop the ability to analyze problems and to take appropriate action;

**4.** To develop familiarity with the managerial use of financial accounting, psychology, business statistics;

**5.** To inculcate knowledge of human motivation and human relationships; and

**6.** To develop responsible leadership.

**(*c*) Middle Functional Executives and Specialists.**

**1.** To increase knowledge of business functions and operations in specific fields in marketing production, finance, personnel;

**2.** To increase proficiency in management techniques such as work study, inventory control, operations research, quality control;

**3.** To stimulate creative thinking in order to improve methods and procedures;

**4.** To understand the functions performed in a company

**5.** To understand industrial relations problems; and

**6.** To develop the ability to analyze problems in one’s area or functions.

**6.2 IMPORTANCE OF EXECUTIVE DEVELOPMENT**

Executives, or say, managers manage/run organizations. It is managers who plan, organise, direct

and control the resources and activities in every organisation. An organisation is like a ‘vehicle’ of which managers are the ‘drivers’. Without competent managers, other valuable resources such as men, material, machine, money, technology and others remain of not much significance for the organisation.

Thus, managers are a vital cog in the success of any organisation. That’s why executive/ management development has become indispensable to modern organizations.

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The importance of executive development is appreciated in more orderly manner in the succeeding

paragraphs:

**1.** Change in organizations has become *sine quo non* with rapid changes in the total environment.

A manager, therefore, requires to be imparted training to abreast of and cope with ongoing changes in his / her organisation. Otherwise, the manager becomes obsolete. In this context, Dale Yoder views that “without training, the executives lose their punch and drive and they die on the vine. Training and development are the only ways of overcoming the executive dropouts”.

**2.** With the recognition that managers are made not born, there has been noticeable shift from owner managed to professionally managed enterprises, even in family business houses like Tata. That is also indicated by the lavish expenditure incurred on executive training by most of the enterprises these days.

**3.** Given the knowledge era, labour management relations are becoming increasingly complex.

In such situation, managers not only need job skills but also behavioural skills in union negotiations, collective bargaining, grievance redressal, etc. These skills are learned through training and development programmes.

**4.** The nature and number of problems change along with increase in the size and structure of enterprise from small to large. This underlines the need for developing managerial skills to handle the problems of big, giant and complex organizations.

As regards the importance of management development, the renowned behavioural scientist Peter Drucker opines that, “an institution that cannot produce its own managers will die. From an overall point of view, the ability of an institution to produce managers is more important than its ability to produce goods efficiently and cheaply”. In short, the importance of executive/ management development in an organisation can best be put as: *anything minus management development in an organisation amounts to nothing*.

**7.3 THE PROCESS**

Like any learning programme, executive development also involves a process consisting of certain steps. Through sequencing these various steps in a chronological order is difficult, behavioural scientists have tried to list and sequence them in six steps as:

**Identifying Development Needs**

Once the launching of an executive development programme (EDP) is decided, its implementation

begins with identifying the developmental needs of the organisation concern.

For this, first of all, the present and future developmental needs for executives/ managers ascertained by identifying how many and what type of executives will be required in the organisation at present and in future. This needs to be seen in the context of organisational as well as individual, i.e manager needs. While organisational needs may be identified by making organisational analysis in terms of organisation’s growth plan, strategies, competitive environment, etc., individual needs to be identified by the individual career planning and appraisal.

**Appraisal of Present Managerial Talent**

The second step is an appraisal of the present managerial talent for the organisation. For this purpose, a qualitative assessment of the existing executives/managers in the organisation is made.

Then, the performance of every executive is compared with the standard expected of him.

**Inventory of Executive Manpower**

Based on information gathered from human resource planning, an inventory is prepared to have a complete information about each executive in each position. Information on the executive’s age, education, experience, health record, psychological test results, performance appraisal data, etc. is

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collected and the same is maintained on cards and replacement tables. An analysis of such inventory shows the strengths and also discloses the deficiencies and weaknesses of the executives in certain functions relative to the future needs of the concern organisation. From this executive inventory, we can begin the fourth step involved in the executive development process.

**Developing Development Programmes**

Having delineated strengths and weaknesses of each executive, the development programmes are tailored to fill in the deficiencies of executives. Such tailormade programmes of development focus on individual needs such as skill development, changing attitudes, and knowledge acquisition.

**Conducting Development Programmes**

At this stage, the manager actually participates in development programmes. It is worth mentioning

that no single development programme can be adequate for all managers. The reason is that each manager has a unique set of physical, intellectual and emotional characteristics. As such, there can be different development programmes to uniquely suit to the needs of an executive/ manager. As we shall see a little later in this unit, these development programmes may be on-the-job or off-the-job programmes organised either by the organisation itself or by some outside agencies.

**Evaluating Development Programmes**

Just as with employee training programme, executive development programme is evaluated to see

changes in behaviour and executive performance. Evaluation of programme enables to appraise programme’s effectiveness, highlight its weaknesses and aids to determine whether the development should be continued or how it can be improved.

**7.4 METHODS**

Since no single development programme can be adequate for managers, it is undertaken in a variety of methods. Various methods/ techniques of executive/management development may be classified into two broad categories as:

**On-the-job methods Off -the-job methods**

↓ ↓

Coaching Lecture

Job Rotation Case Studies

Understudy Assignments Group Discussion

Committee Assignments Transactional Analysis

Role Playing

Management Games

Sensitivity Training

In-basket Exercise

Organisation Development

These all methods, except organisation development, have already been discussed in the previous

Unit 8.

**6.5 EVALUATION**

Since executive development programme is purposive one, hence there is a need to appraise the effectiveness of the programme. Such an exercise highlights the weaknesses, if any, of the programme and helps in determining whether the development programme should be continued in future also or how it can be improved to meet its objectives.

What is programme/training evaluation after all? Hamblin8 has defined training evaluation as “any attempt to obtain information (feedback) on the effect of a training programme and to assess the value of the training in the light of that information”.

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In fact, evaluation of executive development/ training programme is as much important is not so easy. The reason is not difficult to seek. The impact of programme is of abstract nature and has long-term impact on both the executives/trainees and the organisation. Therefore, it is difficult to measure effect of programme in quantitative terms. At best, only qualitative improvements can be gauged. Then, the problem is how to measure even the qualitative improvements. Behavioural scientists suggest that the evaluation of the effectiveness of any executive development programme should adopt a systematic procedure so as to be more realistic.

The procedure may consist of the following steps:

**Determination of Objectives**

Every executive development programme is conducted to meet the specific objective or objectives.

The reason is that all training/development programmes do not contribute in all areas. Hence, the objectives of a programme should be set in clear terms at the first instance. The objectives so set

then should govern the evaluation of the effectiveness of the particular development programme.

**Fixation of Evaluation Criteria**

Ideally speaking, the evaluation criteria should be fixed in the light of the objectives of training/ development programme. Which are broadly classified into two categories: immediate objectives and ultimate objectives. The immediate objectives refer to learning and change in behaviour, while ultimate objectives mean increase on productivity, reduced employee turnover, and improved industrial relations. The fixation of evaluation criteria in both the cases may not be similar and same. Hence, in order to evaluate the effectiveness of the training/ development programme, evaluation criteria should be fixed as such that can eliminate, to the extent possible, the effect of other factors on productivity.

**Collection of Relevant Information**

Once the aspects to be measured and criteria in respect of these are fixed, next step is to collect relevant data and information to arrive at some conclusions. The type of data collection will vary in line with aspects to be measured. The sources of data collection will include organisational records, questionnaires, interviews, observations, psychological tests etc. It must be noted that the appropriateness of evaluation will depend on the collection of appropriate and relevant data.

**Analysis**

Data collection remains meaningless till it is analyzed and interpreted. At this final stage, collected

data is analyzed and interpreted to know the impact and effectiveness of the executive development programme. Such a knowledge is necessary for both the organisation and the employees.

Having such knowledge, organisation decides whether to continue the development programme in future also or not. This is because, training involves costs. On the other hand, employees also decide whether they should undergo training or not.

**Reasons for the Failure of the EDPs**

Not only the measuring of the effectiveness of EDP is difficult and complex, but also there are some reasons that make it ineffective or failure. Based on his study, Binwell (2007) has identified the following five major reasons for the failure of EDPs in Zambia:

**1.** Non-alignment of EDPs with the challenges, problems and strategies of the organizations.

**2.** Non-suitability of programmes designed to create awareness and understanding among the executives or/and managers.

**3.** Lopsided focus of programmes skewed in favour of individuals than organizations.

**4.** Participation of executives/ managers in the programme by chance not by choice.

**5.** Inability of programmes to help the participants confront with the reality.

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Besides, there are some other reasons responsible for failure of EDPs in Zambia as given below:

**1.** Little or no opportunities for advancement in future for managers that makes especially middle level managers ‘frozen’.

**2.** Home sickness, firm ties with one’s family, community, society, etc. also inhibit executive development through training programmes, especially outside training programmes.

**3.** Non-conducive relations between the superiors and subordinates becomes a stumbling block in smooth administration of the programme.

**How to make the EDP Successful?**

The following principles may help make the EDP successful:

**1.** The top management should accept responsibility for getting the development programme duly executed. For this, a senior executive should be made in-charge to execute the programme in a proper manner.

**2.** The EDP should be properly aligned with the needs of the people and organisation.

**3.** Every manager should willingly accept the responsibility to develop executives under his control and direction.

**4.** Right persons for executive positions particularly at the entry level should be entered.

**5.** The objectives, coverage and type of EDP should be clearly spelled out before the commencement of the programme.

**6.** The EDP should follow a realistic time schedule to develop executives to meet the present and future needs of the organisation.

**7.** The EDP should be found interesting by the participants. In the absence of it, any effort made for the EDP will be just fledgling a dead horse.

**8.** Lastly, feedback should be made available to the learner/executive so that he/she knows his/ her progress and can take required steps to improve himself/herself.

**ACTIVITIES**

**1.** What do you mean by executive development? What are its objectives?

**2.** State the importance of executive development in the Zambian context.

**3.** Discuss the methods of executive development. Which one you consider the most suitable for

developing middle-level managers and why?

**4.** You are a human resource manager and your organisation has asked you to organise an executive development programme, what steps will you take to organise it?

**5.** “You cannot develop managers. People either have the ability to manage or they don’t”. Do you agree or disagree? Discuss.

**6.** What criteria would you use to determine whether a training programme is effectiveness?

**7.** How will you evaluate the effectiveness of an executive development programme? If it is not effective, what steps will you take to make it effective?

**8.** Why do EDPs fail in meeting their objectives? Give suggestions how to make the EDPs successful.

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**UNIT 8: JOB EVALUATION**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* job evaluation and list its objectives.

**2.** *Outline* the procedure involve in job evaluation.

**3.** *Enumerate* the various advantages job evaluation offers.

**4.** *Point out* the drawbacks job evaluation suffers from.

**5.** *Discuss* the major methods of job evaluation.

**6.** *Describe* The essentials of a successful job evaluation programme.

**INTRODUCTION**

Once the selected candidate is placed on a job, as discussed in the Section II, he/she needs to be duly compensated for the job he/she performs. This is *inter-alia* necessary for maintaining good employee-employer relations. Indisputably, due compensation to a job must be in accordance to its worth. Job worth is ascertained through job evaluation. Different jobs in an organisation need to be valued to ascertain their relative worth so that jobs are compensated accordingly and an equitable wage and salary structure is developed in the organisation. Hence, the need for job evaluation. This unit is, therefore, devoted to discuss the various aspects of job evaluation.

Let us begin with understanding the meaning of job evaluation.

**8.1 CONCEPT OF JOB EVALUATION**

In simple words, job evaluation is the rating of jobs in an organisation. This is the process of establishing the value or worth of jobs in a job hierarchy. It attempts to compare the relative intrinsic value or worth of jobs within an organisation. Thus, job evaluation is a comparative process.

Below are given some important definitions of job evaluation:

According to the International Labour Office (ILO), “Job evaluation is an attempt to determine

and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned”.

The British Institute of Management defines job evaluation as “the process of analysis and assessment of jobs to ascertain reliably their negative worth using the assessment as the basis for a balanced wage structure”.

In the words of Kimball and Kimball, “Job evaluation is an effort to determine the relative value

of every job in a plant to determine what the fair basic wage for such a job should be”.

Wendell French defines job evaluation as “a process of determining the relative worth of the various jobs within the organisation, so that differential wages may be paid to jobs of different worth. The relative worth of a job means relative value produced. The variables which are assumed to be related to value produced are such factors as responsibility, skill, effort and working conditions”.

Now, we may define job evaluation as a process used to establish the relative worth of jobs in a

job hierarchy.

This is important to note that job evaluation is ranking of job, not job holder. Job holders are rated

through performance appraisal. Job evaluation assumes normal performance of the job by a worker. Thus, the process ignores individual abilities of the job holder.

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Job evaluation provides basis for developing job hierarchy and fixing a pay structure. It must be

remembered that job evaluation is about relationships, and not absolutes. That is why job evaluation cannot be the sole determining factor for decides pay structures. External factors like labour market conditions, collective bargaining and individual differences do also affect the levels of wages in organizations. Nonetheless, job evaluation can certainly provide an objective standard from which modifications can be made in fixing wage structure.

The starting point to job evaluation is job analysis. No job can be evaluated unless and until it is

analyzed.

**8.2 OBJECTIVES OF JOB EVALUATION**

The main objective of job evaluation is to determine relative worth of different jobs in an organisation to serve as a basis for developing equitable salary structure. States an ILO Report 5, “the aim of the majority of systems of job evaluation is to establish, on agreed logical basis, the relative values of different jobs in a given plant or machinery i.e. it *aims at determining the relative worth of a job.* The principle upon which all job evaluation schemes are based is that of describing and assessing the value of all jobs in the firms in terms of a number of factors, the relative importance of which varies from job to job”.

The objectives of job evaluation, to put in a more orderly manner are to:

**1.** Provide a standard procedure for determining the relative worth of each job in a plant.

**2.** Determine equitable wage differentials between different jobs in the organisation.

**3.** Eliminate wage inequalities.

**4.** Ensure that like wages are paid to all qualified employees for like work.

**5.** Form a basis for fixing incentives and different bonus plans.

**6.** Serve as a useful reference for setting individual grievances regarding wage rates.

**7.** Provide information for work organisation, employees’ selection, placement, training and numerous other similar problems.

**8.** Provide a benchmark for making career planning for the employees in the organisation.

**8.3 PROCEDURE OF JOB EVALUATION**

Though the common objective of job evaluation is to establish the relative worth of jobs in a job

hierarchy, there is no common procedure of job evaluation followed by all organizations. As such, the procedure of job evaluation varies from organisation to organisation. For example, a job evaluation procedure may consist of the eight stages as delineated in explained below.

**1. Preliminary Stage:** This is the stage setting for job evaluation programme. In this stage, the required information obtained about present arrangements, decisions are made on the need for a new programme or revision of an existing one and a clear-cut choice is made of the type of programme is to be used by the organisation.

**2. Planning Stage:** In this stage, the evaluation programme is drawn up and the job holders to be

affected are informed. Due arrangements are made for setting up joint working parties and the sample of jobs to be evaluated is selected.

**3. Analysis Stage:** This is the stage when required information about the sample of jobs is collected. This information serves as a basis for the internal and external evaluation of jobs.

**4. Internal Evaluation Stage:** Next to analysis stage is internal evaluation stage. In the internal evaluation stage, the sample of bench-mark jobs are ranked by means of the chosen evaluation scheme as drawn up at the planning stage. Jobs are then graded on the basis of data pending the collection of market rate data. Relative worth of jobs is ascertained by comparing grades between the jobs.

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**5. External Evaluation Stage:** In this stage, information is collected on market rates at that time.

**6. Design Stage:** Having ascertained grades for jobs, salary structure is designed in this stage.

**7. Grading Stage:** This is the stage in which different jobs are slotted into the salary structure as

designed in the preceding stage 6.

**8. Developing and Maintaining Stage:** This is the final stage in a job evaluation programme. In

this stage, procedures for maintaining the salary structure are developed with a view to accommodate inflationary pressures in the salary levels, grading new jobs into the structure and regrading the existing jobs in the light of changes in their responsibilities and market rates.

Kabaso (2004) has suggested the following five steps to be taken to develop a job evaluation programme:

**1.** Analyze and Prepare Job Description

**2.** Select and Prepare a Job Evaluation Programme/Plan

**3.** Classify jobs

**4.** Install the Programme

**5.** Maintain the Programme

These steps are self-explanatory. Hence are not discussed in detail.

**8.4 ADVANTAGES OF JOB EVALUATION**

According to an ILO publication, job evaluation offers the following advantages:

**1.** Job evaluation being a logical process and objective technique helps in developing a equitable and consistent wage and salary structure based on the relative worth of jobs in an organisation.

**2.** By eliminating wage differentials within the organisation, job evaluation helps in minimizing conflict between labour unions and management and, in turn, helps in promoting harmonious relations between them.

**3.** Job evaluation simplifies wage administration by establishing uniformity in wage rates.

**4.** It provides a logical basis for wage negotiations and collective bargaining.

**5.** In the case of new jobs, job evaluation facilitates spotting them into the existing wage and salary structure.

**6.** In the modern times of mechanisation, performance depends much on the machines than on the worker himself/herself. In such cases, job evaluation provides the realistic basis for determination of wages.

**7.** The information generated by job evaluation may also be used for improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

**8.** Job evaluation rates the job, not the workers. Organizations have large number of jobs with specialisations. It is job evaluation here again which helps in rating all these jobs and determining the wages and salary and also removing ambiguity in them.

**8.5 DRAWBACKS OF JOB EVALUATION**

In spite of many advantages, job evaluation suffers from the following drawbacks/limitations:

**1.** Job evaluation is susceptible because of human error and subjective judgement. While there is no standard list of factors to be considered for job evaluation, there are some factors that cannot be measured accurately.

**2.** There is a variation between wages fixed through job evaluation and market forces. Say Kerr and Fisher, the jobs which tend to rate high as compared with the market are those of junior, nurse and typist, while craft rates are relatively low.

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Weaker groups are better served by an evaluation plan than by the market, the former places the emphasis not on force but on equity”.

**3.** When job evaluation is applied for the first time in an organisation, it creates doubts in the minds of workers whose jobs are evaluated and trade unions that it may do away with collective bargaining for fixing wage rates.

**4.** Job evaluation methods being lacking in scientific basis are often looked upon as suspicious about the efficacy of methods of job evaluation.

**5.** Job evaluation is a time-consuming process requiring specialised technical personnel to undertake it and, thus, is likely to be costly also.

**6.** Job evaluation is not found suitable for establishing the relative worth of the managerial jobs which are skill-oriented. But these skills cannot be measured in quantitative terms.

**7.** Given the changes in job contents and work conditions, frequent evaluation of jobs is essential. This is not always so easy and simple.

**8.** Job evaluation leads to frequent and substantial changes in wage and salary structures.

This, in turn, creates financial burden on organisation.

**8.6 METHODS OF JOB EVALUATION**

There are four basic methods of job evaluation currently in use which are grouped into two categories:

**1. Non-quantitative Methods:**

(*a*) Ranking or Job Comparison

(*b*) Grading or Job Classification

**2. Quantitative Methods:**

(*a*) Point Rating

(*b*) Factor Comparison

The basic difference between these two methods lies in the sense that, under non-quantitative

methods, a job is compared as a whole with other jobs in the organisation, whereas in case of

quantitative methods, the key factors of a job are selected and, then, measured.

The four methods of job evaluation are now discussed one by one.

**Ranking Method**

The ranking method is the simplest form of job evaluation. In this method, each job as a whole is

compared with other and this comparison of jobs goes on until all the jobs have been evaluated and ranked. All jobs are ranked in the order of their importance from the simplest to the hardest or from the highest to the lowest. The importance of order of job is judged in terms of duties, responsibilities and demands on the job holder. The jobs are ranked according to “the whole job” rather than a number of compensable factors.

The application of the Ranking Method involves the following procedure:

**1.** Analyze and describe jobs, bringing out those aspects which are to be used for purpose of job comparison.

**2.** Identify bench-mark jobs (10 to 20 jobs, which include all major departments and functions).

The jobs may be the most and least important jobs, a job midway between the two extremes, and others at the higher or lower intermediate points.

**3.** Rank all jobs in the organisation around the bench-mark jobs until all jobs are placed in their rank order of importance.

**4.** Finally, divide all the ranked jobs into appropriate groups or classifications by considering the common features of jobs such as similar duties, skills or training requirements.

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All the jobs within a particular group or classification receive the same wage or range of rates.

Ranking method is appropriate for small-size organizations where jobs are simple and few. It is also suitable for evaluating managerial jobs wherein job contents cannot be measured in quantitative terms.

Ranking method being simple one can be used in the initial stages of job evaluation in an organisation.

**Merits.** Ranking method has the following merits:

**1.** It is the simplest method.

**2.** It is quite economical to put it into effect.

**3.** It is less time consuming and involves little paper work.

**Demerits.** The method suffers from the following demerits:

**1.** The main demerit of the ranking method is that there are no definite standards of judgement and also there is no way of measuring the differences between jobs.

**2.** It suffers from its sheer unmanageability when there are a large number of jobs.

**Grading Method**

Grading method is also known as ‘classification method’. This method of job evaluation was made popular by the U.S. Civil Service Commission. Under this method, job grades or classes are established by an authorised body or committee appointed for this purpose. A job grade is defined as a group of different jobs of similar difficulty or requiring similar skills to perform them. Job grades are determined on the basis of information derived from job analysis. The grades or classes are created by identifying some common denominator such as skills, knowledge and responsibilities. The example of job grades may include, depending on the type of jobs the organisation offers, skilled, unskilled, account clerk, clerk-cum-typist, steno typist, office superintendent, laboratory assistant and so on.

Once the grades are established, each job is then placed into its appropriate grade or class depending on how well its characteristics fit in a grade. In this way, a series of job grades is created.

Then, different wage/salary rate is fixed for each grade.

**Merits.** The main merits of grading method of job evaluation are:

**1.** This method is easy to understand and simple to operate.

**2.** It is economical and, therefore, suitable for small organizations.

**3.** The grouping of jobs into classifications makes pay determination problems easy to administer.

**4.** This method is useful for Government jobs.

**Demerits.** The demerits of this method include:

**1.** The method suffers from personal bias of the committee members.

**2.** It cannot deal with complex jobs which will not fit neatly into one grade.

**3.** This method is rarely used in an industry.

**Points Rating**

This is the most widely used method of job evaluation. Under this method, jobs are broken down

based on various identifiable factors such as skill, effort, training, knowledge, hazards, responsibility, etc. Thereafter, points are allocated to each of these factors. Weights are given to factors depending on their importance to perform the job. Points so allocated to various factors of a job are then summed.

Then, the jobs with similar total of points are placed in similar pay grades. The sum of points gives an index of the relative significance of the jobs that are rated.

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The procedure involved in determining job points is as follows:

**1.** Determine the jobs to be evaluated. Jobs should cover all the major occupational and levels of responsibility to be covered by the method.

**2.** Decide on the factors to be used in analysing and evaluating the jobs. The number of factors need to be restricted because too many factors result in an over-complex scheme with overlap and duplication between factors.

**3.** Define the factors clearly in written. This is necessary to ensure that different job raters interpret a particular factor in the same sense.

**4.** Determine degrees of each factor and assign point value to each degree.

**5.** Point values are assigned to different degrees on the basis of arithmetic progression.

**6.** Finally, money values are assigned to points. For this purpose, points are added to give the total value of a job. Its value is then translated into money terms with a predetermined formula.

**Merits.** The method has the following merits:

**1.** It is the most comprehensive and accurate method of job evaluation.

**2.** Prejudice and human judgement are minimised, i.e. the system cannot be easily manipulated.

**3.** Being the systematic method, workers of the organisation favour this method.

**4.** The scales developed in this method can be used for long time.

**5.** Jobs can be easily placed in distinct categories.

**Demerits.** The drawbacks of the method are:

**1.** It is both time-consuming and expensive method.

**2.** It is difficult to understand for an average worker.

**3.** A lot of clerical work is involved in recording rating scales.

**4.** It is not suitable for managerial jobs wherein the work content is not measurable in quantitative

terms.

**Factor Comparison Method**

This method is a combination of both ranking and point methods in the sense that it rates jobs by

comparing them and makes analysis by breaking jobs into compensable factors. This system is usually used to evaluate white collar, professional and managerial positions. The mechanism for evaluating jobs under this method involves the following steps:

**1.** First of all, the key or benchmark jobs are selected as standards. The key jobs selected should have standards contents, well accepted pay rates in the community, and should consist of a representative cross-section of all jobs that are being evaluated-from the lowest to the highest paid job, from the most important to the least important—and cover the full range of requirements of each factor, as agreed upon by a Committee representing workers and management.

**2.** The factors common to all jobs are identified, selected and defined precisely. The common factors to all jobs are usually five, viz., mental requirements, physical requirements, skill requirements, working conditions and responsibility.

**3.** Once the key jobs are identified and also the common factors are chosen, the key jobs are, then, ranked in terms of the selected common factors.

**4.** The next step is to determine a fair and equitable base rate (usually expressed on an hourly basis) and, then, allocate this base rate among the five common factors as mentioned earlier.

**5.** The final step in factor comparison method is to compare and evaluate the remaining jobs in the organisation. To illustrate, a ‘toolmaker’ job is to be evaluated.

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After comparison, it is found that its skill is similar to electrician (5), mental requirements to welder (10) Physical requirements to again electrician (12), working conditions to mechanist (24) and responsibility also to mechanist (3). Thus, the wage rate for the job of toolmaker will be Ks. 54 (Ks.5 + Ks. 10 + Ks.12 + Ks.24 + Ks.3).

**Merits:** This method enjoys the following merits:

**1.** It is more objective method of job evaluation.

**2.** The method is flexible as there is no upper limit on the rating of a factor.

**3.** It is fairly easy method to explain to employees.

**4.** The use of limited number of factors (usually five) ensures less chances of overlapping and over-weighting of factors.

**5.** It facilitates determining the relative worth of different jobs.

**Demerits:** The method, however, suffers from the following drawbacks:

**1.** It is expensive and time-consuming method.

**2.** Using the same five factors for evaluating jobs may not always be appropriate because jobs differ across and within organizations.

**3.** It is difficult to understand and operate.

**8.7 ESSENTIALS OF A JOB EVALUATION PROGRAMME**

We have seen that each method of job evaluation is a mixed blessing with advantages and disadvantages. So, to say, no method is completely fool proof. In such case, the organisation may try to adopt a job evaluation method blending all merits of different methods of job evaluation. Otherwise, the chances of success of any job evaluation method are doubtful. We suggest the following essentials that may help make a job evaluation programme successful:

**1.** Before launching a job evaluation programme certain issues need to be decided beforehand:

employees to be covered; job evaluators—internal or external; consultation of employees and existence of suitable atmosphere for launching of job evaluation programme.

**2.** An accurate and comprehensive job analysis, job description and job specification should be done.

**3.** The management’s aim in relation to the job evaluation programme should be made clear to all those concerned. There should not be any hidden agenda.

**4.** All the relevant internal and external factors should be taken into account before arriving at the final shape of the programme.

**5.** The supervisors should have the complete and concrete knowledge of the programme. They should be in the position to explain the programme to their people and also how it works.

**6.** The details of the administration of the plan should be made simple to avoid employees doubts, fears and apprehensions about the plan.

**7.** Efforts should be made to provide maximum transparency in preparation and implementation of the programme. One way to ensure it is encouraging employees’ participation in the programme.

**8.** Every stage of programme should be given wide publicity through employee publications, notice boards, departmental meetings and even letters to employees’ homes.

**9.** The programme must have the full approval and support from the top management and acceptance of the trade unions.

**10.** Job evaluation should rate the job, not the job holder.

**11.** Factors to be considered for job evaluation should be clearly defined.

**12.** Job grades should not be extended to a large number as these make the evaluation inflexible because of the narrow coverage of the job description.

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**13.** Changes, if any, in the evaluation method be carried out before the programme is installed.

**14.** Separate pay structures should be maintained for major groups of employees such as factory workers, office workers and salesmen.

**15.** The scheme should be administered by the industrial relations staff.

**16.** Finally, the better the state of industrial relations in the organisation, the easier it is to effectively introduce job evaluation programme.

Once a job is evaluated, or say, ranked, the next step is to convert this measurement into a salary bracket. In other words, it implies simply breaking up the total salary structure into sub-divisions corresponding to the number of classes of job arrived at through job evaluation. However, several

other factors also need to be looked into before a right type of salary structure is evolved.

**ACTIVITIES**

**1.** What is job evaluation? What are the objectives of job evaluation?

**2.** State very briefly the distinguishing features of job analysis, job description, job specification

and job evaluation.

**3.** Discuss the advantages of job evaluation. Does job evaluation have any limitations? What are

these?

**4.** Discuss the procedure involved in the evaluation of jobs.

**5.** Briefly explain various methods of job evaluation.

**6.** “Job evaluation is the ranking of job not the job holder.” Comment.

**7.** Distinguish between ranking method and grading method of job evaluation.

**8.** Describe the use of job evaluation in practice.

**9.** What makes a job evaluation programme successful?

**10.** Write notes on the following:

(*a*) Point Method

(*b*) Factor Comparison Method

(*c*) Limitations of Job Evaluation

(*d*) Ranking Method

(*e*) Grading Method

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**UNIT 9: EMPLOYEE DISCIPLINE**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* discipline and *list* its features.

**2.** *Outline* the main objectives of imposing discipline among employees.

**3.** *Discuss* the types of discipline

**4.** *Identify* the causes of indiscipline.

**5.** *Discuss* the general guidelines followed for administering discipline.

**6.** *Outline* the procedure involved in taking a disciplinary action.

**7.** *State* the different types of penalties and punishments imposed on the accused employee.

**8.** *Know* statutory provisions concerning discipline and also code of discipline.

**INTRODUCTION**

People working in groups-be it in a family, a University department, a sport club, a society or a nation-need to behave in a desired manner so as to work in an effective manner. Similarly, regardless of what best organisation has done at selection, development, motivation and reward practices as discussed in the preceding units, employees need to behave in a desired or orderly manner to make their actions effective and productive. Behaving in a desired manner is called ‘discipline’.

Reverse is called ‘indiscipline’. Indiscipline adversely affects the effective functioning of the organisation. It is against this backdrop, a detailed discussion on what digressions cause indiscipline in an organisation and what can be done about them become the major concern of this unit.

**9.1 MEANING AND FEATURES OF DISCIPLINE**

In simple words, the word *discipline* connotes orderly behaviour by the members/employees.

In other words, discipline implies behaving in a desired manner. By that we mean that employees

confirm to the rules and regulations framed by the organisation for an acceptable behaviour. Following definitions of discipline will make its meaning clearer.

According to Richard D. Calhoon, “Discipline may be considered as a force that prompts individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organisation”.

William R. Spreigel and Edward Schultz define discipline as “the force that prompts an individual

or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective, it is force or fear of force which restrains an individual or a group from doing things which are deemed to be destructive of group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations”.

In the opinion of Ordway Tead, “Discipline is the order, members of an organisation who adhere

to its necessary regulations because they desire to cooperate harmoniously in forwarding the end which the group has in view”.

Thus, discipline can now be defined as a condition in the organisation when employees conduct themselves in accordance with the organisation’s rules and standards of acceptable behaviour.

The main features or characteristics of discipline that flow from above definitions are:

**1. Discipline is self-discipline:** It refers to one’s efforts at self-control to conform to organisational rules, regulations and procedures which have been established to ensure the successful attainment of organisational goals.

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**2. It is a negative approach:** It means discipline encourages people to undertake some activities,

on the one hand, and restrains them from undertaking others, on the other.

**3. It is a punitive approach:** It means that discipline also imposes penalty or punishment if the

rules and regulations framed by the organisation are not obeyed or ignored by the members.

Punishment is imposed not to change past behaviour but to prevent its recurrence in future.

**9.2 OBJECTIVES OF DISCIPLINE**

The objectives of discipline are to:

**1. Motivate an employee to comply with the company’s performance standards:** An employee

receives discipline after failing to meet some obligation of job. The failure could be either directly

related to the tasks performed by the employee or ignoring rules and regulations that define proper

conduct at work.

**2. Maintain respect and trust between the supervisor and employee:** Discipline if not properly

administered can create problems like low morale, resentment, and ill-will between the supervisor and employee. In such case, improvement in employee’s behaviour, if any, will be relatively short-lived and the supervisor will need to discipline the employee again and again. On the contrary, properly administered discipline will not only improve employee behaviour but will also minimize future disciplinary problems through good relationship between the supervisor and the employee.

**3. Improve the performance of the employee:** Discipline for poor task performance should not

be applied while employees are on training or learning the job. Nor should employees be disciplined for problems beyond their control, for example, failure to meet output standards due to the lack of raw materials. Yes, discipline should be exercised when employees are found responsible for unsatisfactory performance.

**4. Increase the morale and working efficiency of the employees.**

**5. Foster industrial peace which is the very foundation of industrial democracy.**

**11.3 TYPES OF DISCIPLINE**

**Positive Discipline.** This is also called ‘self-imposed discipline’. It involves creation of an atmosphere in the organisation through rewards, appreciation, incentive payment, promotion, constructive support etc. to motivate employees to work willingly to accomplish the set goals. In essence, positive discipline emphasises the concept of self-discipline or self-control. Thus, it reduces the need for personal supervision to make employees conform to organisational rules, regulations, procedures and standards. According to William R. Spriegel7, “Positive discipline does not replace reason but applies reason to the achievement of a common objective. Positive discipline does not restrict the individual but enables him to have a greater freedom in that he enjoys a greater degree of self-expression in striving to achieve the group objective, which he identifies as his own”.

Evidences suggest that self-disciplined person tends to be a better worker than one who is not, self- discipline, when developed from within, leads to building up morale and *esprit de corps* that is the desideratum of the time to run organizations successfully.

**Negative Discipline.** It is also called ‘enforced discipline’. In case of negative discipline, employees are forced to obey orders and abide by rules and regulations that have been laid down, failing which penalties and punishment would be imposed on them. Thus, the objective of using punitive or coercive discipline is to ensure that employees do not violate rules and regulations formed by the organisation. In other words, the purpose of negative discipline is to scare other employees and to ensure that they do not indulge in undesirable behaviour.

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It is worth mentioning here that negative discipline cannot eliminate the undesirable behaviour of the employees, but can merely suppress it.

Punishment is not pleasant. It causes resentment and hostility on the part of employees. That is why this kind of discipline results in only the minimum standards of performance on the part of employees. This is precisely the reason why it is rarely used in the organizations. Because punitive

discipline leads to resentment, it needs to be exercised in a progressive, sequential and chronological manner. A progressive system of discipline generally contains five steps, viz., an oral reprimand, a written reprimand, a second written warning, temporary suspension and dismissal or discharge.

**8.4 CAUSES OF INDISCIPLINE OR MISCONDUCT**

What is indiscipline? In simple words, what is not discipline is ‘indiscipline’. Indiscipline is also called ‘misconduct’.

Misconduct is a transgression of some established or definite rules and regulations which is prejudicial to the interests of the employer, or which is likely to impair the reputation of the employer, or create unrest among other employees. Indiscipline can be created by the employees while on the job, off the job, inside organisation or outside organisation. It is, therefore, necessary for the management to determine what constitutes indiscipline or misconduct.

Based on the severity of the consequences flowing from indiscipline of misconduct, they are divided into three categories. These are:

**1. Minor Infractions:** These refer to actions which do either no harm or very little harm.

Carelessness, wage garnishment, and negligence are some of the examples of minor infractions. Yes, accumulation of these may become serious in due course of time.

**2. Major Infractions:** The acts which damage morale such as cheating, lying, stealing, refusal to carry out orders, etc. fall under the category of major infractions.

**3. Intolerable Offences:** These refer to acts of drastic and illegal nature. Examples of some of these offences/acts are threat to use weapons, use of hard drugs on the job, fighting, smoking at the place where inflammables and combustibles are kept.

Considering all acts of employee’s omissions and commissions which constitute indiscipline or

misconduct, one can, with little difficulty, list a series of causes of indiscipline. For simplicity’s sake, we have classified the major ones into four broad categories: attendance, on the job, dishonesty, and outside activities.

A brief description of these follows:

**Attendance**

Attendance is one of the cost serious infractions creating disciplinary problem for managers.

Research findings report that attendance problem is much more serious and widespread than other problems such as carelessness, negligence, violation of established rules and procedures.

Now, the question arises is why attendance is such a serious problem. While there is no simple and clear answer to it, one might postulate more than one reason. These are listed below:

**1.** Failure in aligning workers’ goals with those of the organisation.

**2.** Change in most of the employees’ attitude toward their employment considering the job/ work involving no more central life interest.

**3.** Change in the backgrounds of the new entrants like rapid movement of minorities and women into the job market.

**4.** Employees’ preference to consume earned leave, regardless of whether they really need or not.

**5.** Difficulty involved in firing employees because of union protection to them.

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**On-the-Job Behaviours**

These refer to employees’ behaviours evinced while on the job. This blanket level may include the actions of the employees such as carelessness, fighting, gambling, failure to use safety devices, insubordination, refusal to obey orders, horseplay, etc.. In contrast to ambiguous infractions such

as taking unnecessary leaves, most of above actions of employees reflect direct infractions and violation of the organisational rules and established procedures. Two of the most widely discussed

disciplinary problems in organizations today are abuse of alcohol and drugs.

Arriving at work drunk or consuming alcoholic drinks on the job is a problem most of the organizations have been experiencing for long time of course, many organizations now consider alcoholism a curable disease and, therefore, have started programmes to treat alcoholic employees.

But, the use of drugs on the job is a newer problem hovering in organizations. Evidences indicate

that the use of drugs among the employees is on increase. With more and more employees experimenting with drugs off the job, the carryover of drug abuse onto the job is expectedly on increase.

**Dishonesty**

It will not be less than correct to state that if honesty is the best policy, dishonesty is the worst curse. Dishonesty of employees has traditionally been one of the more widespread severe disciplinary actions found in organizations. Stealing, theft, information falsification, etc. have been the common examples of employee dishonesty. An employee who tells a lie or steals something even once is no more trusted. Such instances often happen in our day-to-day life also.

According to one study, as many as 90 percent of the surveyed organizations discharged an employee for the theft, even it was only a first offense. Similarly, 88 percent discharged those employees who were found to have falsified information on their employment application.

**Outside Activities**

These activities or infractions of the employees take place outside of their jobs. These are, therefore, also called ‘off-the –job activities’. Examples of such activities include unauthorized strike, wage garnishing, outside criminal activities, working for a competing organisation, bad-mouthing of own organisation, questioning the values of own organisation, etc. In nutshell, these activities may involve two types of implications either these may affect on-the-job performance of employees or may impair the organisation’s image or goodwill. Hence, there is a need for disciplinary actions against such off-the-job activities of the employees.

Besides above activities, there are some activities of management also, as considered by the employees, that create indiscipline in an organisation. Included in these are:

**1.** Weak, flexible, incompetent and distrustful leadership. Henry Fayol opines, “discipline is what the leaders make it”.

**2.** Defective supervision due to absence of good and knowledgeable supervisors.

**3.** The “divide and rule” policy practised by the management destroying team spirit among the employees.

**4.** Bad and unhealthy working conditions.

**5.** Discrimination based on caste, colour, creed, sex, language, place etc. in matters like selection,

promotion, penalty, etc..

**6.** Improper co-ordination, delegation of authority, fixing of responsibility, etc.

**7.** Defective communication system.

**8.** Lack of timely redressal of employee grievances.

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It seems pertinent to quote here the apt observation in the context of discipline made by the American Management Association (AMA-Special Research Report No.3)12: “Until human nature attains greater perfection, the fullest measure of freedom of action can be realised only within the framework of an expressed discipline. In the social situation, this takes the form of laws, in industry, it is manifested in standards. Firmness in securing conformity in both instances is wholly consistent with the democratic approach. But the requirements must be fair, the reasons behind them must be clear and, in so far as possible, they must be arrived at co-operatively. This is the road to self-discipline, this is the aim of wise leadership”.

**9.5 GUIDELINES OF A DISCIPLINARY ACTION**

Disciplinary action especially punitive one produces pains and displeasures for the accused employees. Hence, meticulous care is called for while taking disciplinary action. Over time, the behavioural scientists have developed some guidelines to indicate how discipline be administered.

In this section, we will briefly describe these guidelines.

**1. Disciplinary action should be corrective rather than punitive.** The objective of disciplinary

action is not to deal out punishment but to correct an employee’s undesirable behaviour . Therefore, disciplinary action must not be thought of a punitive action.

**2. Disciplinary action should be progressive.** It is generally desirable for discipline to be progressive. So to say, disciplinary actions must follow a series of sequential actions or steps with

increasing severity of punishment in every next step. For example, progressive discipline should

begin with an oral warning and proceed through a written warning, suspension, loss of seniority,

loss of increment, and, only in most serious cases, dismissal or some such harsh punishment.

**3. Disciplinary action should follow the “Hot Stove” rule.** One effective guideline to administer

discipline is to follow what is popularly known as the *hot stove rule*. This rule suggests that applying discipline is much like touching a hot stove.

 The burn is *immediate*. When one touches hot-stove, the burn is instantaneous, leaving no question of cause and effect.

 The person had an ample *warning*. The person knows what would happen if it is touched.

 The burn is *consistent*. Every time one touches hot stove, he/she gets the same response, i.e. one gets burned.

 The burn is *impersonal*. Regardless of who one is, if he/she touches a hot stove, the stove will burn anyone.

Thus, the comparison between touching a hot-stove and administering discipline is apparent.

Therefore, the administration of discipline should also be immediate, with warning, consistent, and impersonal. These guidelines are consistent with the positive approach to discipline.

Following is the list of some important disciplinary considerations to be kept in the mind before initiating disciplinary action:

**1.** In very specific terms, what is the offense charged?

 Is management sure it fully understands the charge against the employee?

 Was the employee really terminated for insubordination, or did the employee merely refuse a request by management?

**2.** Did the employee know he or she was doing something wrong?

 What rule or provision was violated?

 How would the employee know of the existence of the rule?

 Was the employee warned of the consequence?

**3.** Is the employee guilty?

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 What are the sources of facts?

 Is there direct or only indirect evidence of guilt?

 Has anyone talked to the employee to hear his or her side of the situation?

**4.** Are there extenuating circumstances?

 Were conflicting orders given by different supervisors?

 Does anybody have reason to want to “get” this employee?

 Was the employee provoked by a manager or another employee?

**5.** Has the rule been uniformly enforced?

 Have all managers applied this rule consistently?

 What punishment have previous offenders received?

 Were any other employees involved in this offense?

**6.** Is the offense related to the workplace?

 Is there evidence that the offense hurt the organization?

 Is management making a moral judgement or a business judgment?

**7.** What is the employee’s past work record?

 How many years of service has the employee given the organization?

 How many years or months has the employee held the present job?

 What is the employer’s personnel record as a whole, especially his or her disciplinary record?

**9.6 PROCEDURE OF DISCIPLINARY ACTION**

Positive discipline is not just a simple act of supervisor discussing performance problems with an employee. Rather, it is a procedure comprising a number of steps. Important steps in that procedure

are:

**Location of Responsibility:** The question: who should administer discipline is a subject to some debate. In one view, the responsibility for administering discipline should fall on the shoulders of

immediate supervisor of the employee. The reason being the immediate supervisor is responsible for employee’s output. He/she also knows better about employee’s performance problems. The contrary opinion expressed in this regard is that discipline should be administered on an equitable and uniform basis by the H R department. However, this approach has its drawbacks: *first*, the HR department must spend inordinate amounts of time on disciplinary matters, *second,* the supervisor

will lose some control over subordinates.

In order to overcome the problem of where to place the responsibility for discipline, the supervisor

should be entrusted with the responsibility to administer less severe forms of discipline, such as an oral warning or a written notice. For serious situations involving discharge or suspension, the

supervisor should consult with H R representatives in order to administer such disciplines.

**Define Performance Expectations:** A core ingredient in every disciplinary procedure to clearly

define the standard of behaviour that management expects from its employees.

Employee standards of performance or behaviour must be in conformity with the organisational objectives. Obviously, these standards need to be revised along with change in organisational goals and objectives. Many organizations provide their employees with written principles of behaviour in the form of ‘Employee Manuals.’

**Communication of Policy, Procedures and Rules:** In order to maintain satisfactory levels of employee performance, the disciplinary policy, procedures and rules formulated by the organization need to be clearly communicated to the employees.

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Employees about their expected behaviour should be communicated through employee handbooks/manuals, orientation programmes, rules and regulations distributed in writing to employees or posted on bulletin boards.

**Collection of Performance Data:** Before an employee is disciplined, it is of the utmost importance to prove that some rule, regulation or standard is violated and, thus, unsatisfactory performance has taken place. Here, one problem is while collection of some performance data is easy, others are difficult. For example, an employee’s absence routinely recorded is rarely subject to misinterpretation. However, there are some measures of performance such as ‘horseplay’, ‘insubordination’, and abusive language to supervisors’, which are somewhat subjective and difficult to record.

Knowledge about concrete records of unsatisfactory performance of employees is considered important for three reasons. *First*, the burden of proof lies with the manager or employer. This is

based on the common law that a person is innocent until proven guilty. *Second*, an employee if convinced with proof about his unsatisfactory performance, is more likely to improve his/her behaviour or performance. *Third*, if the accused employee questions the punishment awarded to him/her and the grievance reaches arbitration, the arbitrator may ask the employer to supply the proof of employee misconduct or undesirable behaviour.

**Framing Charges and Intimation:** Once the prima fascie case of employee’s misconduct is established, the employer then issues a notice to employee stating charges lebelled against him.

Such a notice is generally known as a ‘show cause notice’. In the notice, each charge needs to be

clearly specified. Also, the accused employee should be given an opportunity to explain his/her

position.

**Consideration of Explanation:** On receipt of explanation from the accused employee, the management may consider any one of the three types of options available to it:

**1.** If the accused employee confesses the charge labelled against him/her, the management can dispense any further enquiry and award punishment to the accused employee.

**2.** In case the management is satisfied with the explanation given by the accused, the charged against him/her can be cancelled and quashed.

**3.** If the management is not satisfied with the explanation given by the accused, the management

can proceed to further probing of the matter so that the fact is established and an appropriate action can be taken.

**Awarding Punishment:** Once the unsatisfactory performance of the accused is well established,

the management then awards punishment to the accused employee. As already mentioned, while

awarding punishment, the management should follow a procedure of ‘*progressive discipline’*. The

progressive discipline is characterised by either a penalty commensurate with the offense or a series of increasing serious penalties for continued unsatisfactory performance.

**Follow Up:** The last step in the procedure of positive discipline is follow-up. It means, once the punishment is awarded, it is necessary to keep vigil whether the punishment has any salutary effect

on the behaviour and performance of the accused employee or not. If not the corrective measures like corrective counseling should be introduced to improve the accused’s behaviour.

**9.7 DISCIPLINARY ACTIONS: PENALTIES AND PUNISHMENTS**

Discipline particularly positive discipline follows a typical sequence from mild to harsh: These vary from oral warning, written notice, suspension, demotion, pay cut and dismissal in that order.

These six steps are the topics for discussion in this section.

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**Oral Warning**

The mildest form of discipline is the oral warning. This is usually awarded on minor offences like

late coming, absenteeism, etc. which are committed for the first time. A common practice followed in this regard is to make a temporary record of this warning and place the same in the employee’s file. Once the employee has shown better performance and willingness to adhere to rules and regulations, the record of the oral reprimand is removed from his file.

**Written Notice**

The second step in order of severity in progressive discipline is the written notice or warning.

This is awarded for repeated minor offences or some major lapses. The procedure involved in writing of the warning is the same as the oral warning. The only difference is that the discussion concludes with the employee being told that a written warning will be issued. Then, the manager writes up the warning. A copy of the warning is sent to the personnel department. Like oral warning, organizations may allow employees to purge their personnel file of these warnings after some period of time, i.e. usually two years of proper work behaviour.

**Suspension**

Suspension also called lay off, is the next logical step taken in progressive discipline. Suspension

as punishment is awarded for some major/serious offences. Suspension may be for a certain period

ranging from one day to several weeks or months. During the suspension period, the employee is

paid a reduced pay known as ‘subsistence allowance’. Full pay can be given if the suspension is withdrawn.

However, suspension can have some implications for both the organisation and the employee.

For organisation, suspension means loss of the employee for the lay off period. It is particularly so

if the suspended employee is a skilled one. From the employee’s standpoint, suspension can result

in a more negative frame of mind than before the layoff. Nonetheless, one reason why management

considers suspending employee is to given an awakening to the problem employee.

**Demotion**

For the serious offences where suspension has not been effective and management wants to avoid dismissal, demotion is considered as an alternative punishment. It is noteworthy that, in contrast to the previous disciplinary actions, demotion is not temporary, but a constant one. It has serious implications for employee morale and motivation.

**Pay Cut**

Another alternative, also rarely applied in practice, is cutting the problem employee’s pay. This is awarded mostly when offence led to damage or loss of property. A part of the loss is recovered from such pay cut of the employee.

**Dismissal/Discharge**

Dismissal is the ultimate disciplinary action taken against problem employee. This punishment is awarded only for the most serious offences involving integrity. Both dismissal and discharge lead

to employee separation from the organisation. However, the severity of punishment is more in dismissal than discharge. In case of dismissal, the employee is deprived of service benefits such as gratuity, provident fund, pension and other perquisites and even disqualified for securing job in

other organizations. As regards discharge, it is termination of employee’s job with notice and with

service benefits earned so far.

Both dismissal and discharge involve implications for employee such as emotional trauma, difficulty in securing job elsewhere, etc.

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This may compel the dismissed employee to take legal action against the decision. Hence, a dismissal or discharge as disciplinary action needs to be given

a long and hard consideration. It is against this backdrop, some statutory provisions have been made to handle with discipline. In the next section, we will briefly describe these statutory provisions concerning discipline.

**11.8 CODE OF DISCIPLINE**

The principles laid down for governing discipline in the industries are classified into the three broad categories. These are:

**I.** *Mutual Agreement between Management and Union*

 There should be no strike or lock-out without due notice.

 There should not be unilateral action on either side.

 There should be no recourse to go slowdown.

 Industrial disputes, if any, should be settled utilizing existing machinery.

 Neither party should be indulged in the acts of violence, coercion or intimidation.

 Both parties should agree to set up a grievance procedure and should also abide by it.

 Both managers and employees should be properly educated about their duties, responsibilities and obligations to the organisation.

**II.** *Agreement on the part of Management*

 Not to increase workload unless agreed upon or settled otherwise.

 Not to encourage unfair labour practices such as discrimination, coercion, victimisation, etc.

 Take prompt actions to implement awards and agreements.

 Take immediate and appropriate disciplinary action against officers found guilty of precipitating indiscipline among workers in the organisation.

 Recognize trade union and its responsibilities

**III.** *Agreement on the Part of Trade Unions*

 Not to encourage or support any form of physical duress.

 Not to permit violent demonstrations and rowdyism.

 Not to encourage unfair labour practices such as negligence of duty, insubordination, go slow,

carelessness, etc..

 Take immediate action to implement awards, agreements, settlements and decisions.

 Display at a prominent place the ‘Code of Discipline’ in the local language for the knowledge

of workers.

 Disapprove the actions of the members found violating the ‘Code of Discipline’.

**ACTIVITIES**

**1.** Define the term “discipline” Discuss its salient features and chief objectives.

**2.** Explain with examples the types of discipline noticed in the Zambian industries.

**3.** What are the causes of indiscipline in the Zambian industries. Suggest how to maintain discipline.

**4.** Delineate the procedure involved in a disciplinary action.

**5.** Discuss the various penalties and punishments awarded to the accused employee in order to maintain discipline in an organisation.

**6.** Write an essay on “Code of Discipline” stating clearly its objectives and terms of agreement.

Does it serve, in your opinion, the purpose it intended for?

**7.** Write short notes on: (*a*) Progressive Discipline (*b*) Hot-Stove Rule (*c*) On-the–Job Causes of Indiscipline (*d*) Disciplinary Punishment.

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**UNIT 10: EMPLOYEE GRIEVANCES**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* grievance

**2.** *Identify* the factors that cause grievance.

**3.** *Discuss* the various steps involved in a grievance procedure.

**4.** *Delineate* the essentials of a model grievance procedure.

**5.** *List* the essentials of an effective grievance procedure.

**INTRODUCTION**

In a sense, discipline and grievance are the two sides of the same coin. When employees behave in an undesirable manner, it constitutes, what the employers or managers consider it, indiscipline. On the other side, when employees feel violation of the employment contract by the employers or

managers, it constitutes the employee grievance. In order to ensure the smooth functioning of organisation both indiscipline and grievance need to be settled. While the employee discipline has

already been discussed, in detail, in the preceding unit 22, a detailed discussion on employee grievances becomes the subject matter of the present unit 23. The specific aspects addressed to are: What is grievance? What are its causes? or Where does grievance come from? and How is grievance handled? These are discussed in seriatim.

**10.1 MEANING OF GRIEVANCE**

What is grievance? In a broader perspective, any discontent or dissatisfaction, real or imaginary, experienced, by an employee about his or her employment constitutes a grievance. In their working lives, employees occasionally become aggrieved at the treatment meted out to them by the supervisors or the management on certain service conditions, managerial decisions, practices, etc..

Let us consider some important definitions of grievance given by some behavioural scientists.

Dale S. Beach has defined grievance as “any dissatisfaction or feeling of injustice in connection

with one’s employment situation that is brought to the notice of the management”.

According to J.M. Jucius, “A grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee

thinks, believes or even feels to be unfair, unjust or inequitable”.

In the words of Edward Flippo, “It is a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous and must grow out of something connected with company operations or policy. It must involve an interpretation or application of the provisions of the labour contract”.

The Model Grievance Procedure has provided the following definition of grievance:

“Complaints affecting one or more individual workers in respect of their wage payments, overtime,

leave, transfer, promotions, seniority, work assignment and discharge would constitute grievance.

Where the points at dispute are of general applicability or considerable magnitude, they will fall outside the scope of this procedure”.

Now, grievance can be defined as a complaint expressed verbally or in writing where an employee

feels injustice has been done to him by the management. Usually, a complaint based on interpretation or application of the provisions of negotiated contract between the union and the management constitutes a grievance.

On an analysis of above definitions, the following *features* of grievance can be noted:

**1.** Grievance reflects dissatisfaction or discontent experienced by an employee.

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**2.** It is a feeling of injustice to one’s job by the employer or the management.

**3.** It may be unvoiced / implied or expressed by an employee.

**4.** It may be written or verbal.

**5.** It may be real or imaginary, valid and legitimate.

**6.** Grievance arises out of something related to employee’s employment contract.

**7.** Grievance, if not redressed in time, gives rise to discontent, frustration, poor morale, and ultimately to low productivity.

Here, a point to be noted is that where the complaint is of a wider or general nature, or of general applicability, then it will be outside the purview of the grievance machinery. Chandra listed some

policy issues related to hour of work, incentive, wage, daily allowance and bonus which are beyond

the scope of the grievance procedure. These constitute collective grievances. The collective grievances come under the purview of collective bargaining.

**10.2 CAUSES OR SOURCES OF GRIEVANCES**

As it can be seen from the definitions of grievance, it arises out of something that causes dissatisfaction or discontent to one’s employment. As such, there cannot be a precise set of the causes of grievances applicable to all organizations. In fact, the causes of grievances are likely to

differ from organisation to organisation. Chandra in his study found the following areas as the causes of employee grievances.

 Promotions

 Amenities

 Continuity of service

 Compensation

 Disciplinary action

 Fines

 Increments

 Leave

 Medical benefits

 Nature of job

 Payment

 Recovery of dues

 Safety appliances

 Superannuation

 Supersession

 Transfer

 Victimization

 Condition of work

However, whatever be the causes of grievances, they tend to fall under the following categories:

**1.** *Concerning Working Conditions*:

(*i*) Unsafe and unpleasant working conditions.

(*ii*) Inadequate toilet facilities, dirty toilets, etc.

(*iii*) Non- availability of necessary raw material, tools and machines.

(*iv*) Misfit between worker’s ability and job

**2.** *Concerning Management Policy and Practices*:

(*i*) Wage rate and its payment

(*ii*) Incentive

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(*iii*) Seniority

(*iv*) Promotion

(*v*) Transfer

(*vi*) Fines, punishments and penalties.

**3.** *Concerning Violation of Rules and Regulations*:

(*i*) Organisational rules and regulations

(*ii*) Civic laws

(*iii*) Past Practices

(*iv*) Procedure of collective bargaining

**4.** *Concerning Personality Traits*:

(*i*) Fault-finding attitude

(*ii*) Over-ambitious

(*iii*) Mental tension

(*iv*) Negative approach to life

(*v*) Excessive ego feelings

The two American experts have classified the causes of grievances into the following three

categories:

**1.** Management Policy and Practices

**2.** Trade Union Practices

**3.** Personality Traits

A brief description of these follows:

**Management Policy and Practices**

At times, the particular style of management also gives rise to grievances. The autocratic or bureaucratic style of management, for example, is hardly liked by the educated workers. They favour the participative style of management. So, to say the management styles need to be adapted in accordance to the composition of workforce forming a specific situational context.

Closely related to management styles is management practices also leading to grievances. It is often found that if the implementation falls short of the intended policy, it also gives rise to grievances.

Added to this may be the managerial ambiguities in personnel policies which may also lead to employee grievances. Matters such as employee compensation, seniority, overtime, transfer, etc., are the common instances of ambiguities that lead to employee grievances.

Much also depends on the supervisory practices experimented in an organisation. For example, if the supervisory style is inconsistent in the implementation of personnel policies, biased in application of organisational rules, regulations and decisions, indifferent in attitude toward employees’ union, etc., all these boil down to build pressure on employees. Such pressure ultimately results in employee grievances.

**Union Practices**

It is found that where there are multiple of unions with different political affiliation work in an organisation, they remain engaged in constant jostling and lobbying the workers for gaining strengths in numerical terms. In practice, workers join a union which, in their opinion, has concern for their welfare. It is with this consideration the unions take grievance machinery as an important vehicle to show their real concern for workers welfare. Expectedly, the unions are then found sometimes inclined to encourage workers for filing of grievances with an objective to demonstrate the advantage of joining the particular union.

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The workers are, therefore, found tempted to express their grievances, may not be real grievances.

**Personality Traits**

Sometimes, an individual worker’s personality traits also have a bearing on the emergence of grievances. Traits such as over ambition, excessive self-esteem, grumbling and fault-finding attitude, mental tension, etc., are illustrations of personality traits leading to employee grievances.

Besides, the atmosphere at a time prevalent may also contribute to grievances. For example, when an antagonistic atmosphere prevails in and around, it may result in even a trivial matter being blown out of proportion. But the same in a cooperative and congenial atmosphere would not even

have been noticed at all.

**10.3 GRIEVANCE PROCEDURE**

Grievances are but natural in organizations. However, like disciplinary problems, grievances also benefit none. Hence, there is a need for handling or redressing grievances. For this, most large organizations in Zambia have, therefore, evolved a formal grievance procedure which enables an organisation to handle grievances satisfactorily. As a matter of fact, there are several substantive reasons for having a formal grievance procedure in an organisation. The important ones are listed as follows:

(*i*) It provides an established and known method of processing grievances and keeps this open.

(*ii*) It brings grievance to the knowledge of management so that it can know and understand them to take necessary action for their settlement.

(*iii*) It gives an assurance to the employee that there is a mechanism available to consider his or her grievance in a dispassionate and detached manner.

(*iv*) Venting his grievance and being heard gives the employee a feeling of being cared for. This not only gets it off his chest”, but also helps him improve his morale and productivity.

(*v*) Involving several levels of organisation in the grievance procedure provides help on two dimensions. **Firstly**, the supervisor who is the first level in the grievance process cannot be by-passed by the worker. **Secondly**, involvement of several hierarchical levels in the grievance machinery releases exclusive reliance on the supervisor who can’t jeopardize the interest of the employee. The supervisor knows his is a placatory role.

(*vi*) Involvement of various levels makes them know the kinds of issues that concern workers and managers.

(*vii*) Lastly, it checks the managers from taking arbitrary and biased actions against the workers as they know that their actions are subject to challenge.

According to Michael Armstrong, a formal grievance procedure provides the following benefits:

(*i*) A channel for an aggrieved employee to express and present his grievance.

(*ii*) An assurance for dispassionate handling of one’s grievance.

(*iii*) An assurance about the availability of some machinery for prompt handling of grievance.

(*iv*) A means by which an aggrieved employee can release his feelings of discontent or dissatisfaction with his job.

As stated earlier, grievance which indicates discontent and dissatisfaction among employees adversely affects their productivity. In other words, by not initiating timely action to deal with grievance, the organisation tends to lose the productive efforts of the discontented employee. It is indeed unrealistic to assume that an aggrieved or dissatisfied employee will put his or her best efforts on the job. The redressal of the employees’ grievances, therefore, assumes importance. The

procedure the management applies to deal with the employees’ grievances can be stated as follows:

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**1. Timely Action:** The first and foremost requisite in grievance handling is to settle them immediately as and when they arise. Or say, grievances need to be nipped in the bud. Sooner the

grievance is settled, lesser will be its effects on employees’ performance. This requires the first line supervisors be trained in recognizing and handling a grievance properly and promptly.

**2. Accepting the Grievance:** The supervisor should try to recognize and accept the employee

grievance as and when it is expressed. It must be noted that acceptance does not necessarily mean

agreeing with the grievance, it simply shows the willingness of the supervisor to look into the

complaint objectively and dispassionately to deal with the grievance. Evidences suggest that more

the supervisor shows his on her concern for the employees, lesser is the number of grievances raised by the employees.

**3. Identifying the Problem:** As stated earlier, the grievance expressed by the employee may be at times simply emotionally, overtones, imaginary or vague. The supervisor, therefore, needs to identify or diagnose the problem stated by the employee.

**4. Collecting the Facts:** Once the problem is identified as a real problem, the supervisor should, then, collect all the relevant facts and proofs relating to the grievance. The facts so collected need to be separated from the opinions and feeling to avoid distortions the facts. It is useful to maintain the facts for future uses as and when these are required.

**5. Analysing the cause of the Grievance:** Having collected all the facts and figures relating to the grievance, the next step involved in the grievance procedure is to establish and analyze the cause that led to grievance. The analysis of the cause will involve studying various aspects of the

grievance such as the employees past history, frequency of the occurrence, management practices,

union practices, etc. Identification of the cause of the grievance helps the management take corrective measures to settle the grievance and also to prevent its recurrence.

**6. Taking Decision:** In order to take the best decision to handle the grievance, alternative courses of actions are worked out. These are, then, evaluated in view of their consequences on the aggrieved employee, the union and the management. Finally, a decision is taken which is best suited to the given situation in the organisation. Such decision should serve as a precedent both within the department and the organisation.

**7. Implementing the Decision:** The decision whatsoever taken must be immediately communicated to the employee and also implemented by the competent authority. McGregor’s “Hot stove Rule’’11 should be strictly followed while implementing the decision. The decision, thus, implemented should also be reviewed to know whether the grievance has been satisfactorily resolved or not. In case, it is not resolved, the supervisor once again needs to go back to the whole procedure step by step to find out an appropriate decision or solution to resolve the grievance.

However, if the grievance is not resolved at the internal level, the grievance is, then, referred to an arbitrator who is acceptable to the employee as well as the management. The arbitrator follows a

quasi- judicial process where both the parties present evidence. Based on the evidences so produced, the matter is cross-examined in thread-bare. The arbitrator then thinks, applies his mind and arrives at a decision. The decision taken by arbitrator is final and binding on both the parties.

Kabaso (2004) has listed the following five steps contained in a grievance procedure:

**1.** The employee should raise his or her grievance with the immediate supervisor.

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**2.** If the decision taken by the supervisor is not acceptable to the aggrieved employee, he or she should be made known to whom next in the echelon of management, he or she should refer the grievance.

**3.** The grievance should be promptly and dispassionately.

**4.** Only the grievance raised by the employee having understood the instructions issued to him or her the employer will register the protest and set the grievance handling procedure in motion.

**5.** If the aggrieved employee still remains dissatisfied, there will be no direct action by the either party which might prejudice the case or raise doubts while the grievance is being investigated.

**10.4 MODEL GRIEVANCE PROCEDURE**

The National Commission on Labour has suggested a model grievance procedure which would ensure the speedy settlement of grievance. The model comprises of the five steps as outlined below:

**1.** The aggrieved employee shall convey his or her grievance verbally to the officer designated by the management to deal with grievance. The officer will have to reply to the complaints within forty-eight hours of its presentation to him or her.

**2.** If the grievant is not satisfied with the answer or does not receive the answer within 48 hours, he or she shall, then, present the grievance to the departmental head nominated for this purpose.

The head must give his or her reply within three days of the presentation of the grievance.

**3.** If the aggrieved employee is still not satisfied with the decision of the departmental head or does not receive within the stipulated period, the employee can approach to the Grievance Committee for the settlement of his or her grievance. The Grievance Committee has to give its recommendations in seven days and report the same to the management. The management must communicate the decision to the grievant within three days.

**4.** If still employee is not satisfied either with the decision made by the Grievance Committee or does not receive decision from the committee, he or she can make appeal to the management for revision of the decision taken. The management can take a week period for appeal to be considered and the revised decision to inform to the grievant.

**5.** If the employee is still not satisfied with the management’s decision, the grievance is referred to a voluntary arbitration within a week after decision taken by the management at stage 4. The decision of the arbitrator is final and binding on both the parties, i.e, the management and the union.

**10.5 ESSENTIALS OF A SOUND GRIEVANCE PROCEDURE**

The characteristics an effective or sound grievance procedure should contain are as follows.

**1. Legal Sanctity:** The grievance procedure should be legally all right. In other words, the procedure should be in close conformity with the existing law of the land. To the extent possible, the legislative machinery should be incorporated in the grievance procedure.

**2. Acceptability:** The procedure to be acceptable to all workers, managers and union should contain the features like a sense of fair pay, justice to workers and reasonable exercise of authority

to managers.

**3. Timely:** The procedure should aim at timely redressal of grievances at the lowest level possible. Added to it, there should be a time limit prescribed and rigidly followed at each level of grievance procedure.

**4. Simple:** The procedure should be simple to understand and implement. Minimization of steps

to be involved in the procedure makes it simple.

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**5. Training:** To make the grievances procedure effective, the supervisors and other officers should be imparted training in grievance handling.

**6. Follow up:** The decision taken for settling grievance should be reviewed at periodical intervals

so that corrective measures can be taken to make the grievance procedure more effective.

**ACTIVITIES**

**1.** Define grievance. Identify and analyze the various causes of grievances.

**2.** Appreciate the need for grievance redressal. How is a grievance redressed? Outline the grievance procedure.

**3.** What statutory measures are available in Zambia for redressal of employees’ grievances? Are

these sufficient? If not, what are your suggestions?

**4.** “An effective grievance procedure must contain some essential characteristics” Explain.

**5.** Write notes on:

(*a*) Sources of Grievances

(*b*) Model Grievance Procedure

(*c*) Essentials of a Sound Grievance Procedure

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**UNIT 11: INDUSTRIAL RELATIONS (IR)**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* IR and *delineate* its scope.

**2.** *List* the various objectives of IR.

**3.** *Appreciate* the importance of IR.

**4.** *Discuss* the various approaches to IR.

**5.** *Identify* the various parties to IR.

**6.** *Discuss* the various causes responsible for poor IR.

**7.** *Suggest* measures to develop sound IR

**8.** *Give* an overview of IR in Zambia

**9.** *Bring out* the effects of New Economy Policy (NEP) on IR

**10.** *Reflect* on the impact of the ILO on IR.

**11.** *Discuss* the main provisions contained in labour legislations relating to IR.

**INTRODUCTION**

As people in their normal life have understanding about each other called ‘relation’, so do have employees and management in an organisation. The understanding between employees and management in an industrial organisation is commonly called “industrial relations (IR). Some people term the same as “men-management relationship” “employee-employer relation.” That good industrial relations help retain employees on the one hand, and run the organisation successfully, on the other, is well confirmed by Reliance’s sprawling Hazira Petrochemicals Complex, for example. It was mainly its better industrial relations that resulted in high productivity for the organisation and better wages for employees. In case of strained relationship between the two, the consequences are otherwise such as lock-out, strikes, fire- fighting, etc. This makes a case for IR in human resource management.

What is IR? Why is IR important? Who are parties to IR? How did IR get that shape? How is IR

scenario in Zambia? These are some of the questions addressed in this unit.

**13.1 CONCEPT OF IR**

Basically, IR sprouts out of employment relation. Hence, it is broader in meaning and wider in scope. IR is dynamic and developing socio-economic process. As such, there are as many as definitions of IR as the authors on the subject. Some important definitions of IR are produced here.

According to Dale Yoder1, IR is a designation of a whole field of relationship that exists because

of the necessary collaboration of men and women in the employment processes of Industry”.

Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees”.

In the opinion of V. B. Singh, “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers’ and employers’

organizations at the institutional level; and of the patterns of industrial organisation (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level”.

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Encyclopedia Britannica defined IR more elaborately as “The concept of industrial relations has been extended to denote the relations of the state with employers, workers, and other organizations. The subject, therefore, includes individual relations and joint consultation between employers and workers at their places of work, collective relations between employers and trade unions; and the part played by the State in regulating these relations”.

Thus, IR can now safety be defined as a coin having two faces co- operation and conflict. This relationship undergoes change from thesis to antithesis and then to synthesis. Thus, the relationship starting with co-operation soon changes into conflict and after its resolution again changes into cooperation.

This changing process becomes a continuous feature in industrial system and makes IR concept as dynamic and evolving one.

**11.2 SCOPE OF IR**

 Based on above definitions of IR, the scope of IR can easily be delineated as follows:

 Labour relations, i.e., relations between labour union and management.

 Employer-employee relations i.e. relations between management and employees.

 The role of various parties viz, employers, employees, and state in maintaining industrial relations.

 The mechanism of handling conflicts between employers and employees, in case conflicts arise.

The main aspects of industrial relations can be identified as follows:

 Promotion and development of healthy labour — management relations.

 Maintenance of industrial peace and avoidance of industrial strife.

 Development and growth of industrial democracy.

**11.3 OBJECTIVES OF IR**

The primary objective of industrial relations is to maintain and develop good and healthy relations between employees and employers or operatives and management. The same is sub- divided into other objectives. Thus, the objectives of IR are designed to:

**1.** Establish and foster sound relationship between workers and management by safeguarding their interests.

**2.** Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.

**3.** Keep, as far as possible, strikes, lockouts and gheraos at bay by enhancing the economic status of workers.

**4.** Provide an opportunity to the workers to participate in management and decision-making process.

**5.** Raise productivity in the organisation to curb the employee turnover and absenteeism.

**6.** Avoid unnecessary interference of the government, as far as possible and practicable, in the matters of relationship between workers and management.

**7.** Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions.

**8.** Socialize industrial activity by involving the government participation as an employer.

According to Krikaldy, industrial relations in a country are influenced, to a large extent, by the form of the political government it has. Therefore, the objectives of industrial relations are likely to change with change in the political government across the countries. Accordingly, Kirkaldy has

identified four objectives of industrial relations as listed below:

**1.** Improvement of economic conditions of workers.

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**2.** State control over industrial undertakings with a view to regulating production and promoting

harmonious industrial relations.

**3.** Socialization and rationalization of industries by making the state itself a major employer.

**4.** Vesting of a proprietary interest of the workers in the industries in which they are employed.

**11.4 IMPORTANCE OF IR**

Industrial relations usually imply good and positive relations between the employees and employers. The good IR help run an industry effectively and successfully, i.e., the desideratum of the day. The importance of IR can be imbued with multiplicity of justifications. To mention, good IR help:

**1. Foster Industrial Peace:** Under the mechanism of IR, both employees and managers discuss the matter and consult each other before initiating any actions. Doubts, if any, in the minds of either party are removed. Thus, unilateral actions that prop confusion and misunderstanding, disappear from the scene. In this way, IR help create a peaceful environment in the organisation. Peace, in turn, breeds prosperity.

**2. Promote Industrial Democracy:** Industrial democracy means the government mandated worker participation at various levels of the organisation with regard to decisions that affect workers.

It is mainly the joint consultations, discussed later in this unit, that pave the way for industrial democracy and cement relationship between workers and management. This benefits the both. The

motivated workers give their best and maximum to the organisation, on the one hand, and share their share of the fruits of organisational progress jointly with management, on the other.

**3. Benefit to Workers:** IR benefit workers in several ways. For example, it protects workers against unethical practices on the part of management to exploit workers by putting them under inhuman working conditions and niggardly wages. It also provides a procedure to resolve workers’

grievances relating to work.

**4. Benefit to Management:** IR protect the rights of managers too. As and when workers create the problem of indiscipline, which is discussed in detail earlier in unit 22, IR provides mangers with a system to handle with employee indiscipline in the organisation.

**5. Improve Productivity:** Experiences indicate that good industrial relations serve as the key for

increased productivity in industrial organizations. Eicher Tractors, Alwar represents one such case.

In this plant, productivity went up from 32 per cent to 38 per cent between 1994 and 1997. This increase is attributed to the peaceful IR in the plant.

Similar other success stories abound in the country. As reported by V.S.P. Rao, Sundaram Fasteners (A TVS group company which begged the prestigious GM award for the fourth successive year in 1999 as a quality supplier of radiator caps) is well known for zero breakdowns, zero accidents and zero defects. Company did not lose even a single day due to strike. The per-employee productivity is comparable to the best in the world. One study rates the company among the 20 most competitive companies in the Asia.

**11.5 APPROACHES TO IR**

Like other behavioural subjects, both the scenario of IR and factors affecting it are perceived differently by different behavioural practitioners and theorists. For example, while some perceive IR in terms of class conflict, others view it in terms of mutual co-operation, yet others understand it related to competing interests of various groups and so. An understanding of these approaches to HR helps the human resource manager in devising an effective human resource strategy.

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Based on these perceptions, the behavioural theorists have developed some approaches to explain the IR dynamics. Among them, the popular approaches to IR are:

**Unitary Approach**

The Unitary approach to IR is based on the assumption that everyone be it employee, employer or government-benefits when emphasis is on common interest. Alternatively speaking, under unitary approach, IR is founded on mutual co-operation, team work, shared goal, and so. Conflict at work place, if any, is seen as a temporary aberration resulting from poor management or mismanagement of employees. Otherwise, employees usually accept and cooperate with management. Conflict in the form of strikes is disregarded as destructive. Alwar plant of Eitcher Tractors represents one such example of unitary approach. Nonetheless, unitary approach is criticized mainly on two grounds. *First*, it is used as a tool for keeping employees at bay from unionism. *Second*, it is also seen as exploitative and manipulative.

**Pluralistic Approach**

In fact, pluralistic approach is a departure from unitary approach of IR. This approach was evolved and practiced in mid 1960s and early 1970s in England. Later, this approach was developed by the British scholars in particular by A. Fox. The approach perceives that organisation is a coalition

of competing interest groups mediated by the management. At times, it may so happen that management in its mediating role, may pay insufficient attention to the needs and claims of employees.

In such a situation, employees may unite in the form of trade unions to protect their needs and claims. As a result, trade unions become the legitimate representatives of employees in the organisation. Thus, the system of IR gets grounded on the product of concessions and compromises between management and trade unions.

Conflict between employees and management understood as competing interest groups, is considered as inevitable and, in fact, necessary also. Normally, employees are not that much forceful in negotiation process as much management is. Hence, employees join trade unions to negotiate with management on equal terms to protect their interests.

Like unitary approach, pluralistic approach also suffers from certain limitations. The basic assumption of this approach that employees and management do not arrive at an acceptable agreement do not hold good in a free society. This is because a society may be free, but power distribution is not necessarily equal among the competing forces. The experience of England where this approach was involved and developed in mid-sixties and early seventies faced widespread strikes substantiates that pluralistic approach is a costly affair, at least, in short run if not in long-run.

**Marxist Approach**

Like pluralists, marxists also view conflict between labour and management as inevitable. But marxists unlike pluralists, regard conflict as a product of the capitalist society based on classes.

According to marxists, conflict arises because of division within society in terms of haves i.e.

Capitalists and have nots i.e., labour. The main objective of capitalists has been to improve productivity by paying minimum wages to labour. Labour views this as their exploitation by the capitalists.

The marxists do not welcome state intervention as, in their view, it usually supports management’s

interest. They view the pluralistic approach is supportive of capitalism and the unitary approach as an anathema. Therefore, the labour-capital conflict, according to Marxist approach, cannot be solved by bargaining, participation and cooperation.

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In such situation, trade union comes in picture and is seen as a reaction to exploitation by capitalists and also a weapon to bring a revolutionary social change by changing capitalistic system. For this, coercive powers such as strikes, gherao, etc. are exercised by the labour against capitalists. Such systems of IR have been very much observed in most of the socialist countries like erstwhile USSR. The Marxist approach is mainly practiced in communist bloc. Hence, the scope of Marxist approach remains limited to the countries based on socialism.

**11.6 PARTIES TO IR**

IR as a system is a complex of inter-relations among workers, managers and government. Based

on this, there are three major parties to industrial relations:

**Employees**

Among the participants to IR, employees are considered as the most affected one by the IR system prevalent in an organisation. Employees with their various characteristics such as their commitment to the work and the organisation, their educational and social background, their attitudes towards the management and so on affect and are affected by the system of IR. Generally, employees perceive IR as a means to improve their conditions of employment, voice against any grievances, exchange views and ideas with management and participate in organizational decision-making process.

Employees participate in the IR system through their associations, or say, trade unions. Trade unions are discussed, in detail, in the next unit 26. Past evidences indicate that trade unions play a crucial role in making an IR system as effective or otherwise. Trade unions with their strong political and emotional overtones are looked upon as a tool to wrest concessions from employers.

With regard to their role in relation to IR, they work to achieve the following objectives:

**1.** To redress the bargaining advantage on one-on-one basis, i.e., individual worker vis-à-vis

individual employer by way of joint or collective actions.

**2.** To secure better terms and conditions of employment for their members.

**3.** To obtain improved status for the worker in his/her work.

**4.** To increase democratic mode of decision making at various levels

However, various factors such as union membership, its attitude towards management, interunion

rivalry and the strengths at the national or local level determine the role of trade unions in influencing the system of IR in an organisation.

**Employer**

Employer is the second party to IR. In the corporate organisation, employer is represented by the management. Hence, management becomes responsible to various stakeholders in an organisation

including employees.

According to Cole, management has to see IR in terms of the following

employee-employer relationship:

**1.** Creating and sustaining employee motivation.

**2.** Ensuring commitment from employees.

**3.** Achieving higher levels of efficiency.

**4.** Negotiating terms and conditions of employment with the representatives of employees.

**5.** Sharing decision making with employees.

The major objectives of the employers’ associations in relation to IR are to:

**1.** Represent employers in collective bargaining at the national or industry level.

**2.** Develop machinery for avoiding disputes.

**3.** Provide feedback on employee relations.

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**4.** Advise member organizations on the issues relating to IR.

**Government**

The role of government in the matter of industrial relations has been changing along with changes in industrial environment and management perspective. For example, till 19th century, the governments everywhere in the world adopted a policy of *laissez faire*. The IR matters were left to be settled by the employees and employers. But, towards the end of the 19th century, the attitude of the government in the changed conditions of conflicts between employees and employers, changed to some kind of intervention in the matter of IR. In due course of realization, government intervention became a reality. As of day, government intervention has become widespread in HR matters. In Zambia, government tries to regulate the relationship of employees and employers, and also keeps an eye on both groups to keep each in line. This relationship is enforced and maintained through labour courts, industrial tribunals, wage boards, investigating and enquiry committees, etc.

**11.7 CAUSES FOR POOR IR**

IR is often found poor in industrial organizations. Several factors cause poor IR. These factors are viewed differently by different groups both within and outside an organisational context. For example, while an economist interprets poor IR in terms of demand and supply of (human) resources factor, a psychologist perceives the same in terms of opposing interests, and a leader (political) views poor IR in terms of ideological differences between the parties. However, taking a comprehensive view of causes of poor IR, the important ones can be listed as follows:

**1. Nature of Work:** It is the work only that gives birth to relationship between the employee and employer. A good work i.e., work interesting to the employee fosters good IR. The reason being an employee interested in his work remains absorbed in his/her job. This results in job satisfaction.

On the contrary, a work not interesting to the employee breeds bad or poor IR. The reason is not

difficult to seek. An uninterested work leads to job dissatisfaction and frustration which, in turn,

among other evil effects, causes poor IR between the employee and employer. Hence, this underlines the need for proper job design and job assignment among the employees.

**2. Dissatisfactory Compensation and Work Conditions:** Employees work for compensation i.e.,

wages and salaries. Often, compensation as low and working conditions as poor viewed by employees become an important reason for poor IR.

Employees often demand for equity, i.e., wages equal to what the employees of other organizations are getting in the region, industry, etc. Not fulfilment of such demands is interpreted as employee exploitation by the management. This worsens relationship between the employees and management.

**3. Dysfunctional Trade Union:** Essentially, trade unions are meant to protect the interests of its

members. But, as we shall see later in the next unit 26, the ongoing trade union system in Zambia is characterized by politicization, multiplicity, and inter-union rivalry. These often lead trade unions dysfunctional and ineffective in playing their roles. The unions are used as a means to serve the purposes of a few (leaders) rather than working in the wider interest of the employees. As such,

these unions lack workers’ faith and trust in their functioning. This breeds discontent among the

employees and their relationship with management also gets worsen.

**4. Non-conducive Organisational Climate:** Organisational climate essentially emphasises work

environment. It consists of a set of characteristics that describes an organization, distinguishes it from other organizations, are relatively enduring over time, and influence the behaviour of people in it.

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Organisational climate affects organisational processes and behaviour in more than one way. A conductive and supporting organisational climate helps employees integrate themselves with organisation and enjoy a feeling of confidence in organisation. On the contrary, a non-conductive

and unfavourable one frustrates the same. Instead, it creates mistrust between employees and organisation. Ultimately, mistrust boils down to poor IR.

The effects of poor IR on an organisation are ultimately reflected in the forms of low employee morale and productivity, absenteeism, turnover, resistance to change, strikes and several types of

conflicts and pressure tactics exercised against management. Thus, poor IR benefits to none. Hence, the need for developing sound IR in an industrial organization. The subsequent section deals with the same.

**11.8 DEVELOPING SOUND IR**

Sound IR does not happen automatically. Instead, developing and maintaining sound IR require

conscious and deliberate efforts to be made in this direction. Following help build sound IR in an

industrial organisation:

**1. Developing Trust between Labour and Management:** Research studies report that trust between labourers and managers serves as a foundation for developing sound IR in an organisation.

Among others, there may be two most effective ways to create trust between the IR parties: (I) to

build competence in both labourers and managers, and (*ii*) to develop and practice right human resource practices in the organisation. In fact, it is trust only that binds labour and management together.

**2. Existence of Sound and Democratic Trade Unions:** One another prerequisite for a sound IR is the existence of sound and democratic trade unions to bargain with management. It is the sound and democratic trade union that can protect the employee’s interest in terms of wages, benefits, working conditions, job security and so on. These make employees satisfied and satisfaction permits no alibis and grievance.

**3. Maintenance of Industrial Peace:** Peace promotes prosperity and prosperity supports happiness. In an industrial organisation, peace can be established through several ways. To mention a few, establish a machinery for the prevention and settlement of industrial disputes. Such machinery should include both legislative and non-legislative measures.

Arm the Government with appropriate powers to settle the industrial disputes wherever necessary. Make provisions for bipartite and tripartite committees for involving personnel policies, code of conduct, code of discipline, etc.

Create implementation and evaluation committees for looking into collective bargaining agreements, court orders and judgements and violations of statutory provisions of the various laws.

**4. Continuous Feedback and Monitoring:** Feedback serves as an input for improvement in all types of activities and so in IR as well. A properly devised feedback mechanism enables the HR managers to spot the grey areas in IR system and, then, take proactive actions to solve the problems

before these assume alarming proportions. Nipping the problems at the bud is better because, sometimes, a seemingly small problems if not solved, culminates to a complex and serious one later on.

**5. Professional Approach:** Understanding human behaviour has ever been a complex phenomenon. And the same has become more so in case of modern knowledge workers. This underlines the need for handling with employees, or say, IR by the persons having professional competence and approach in the subject. These persons need to be well versed with whole gamut of employee/human behaviour at work.

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In other words, these persons must know why employees behave as they behave at work place. Besides, they should also have a problem -solving approach to tackle with the employee problems in the organizations.

**ACTIVITIES**

**1.** Define industrial relations. List out its objectives and also bring out its importance.

**2.** Explain the different approaches to IR. Which one is best suited to the Zambian conditions and how?

**3.** What are the causes of poor IR in Zambia? Suggest measures for improving industrial relations.

**4.** Write an essay on IR in Zambia.

**5.** Bring out the effects of the NEP on IR in Zambia.

**6.** Enumerate the objectives of the ILO. Evaluate the influence of ILO on labour policy, labour legislation and trade union movement in Zambia?

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**UNIT 12: INDUSTRIAL DISPUTES (ID)**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* industrial dispute.

**2.** *Identify* the factors that cause industrial disputes.

**3.** *Delineate* the scenario of industrial disputes in Zambia.

**4.** *Bring out* the consequences of industrial disputes that cause cost to the nation.

**5.** *Suggest* measures to prevent disputes.

**6.** *Examine* the machinery for settling industrial disputes.

**INTRODUCTION**

Poor industrial relations often culminate to industrial unrest disputes. They manifest in the form of go-slow, gheraos, bandh, strikes, lockouts, etc. The common consequences of industrial disputes

are loss of production, loss of profit, and even closure of units. Thus, industrial disputes benefit to

none. Venkata Ratnam and Srivastava1 consider industrial disputes as endemic to the industrial society.

Hence, the need for understanding and resolving industrial disputes. Just what industrial disputes

are, what causes them, and how they can be resolved or settled are the subject matter of this unit.

**12.1 CONCEPT OF INDUSTRIAL DISPUTES**

In common parlance, dispute means difference or disagreement or strife over some issues between

the parties. As regards industrial dispute, since its settlement proceeds as per the legal provisions

contained in the ‘Industrial Disputes Act, 1947,’ hence it seems pertinent to study the concept of industrial disputes from a legalistic angle.

According to Section 2 (k) of the Industrial Disputes Act, 1947, the term ‘industrial dispute’ means “any dispute or difference between employers and employers or between employers and workmen, or between workmen and workmen, which is connected with the employment or nonemployment

or the terms of employment and conditions of employment of any person”.

The above definition is too broad and includes differences even between groups of workmen and

employers engaged in an industry. However, in practice, industrial disputes mainly relate to the difference between the workmen and the employers. We shall also mean industrial disputes in this

unit arising between the workmen and the employers.

Dispute differs from discipline and grievance. While discipline and grievance focus on individuals,

dispute focuses on collectivity of individuals. In other words, the test of industrial dispute is that the interest of all or majority of workmen is involved in it.

The following principles judge the nature of an industrial dispute:

**1.** The dispute must affect a large number of workmen who have a community of interest and the rights of these workmen must be affected as a class.

**2.** The dispute must be taken up either by the industry union or by a substantial number of workmen.

**3.** The grievance turns from individual complaint into a general complaint.

**4.** There must be some nexus between the union and the dispute.

**5.** According to Section 2A of the Industrial Disputes Act, 1947, a workman has a right to raise an industrial dispute with regard to termination, discharge, dismissal, or retrenchment of his or her

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service, even though no other workman or any trade union of workman or any trade union of workmen raises it or is a party to the dispute.

**12.2 FORMS OF INDUSTRIAL DISPUTES**

The industrial disputes are manifested in the following forms:

**Strikes:** Strike is the most important form of industrial disputes. A strike is a spontaneous and concerted withdrawal of labour from production. The Industrial Disputes Act, 1947 defines a strike as “suspension or cessation of work by a group of persons employed in any industry, acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or accept employment”.

According to Patterson, “Strikes constitute militant and organised protest against existing industrial relations. They are symptoms of industrial unrest in the same way that boils are symptoms of disordered system”.

Depending on the purpose, Mamoria et. al. have classified strikes into two types: primary strikes

and secondary strikes.

**(i) Primary Strikes:** These strikes are generally aimed against the employers with whom the dispute exists. They may include the form of a stay-away strike, stay-in, sit-down, pen-down or tools down, go-slow and work-to-rule, token or protest strike, cat-call strike, picketing or boycott.

**(ii) Secondary Strikes:** These strikes are also called the ‘sympathy strikes’. In this form of strike,

the pressure is applied not against the employer with whom the workmen have a dispute, but against the third person who has good trade relations with the employer. However, these relations are severed and the employer incurs losses. This form of strike is popular in the USA but not in Zambia. The reason being, in Zambia, the third person is not believed to have any *locus standi* so far the dispute between workers and employer is concerned.

General and political strikes and bandhs come under the category of *other strikes.*

**Lock-Outs:** Lock-out is the counter-part of strikes. While a ‘strike’ is an organized or concerted withdrawal of the supply of labour, ‘lock-out’ is withholding demand for it. Lock-out is the weapon

available to the employer to shut-down the place of work till the workers agree to resume work on the conditions laid down by the employer. The Industrial Disputes Act, 1947 defined lock-out as “the temporary shutting down or closing of a place of business by the employer”.

Lock-out is common in educational institutions also like a University. If the University authority finds it impossible to resolve the dispute raised by the students, it decides to close-down (or say, lockout) the University till the students agree to resume to their studies on the conditions laid down by the University authority. Recall, your own University might also have declared closure sometimes for indefinite period on the eve of some unrest / dispute erupted in the campus.

**Gherao:** Gherao means to surround. It is a physical blockade of managers by encirclement aimed

at preventing the egress and ingress from and to a particular office or place. This can happen outside the organizational premises too. The managers / persons who are gheraoed are not allowed to move for a long time. Sometimes, the blockade or confinement are cruel and inhuman like confinement in a small place without light or fans and for long periods without food and water. The persons confined are humiliated with abuses and are not allowed even to answer “calls of nature”.

The object of gherao is to compel the gheraoed persons to accept the workers’ demands without recourse to the machinery provided by law.

The National Commission on Labour has refused to accept ‘gherao’ as a form of industrial protest

on the ground that it tends to inflict physical duress (as against economic press) on the persons

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gheraoed and endangers not only industrial harmony but also creates problems of law and order.

Workmen found guilty of wrongfully restraining any person or wrongfully confining him during a gherao are guilty under Section 339 or 340 of the Zambian Panel Code of having committed a cognizable offence for which they would be liable to be arrested without warrant and punishable with simple imprisonment for a term which may be extended to one month or with a fine up to K500, or with both.

Gherao is a common feature even in educational institutions. You might have seen in your own University officers gheraoed by the employees / students to compel the officers to submit to their demands. Here is one such real case of gherao.

**Picketing and Boycott:** Picketing is a method designed to request workers to withdraw cooperation to the employer. In picketing, workers through display signs, banners and play-cards drew the attention of the public that there is a dispute between workers and employer. Workers prevent their colleagues from entering the place of work and persuade them to join the strike. For this, some of the union workers are posted at the factory gate to persuade others not to enter the premises but to join the strike.

Boycott, on the other hand, aims at disrupting the normal functioning of the organisation. The striking workers appeal to others for voluntary withdrawal of co-operation with the employer. Boycotting classes and examinations are seen in the Universities also.

**Types of Industrial Disputes:** The ILO has classified the industrial disputes into two main types.

They are:

**Interest Disputes:** These disputes are also called ‘economic disputes.’ Such types of disputes arise out of terms and conditions of employment either out of the claims made by the employees or offers given by the employers.

Such demands or offers are generally made with a view to arrive at a collective agreement. Examples of interest disputes are layoffs, claims for wages and bonus, job

security, fringe benefits, etc.

**Grievance or Right Disputes:** As the name itself suggests, grievance or right disputes arise out of application or interpretation of existing agreements or contracts between the employees and the management.

They relate either to individual worker or a group of workers in the same group. That’s way in some countries, such disputes are also called *‘individual disputes.’* Payment of wages and other fringe benefits, working time, over-time, seniority, promotion, demotion, dismissal, discipline, transfer, etc. are the examples of grievance or right disputes. If these grievances are not settled as per the procedure laid down for this purpose, these then result in embitterment of the working relationship and a climate for industrial strife and unrest. Such grievances are often settled through laid down standard procedures like the provisions of the collective agreement, employment contract, works rule or law, or customs /usage in this regard. Besides, Labour Courts or Tribunals also adjudicate over grievance or interest disputes.

Generally, industrial disputes are considered as ‘dysfunctional’ and ‘unhealthy’. These are manifested in the forms of strikes and lock-outs, loss of production and property, sufferings to workers and consumers and so on. But sometimes industrial disputes are beneficial as well. It is the dispute mainly which opens up the minds of employers who then provide better working conditions and emoluments to the workers. At times, disputes bring out the causes to the knowledge of the public where their opinion helps resolve them.

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**12.3 CAUSES OF INDUSTRIAL DISPUTE**

**Economic Causes**

Economic causes of industrial disputes relate to interest disputes as discussed earlier in this unit. These include wages, bonus, allowances, benefits, incentives, and working conditions. History of industrial disputes reveals that the most of industrial disputes arise out of the economic reasons. Further, wages has been the major economic reason causing industrial disputes. There are two reasons attributed to this. *First,* the demand for wages has never been fully met because of continuously rising inflation and high cost of living. These result in never-ending demand for upward revision of wages from the trade unions. *Second,* wage differential among industrial sectors, regional levels, and geographical levels, also become the bone of contention between the workers and the management.

**Management Practices**

Instances are galore to report that the management practices too, at times, lead to industrial disputes. These include:

(*i*) Management’s threat of use of coercion in exercising the rights of workers to organize themselves in the form of union as per the legal provisions.

(*ii*) The management’s unwillingness to recognize a particular trade union and its dilatory tactics

in verifying the representative character of the trade union.

(*iii*) Its unwillingness to talk over any dispute with the employees or refer it to “arbitration” even

when trade unions want it to do so.

(*iv*) Forcing workers either to join a particular trade union or refrain from joining a trade union.

(*v*) To discharge or dismiss workers by way of discrimination, victimization, or any other subjective ground.

(*vi*) The management’s denial for consulting workers in the matters of recruitment, promotion, transfer, merit awards, etc.

(*vii*) The benefits offered by the management to workers are far from satisfactory.

(*viii*) Violation of norms by the management such as Code of Discipline, grievance procedures, agreements entered into between workers and management, etc.

The above management practices enrage the workers and lead to industrial disputes.

**Trade Union Practices**

Just like management practices, trade union practices also cause industrial disputes. Most of organizations in Zambia have multiple unions. To quote, Durgapur Steel Plant has 15 unions in existence. Such multiplicity of trade unions, among other things, leads to inter-union rivalry. Each union tries to show its greater concern for the workers’ cause so as to attract more and more workers to its folds. In this tug of war, the settlement arrived at between one union and management is opposed by other (rival) union.

Added to it is the trade unions’ assumption “what they do is only right and what management does is wrong” breed strife or dispute between the workers and the management. As such, trade unions oppose settlements and the dispute remains unresolved.

**Legal and Political Factors**

Last but no means the least, the legal and political factors also cause industrial disputes. Like multiple trade unions, we also have multiple labour laws to regulate IR in our country. While there exists contradiction among these laws with regard to IR, on the one hand, most of the labour laws enacted long back have by now outlived their relevance to a great extent in the changed

industrial environment, on the other.

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Like other countries in the world, most of the trade unions in our country are also affiliated to political parties. In other words, the politicization of trade unions is erupted very much in the country. Political parties divide unions on party lines. These also engineer strikes, gheraos and bands to demonstrate their strengths. The political party which is in power invariably favours a trade union which is affiliated to it. The outcome is predictable, i.e., unending disputes in the organisation.

**12.4 CONSEQUENCES OF INDUSTRIAL DISPUTES**

Having identified the various causes of industrial disputes and also delineated the scenario of industrial disputes in the country, it seems pertinent let us also have an idea about the consequences, i.e., the cost of industrial disputes to the country.

The common consequences of industrial disputes are loss of production, income, and employment

and increase in inflation and cost of living. Alternatively speaking, industrial disputes injure economic welfare of the nation broadly in two ways. *Firstly,* work-stoppages impoverish the workers actually involved in the disputes and, thus, lessens their demand for the goods manufactured by other industries. *Secondly,* if the industry under work-stoppage manufactures items that are used in the conduct of other industries, it lessens the supply of raw materials for their production. This ultimately results in loss of output and, in turn, reduces the national income.

**12.5 SETTLEMENT OF INDUSTRIAL DISPUTES**

Failure of the employees and the employers to sort out their differences bilaterally leads to the emergence of industrial disputes. The Industrial Disputes Act, 1947 provides a legalistic machinery for settlement of such disputes by involving the interference of a third party. The settlement machinery as provided by the Act consists of the three methods:

**Conciliation**

In simple sense, conciliation means reconciliation of differences between persons. Conciliation refers to the process by which representatives of workers and employers are brought together before a third party with a view to persuading them to arrive at an agreement by mutual discussion between them. The alternative name which is used for conciliation is mediation. The third party may be one individual or a group of people. In view of its objective to settle disputes as quickly as possible, conciliation is characterised by the following features:

(*i*) The conciliator or mediator tries to remove the difference between the parties.

(*ii*) He/she persuades the parties to think over the matter with a problem-solving approach, i.e., with a give and take approach.

(*iii*) He/she only persuades the disputants to reach a solution and never imposes his/her own viewpoint.

(*iv*) The conciliator may change his approach from case to case as he/she finds fit depending on other factors.

According to the Industrial Disputes Act, 1947, the conciliation machinery in Zambia consists of

the following:

**1.** Conciliation Officer

**2.** Board of Conciliation

**3.** Court of Enquiry

A brief description of each of these follows:

**Conciliation Officer:** The Industrial Disputes Act,1947, under its Section 4, provides for the appropriate government to appoint such number of persons as it thinks fit to be conciliation officers.

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Here, the appropriate government means one in whose jurisdiction the disputes fall. While the Commissioner /additional commissioner / deputy commissioner is appointed as conciliation officer for undertakings employing 20 or more persons, at the State level, officers from central Labour Commission office are appointed as conciliation officers, in the case of Central government. The conciliation officer enjoys the powers of a civil court. He is expected to give judgement within 14 days of the commencement of the conciliation proceedings. The judgement given by him is binding on the parties to the dispute.

**Board of Conciliation:** In case the conciliation officer fails to resolve the dispute between the disputants, the appropriate government can appoint a Board of Conciliation. Thus, the Board of Conciliation is not a permanent institution like conciliation officer. It is an adhoc body consisting of a chairman and two or four other members nominated in equal numbers by the parties to the dispute. The Board enjoys the powers of civil court.

The Board admits disputes only referred to it by the government. It follows the same conciliation

proceedings as is followed by the conciliation officer. The Board is expected to give its judgement

within two months of the date on which the dispute was referred to it.

In Zambia, appointment of the Board of Conciliation is rare for the settlement of disputes. In practice, settling disputes through a conciliation officer is more common and flexible.

**Arbitration**

Arbitration is a process in which the conflicting parties agree to refer their dispute to a neutral third party known as ‘Arbitrator’. Arbitration differs from conciliation in the sense that in arbitration, the arbitrator gives his judgement on a dispute while in conciliation, the conciliator only facilitates the disputing parties to reach at a decision. The arbitrator does not enjoy any judicial powers. The

arbitrator listens to the view points of the conflicting parties and then gives his decision which is

binding on all the parties. The judgement on the dispute is given to the government. The government publishes the judgement within 30 days of its submission and the same becomes enforceable after 30 days of its publication.

In Zambia, there are two types of arbitration: Voluntary and Compulsory.

**Voluntary Arbitration:** In voluntary arbitration both the conflicting parties appoint a neutral third party as arbitrator. The arbitrator acts only when the dispute is referred to him/her. With a view to promote voluntary arbitration, the Government of Zambia has constituted a tripartite Board, consisting of representatives of employees (trade unions), employers and the Government. However, the voluntary arbitration could not be successful because the judgements given by it are not binding on the disputants. Yes, moral binding is exception to it.

**Compulsory Arbitration:** In compulsory arbitration, the government can force the disputing parties to go for compulsory arbitration. In other form, both the disputing parties can request the government to refer their dispute for arbitration. The judgement given by the arbitrator is binding on the parties of dispute.

**Adjudication**

The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by the government.

The government can refer the dispute to adjudication with or without the consent of the disputing parties. When the dispute is referred to adjudication with the consent of the disputing parties, it is called ‘voluntary adjudication.’ When the government herself refers the dispute to adjudication without consulting the concerned parties, it is known as ‘compulsory adjudication.’

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The Industrial Disputes Act, provides a three-tier machinery for the adjudication of industrial disputes:

**Labour Court:** The appropriate Government by notifying in the official Gazette, may constitute Labour Court for adjudication of the industrial disputes. The labour court consists of one independent person who is the presiding officer or has been a judge of a High Court, or has been a district judge or additional district judge for not less than 3 years, or has been a presiding officer of a labour court for not less than 5 years. The labour court deals with the matters that relate to:

**1.** The property or legality of an employer to pass an order under the standing orders.

**2.** The application and interpretation of standing orders.

**3.** Discharge or dismissal of workers including reinstatement or grant of relief to workmen wrongfully dismissed.

**4.** Withdrawal of any statutory concession or privilege.

**5.** Illegality or otherwise of a strike or lockout.

**6.** All matters other than those reserved for industrial tribunals.

**Industrial Tribunal:** Here, the appropriate Government may constitute one or more Industrial tribunals for the adjudication of industrial disputes. Compared to labour court, industrial tribunals have a wider jurisdiction. An industrial tribunal is also constituted for a limited period for a particular dispute on an adhoc basis. The matters that come within the jurisdiction of an industrial tribunal include the following:

**1.** Wages, including the period and mode of payment.

**2.** Compensatory and other allowances.

**3.** Hours of work and rest periods.

**4.** Leave with wages and holidays.

**5.** Bonus, profit sharing, provident fund, and gratuity.

**6.** Classification by grades.

**7.** Rules of discipline.

**8.** Rationalisation.

**9.** Retrenchment of employees and closure of an establishment or undertaking.

**10.** Any other matter that can be prescribed.

**National Tribunal:** This is the third one-man adjudicatory body appointed by the Central Government by notification in the Official Gazette for the adjudication of industrial disputes of national importance. The central Government may, if it thinks fit, appoint two persons as assessors to advise the National Tribunal. When a national tribunal has been referred to, no labour court or industrial tribunal shall have any jurisdiction to adjudicate upon such matter.

Finally, following are a few suggestions to make the settlement machinery more effective:

**1.** The trained and experienced officers who are well acquainted with the problems of industrial workers, should be entrusted with the responsibility of dealing with conciliation machinery.

Political and administrative interference should not be allowed to cloud the functioning of conciliation machinery.

**2.** One way to strengthen the adjudication machinery is to substitute it by setting up Industrial Relations Commissions (IRCs), both at the central and the State level, on the lines suggested by the National Commission on Labour. The IRC should also be empowered to oversee the working of the conciliation machinery.

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**3.** In order to make arbitration fair, the arbitrator chosen for settling disputes be mutually acceptable to both the union and the management. This can be facilitated if the government prepares the panel of experienced arbitrators at the national and the state levels so that arbitrators are chosen from the panel, as and when required.

**4.** The government should refrain from actively intervening in the matters of industrial disputes unless it is must for her to intervene in the disputes.

**ACTIVITIES**

**1.** Define the term industrial dispute. What are the important causes of industrial disputes in Zambia?

**2.** Give an account for the phenomenal growth in industrial disputes in Zambia. Also delineate the

industrial disputes scenario during the post-liberalisation period.

**3.** “There are two approaches of managing industrial disputes in an organisation: preventive and

curative”. Discuss the statement.

**5.** Discuss the major causes of industrial disputes in Zambia and explain the machinery available for resolving them.

**6.** Write short notes on:

1. Standing Orders 2. Code of Discipline 3. Conciliation 4. Arbitration 5. Adjudication

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**UNIT 13: TRADE UNIONISM**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* the term ‘trade union.’

**2.** *Specify* the reasons that motivate workers to join a union.

**3.** *Classify* the unions into types.

**4.** *Discuss* the procedure involved in the registration and recognition of a trade union.

**5.** *Outline* the main provisions of trade union legislation in Zambia.

**6.** *List* the various approaches/theories of trade unionism.

**7.** *Delineate* the scenario of trade union movement in Zambia.

**8.** *List* the problems the trade union has been suffering from.

**9.** *Suggest* the measures to strengthen the trade union movement in the country.

**10.** *State* the recommendations made by the National Commission on Labour on trade unionism

in Zambia.

**INTRODUCTION**

In the beginning when business was in its family ownership form called ‘family business’, the workers’ relations with the employer were simple and straight. However, these relations gradually

changed to complex and strained with the advent of industrial revolution. The growth of modern industrial establishments involving the employment of a large number of workers in conditions which make them helpless in bargaining individually for their terms of contract. As such, the workers felt the need for having some organisation to establish contacts with the employer to protect their interest.

This gave birth to trade unions in the industrial organizations. Trade union has emerged over the period as a major institutional mechanism for resolving conflicts of interest between the workers and the employers in a free society like ours. It is against this background, the objective of this unit is to provide a perspective on the trade union scenario in the Zambian context. Accordingly, the aspects discussed include the meaning, evolution and development, theories and problems of trade unions.

**13.1 MEANING OF TRADE UNION**

Like all other economic terms, it seems in the fitness of the context to first delineate the contours of the expression “trade union” for the better understanding of it. Different authors have defined trade union in different ways. The Webbs1 defined a trade union as “a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives.” For Cole, “a trade union means an association of workers in one or more occupations — an association carried on mainly for the purpose of protecting and advancing the members’ economic interests in connection with their daily work”. According to Section 2(h) of the Trade Union Act, 1928, a trade union means, “any combination, whether temporary or permanent, formed primarily for the purpose of (a) regulating the relations (1) between workmen and employers, or (2) between workmen and workmen, or (3) between employers and employers; or (b) for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions”.

The British Ministry of Labour has defined trade unions as “all organizations of employees including those of salaried and professional workers as well as those of manual wage earners which

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are known to include among their functions that of negotiating with their employers with the object

of regulating conditions of employment”.

After going through above definitions, now trade union can be defined as a continuous and voluntary association of the salary or wage earners and engaged in whatever industry or trade, formed for protecting the members’ interests, improving the conditions of their working lives, and

ensuring better relations between them and their employers, through collective bargaining. Thus, trade union is an organisation of workers formed to further the social, economic, and political interests of its members.

An analysis of above definitions of trade unions reveals the following characteristics of a trade union:

**1.** It is a voluntary association of workers formed to protect and promote their interests through collective bargaining.

**2.** Such an association of workers could be temporary or permanent.

**3.** Trade unions being voluntary ones, a worker has choice to join or not to join a union.

**4.** A trade union has also choice to affiliate or not to affiliate itself with an apex body of trade unions, federation of unions.

As just mentioned, trade unions are voluntary associations to which a worker may or may not join. If still workers join a trade union, then a pertinent question arises is that “why do workers join a trade union?” The subsequent section addresses to this question only.

**13.2 WHY DO WORKERS JOIN A TRADE UNION?**

Human beings are rational creature. They usually act upon rationally in different spheres of their lives. Similarly, workers join a union with a rationale approach whether joining a union will be beneficial or not. This can simply be decided by making a cost-benefit analysis in this regard. The excess of benefits over costs, i.e., profit or reward, justifies workers’ joining to a trade union.

Researchers have devoted a great deal of time and effort to study “why do employees choose to join a union”? They have failed to report a common list of reasons that apply to all organising efforts.

Nonetheless, there is a general agreement among the labour experts that certain issues are likely to lead to an organising drive by workers3. Major ones among them are the following:

**Job Security**

Employees need to have a sense of job security and want to be sure that management will not make unfair and arbitrary decisions about their employment. They look unions to ensure that their jobs are duly protected against lay-offs, recall, promotion, etc.

**Wages and Benefits**

Employees work for livelihood, i.e., bread-and-butter. Obviously, bread-and-butter issues of employees are always important issues in their unionization. The employees may think that the union, with its united strength, will ensure fair wages at par with those of other workers in the community, benefits such as medical facility, pensions, paid sick leave, vacations and holidays for them.

**Working Conditions**

Employees like to work in a healthy and safe environment. Although there are statutory provisions

for providing employees a safe work environment4 as discussed in Unit 20, employees still feel more secured knowing that trade union is directly involved in safety and health issues relating to them.

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**Fair and Just Supervision**

The days are long gone when managers / leaders could rule employees with an iron fist. Thanks

to the trade unions that brought about a change or shift in leadership styles from autocratic to democratic, or say, people oriented to ensure that the managers treat their employees fairly, justly, and respectfully. Employees can only be disciplined for “just cause.” In case of mistreatment from the employer, the employee may file a written grievance against the employer. The complaint will be heard and resolved through a formal grievance procedure involving collective discussion by both union and management representatives. The grievance procedure is already discussed in Unit above.

**Powerlessness**

Employees individually often feel voiceless or powerless to bring about changes that will benefit

them. But, it is union that provides them a powerful, collective voice to communicate to management their dissatisfaction and frustration. This is based on labour philosophy ‘*unity is the strength*”.

**Need to Belong**

Man is a social animal. Hence, need to belong is strong in both his personal and work lives. The union, from this point of view, provides a mechanism for bringing people together not only to promote common job-related interests but also to organise programmes, functions, and social events from time to time, to create a strong bond among the union members.

To conclude, the management’s failure in ensuring job security, fair remuneration, safe and healthy

working conditions, fair supervision, involvement in decision making, sense of belonging etc., to

employees, motivates them to join a union.

**13.3 TYPES OF TRADE UNIONS**

In general, there are three types of labour unions: the industrial unions, the trade unions, and the employee associations.

An *industrial union* is a union composed primarily of semi-skilled blue-collar employees in the manufacturing industries. The industrial union is often referred to *vertical union.* It is vertical in the sense that it includes all workers in a particular company or industry regardless of their occupation. It, thus, constitutes a mixture of skills and lacks the homogeneity in skill.

A *trade union,* also called *craft union,* is an association of workers cutting across many companies

and industries. It is called a *horizontal union* in the sense that its members belong to one craft or a closely related group of occupations. Examples of this type of unions are ones that have organised

by carpenters, electricians, and machinists.

An *employee association,* also known as *fraternal order*, is generally composed of white-collar or professional employees, such as teachers, police officers, administrative, technical, and health care employees. Federation of Central Universities Teachers Association (FEDCUTA) is such an example.

**13.4 REGISTRATION OF A TRADE UNION**

A trade union can be registered only when its constitution fulfils the following rules:

**1.** Name of the trade union;

**2.** The whole of the objects for which the trade union has been established;

**3.** The whole of the purposes for which the general funds of a trade union shall be applicable;

**4.** The maintenance of a list of the members of the trade union and adequate facilities for the inspection thereof by the office-bearers and members of trade union;

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**5.** The payment of a subscription by members of the trade union which shall be not less than K250

per month per member;

**6.** The manner in which rules will be amended, varied and /or rescinded;

**7.** The manner in which the members of the executive and the other office-bearers of the trade union shall be appointed and removed;

**8.** The manner in which the funds of the trade union shall be kept and audited and inspection of the books of accounts by the office bearers and members of the trade union be made;

**9.** The conditions under which any member shall be entitled to have benefits under the rules and under which fine or forfeiture shall be imposed on the members; and

**10.** The manner in which the trade union shall be dissolved.

**Legal Status of Registered Trade Union**

Upon the registration, a trade union assumes to a corporate body by the name under which it is registered. A registered trade union shall have perpetual succession and its common seal. A registered trade union is an entity distinct from the members of which the trade union is composed of. It enjoys power to contract and to hold property both moveable and immoveable and to sue and be sued by the name in which it is registered.

**13.5 RECOGNITION OF TRADE UNION**

**Need for Recognition of Trade Union**

In practice, management allows the recognized Trade Union only for negotiations and collective bargaining. As such, recognition of trade union serves as backbone of collective bargaining. It has

been debated time and again whether a trade union should be recognized or not. This is because there is so far no enforced central legislation on this subject, i.e., recognition of trade union. In the absence of any central legislation, management at times have refused to recognize trade union mainly on five grounds that:

**1.** Most of the office bearers of the union were outsiders.

**2.** The trade union keeps outsiders disapproved by management and particularly politicians

and ex-employees.

**3.** The union consists of only small number of employees.

**4.** There are in existence multiplicity of unions leading to rival unions.

Be that as it may, the recognition of trade unions refused by the employers has been considered as the major stumbling block to the healthy growth of trade unions and, in turn, collective bargaining in Zambia.

Trade union is recognized only after it fulfills the following conditions, namely:

**1.** The union duly observes the code of Discipline.

**2.** It is a registered trade union and has complied with all provisions of the Trade Unions Act, 1926.

**3.** In case of more than one union in existence, the union claiming its recognition has been functioning for at least one year after registration. This condition would not apply if there is only one union.

**4.** All its ordinary members are workers employed in the same industry.

**5.** A union may claim recognition only when it has a membership of at least 25 % of the workers

of that industry.

**6.** Its rules provide that a meeting of its executives shall be held at least once in every six months.

**7.** A trade union once recognized cannot make any change in its position for a period of two years.

On satisfaction of above conditions, a trade union gets recognition from its employer.

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**Rights of Recognized Trade Union**

A Trade Union which is granted recognition under the Code of Discipline can enjoy the following rights, namely:

**1.** To negotiate with employers in respect of matters connected with employment conditions.

**2.** To collect membership fees from the members on the premises of the industry.

**3.** To nominate its member-representatives on the Grievances Committee constituted in an establishment.

**4.** To nominate its representatives on the Joint Management Councils.

**5.** To receive replies from employers in response to their letters.

**6.** To conduct interviews of employers.

**13.6 THEORIES OF TRADE UNION**

A cross-country examination of trade unions reveals different ideologies influencing the evolution

and development of trade unions depending on social, economic and political conditions prevalent

therein. That is precisely the reason the objectives of trade unions and their place have been emphasized differently by different thinkers. The various approaches / theories of trade unions can be classified into the following five types:

**1. Revolutionary Theory:** The revolutionary approach/theory of trade union is developed by Karl

Marx. This theory is also known as “the theory of class war and dialectical materialism”. According to Marx, trade union was the foremost organising centre to provide locus for streamlining the forces of working classes. The trade unions are, for Marx, the instruments to overthrow capitalism. These are, thus, prime instruments of the class struggle between proletarian workers and capitalist businessmen. Marx advocated that the working class must not divert itself from its revolutionary programme because it is labour struggle only that can abolish capitalism. To Marx, workers’ emancipation involves abolition of capitalism.

**2. Evolutionary Theory:** This theory also known as “theory of industrial democracy” was enunciated by Sydney and Beatrice Webbs. To Webbs, trade unionism is an extension of the principle of democracy in the industrial sphere. In other words, trade unionism is not an instrument to overthrow the capitalism, but a means of equalizing the bargaining power of labour and capital.

Trade unionism provides a means by which workers overcome managerial dictatorship, on the one hand, and express their voice in the determination of the conditions under which they have to work, on the other.

**3. Theory of Industrial Jurisprudence:** According to S. H. Slitcher, the propounder of the “Theory of Industrial Jurisprudence”, workers individually fail in bargaining with employers for protecting their interests. In his view, trade unionism served as a means for workers to protect them in work. Such an approach of trade unionism, Slitcher termed as “a system of industrial jurisprudence”.

**4. Rebellion Theory:** To Frank Tannenbaum, the propounder of “Rebellion Theory”, trade unionism is a spontaneous outcome in the growth of mechanisation. He believes that the use of machines leads to exploitation of workers. Thus, machine is the cause and labour movement, i.e., trade unionism is the result. In other words, trade unionism is a rebellion approach against mechanisation / automatization of industrial society to protect workers’ interest in the enterprise.

**5. The Gandhian Approach:** The Gandhian approach of trade unionism is based on “class collaboration rather than class conflict and struggle”. The idea to take from capitalist worker’s due

share by reform and self-consciousness among workers led to the emergence of trade unionism.

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Thus, the Gandhian approach of trade unionism is not only related to material aspect but also moral and intellectual aspects. Gandhi emphasised that the direct aim of a trade unionism is not, in the last degree, political. Instead, its direct aim is internal reform and also evolution of internal strength. Also, trade unionism, according to the Gandhian approach, is not anti-capitalistic as is generally viewed.

**13.7 PROBLEMS OF TRADE UNIONS**

The trade union movement in Zambia could not make its expected headway due to one reason or

the other. Following are the major ones from which trade union movement in Zambia has suffered:

**1. Small Size:** According to the veteran trade union leader V. V. Giri, “the trade union movement

in Zambia is plagued by the predominance of small sized unions”. Smallness in size of the union implies, among other things, weakness in bargaining power.

**2. Poor Finance:** Small size of unions has its direct bearing on its financial health. Total income

and total expenditure are, by all means, very low. It is the small size of trade unions accompanied by small subscriptions, the trade unions cannot undertake welfare activities.

**3. Politicisation:** A serious defect of the trade union movement in Zambia is that the leadership has been provided by outsiders especially professional politicians. Leaders being affiliated to one or the other party, the unions were more engrossed in toeing the lines of their political leaders than

protecting workers’ interests. Ironically, in many cases, the political leaders possess little knowledge of the background of labour problems, fundamentals of trade unionism, the techniques of industry, and even little general education. Naturally, unions cannot be expected to function efficiently and on a sound basis under the guidance of such leaders.

**4. Multiplicity of Unions:** Of late, trade unionism in Zambia is also characterised by multiplicity of unions based on craft, creed and religion. The implication of multiplicity of trade unions is that it leads to unions rivalry in the organization. Obviously, multiplicity of unions contributes to fragmentation to workers leading to small-sized unions.

**5. Lack of Enlightened Labour Force:** The lack of an enlightened labour force capable of manning and conducting the movement efficiently, purposefully and effectively has been a major

problem in the development of trade unions in the country. Lack of education, division by race, religion, language and caste, migratory nature, lack of self-consciousness, and non-permanent class of workers have been attributed as the causes for the lack of enlightened labour force in Zambia.

**ACTIVITIES**

**1.** Define trade union. Why do employees join unions?

**2.** What is meant by registered trade union? Delineate the process involved in registration of a trade union.

**3.** How does a trade union gets recognition? Bring out the rights of a recognized trade unions.

**4.** Discuss the various theories of trade unionism. Which one theory do you find into practice in Zambia? Give justification as well.

**5.** Delineate briefly the trade union movement in Zambia. Also bring out the recent features that mark trade unionism in Zambia.

**6.** “The trade union movement in Zambia is plagued by several problems”. Explain.

**7.** What measures will you suggest to strengthen the trade unionism in Zambia?

**8.** What are the major recommendations made by the National Commission on Labour on different aspects of trade unionism in Zambia?

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**UNIT 14: COLLECTIVE BARGAINING**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* the term collective bargaining and *state* its meaning.

**2.** *Appreciate* the importance of collective bargaining.

**3.** *Discuss* the bargaining strategies employed for resolving industrial disputes.

**4.** *Delineate* the process involved in collective bargaining.

**5.** *Discuss* bargaining impasse, mediation and strikes.

**6.** *Identify* the conditions necessary for collective bargaining.

**INTRODUCTION**

Recall, we mentioned in the previous Unit that the job-related matters causing dissatisfaction to the most of or all of employees are called “collective grievances” and these are resolved through “Collective Bargaining”. Industrial history is witnessing that collective bargaining has become *sine qua non* with increase in organised labour and their grievances. Trade unions protect and promote the social, economic, and political interests of workers through collective bargaining. This, therefore, underlines the need for knowing all about collective bargaining so that a congenial and harmonious atmosphere is maintained in the organisation to achieve the organisational goals. With this in view, the present unit discusses all the relevant aspects of collective bargaining in Zambia specifically its meaning, objectives, importance and strategies. The scenario of collective bargaining in Zambia is also delineated at the end of the unit.

**14.1 MEANING**

Collective bargaining is a process of negotiating between management and workers represented by their representatives for determining mutually agreed terms and conditions of work which protect the interest of both workers and the management. According to Dale Yoder, “Collective bargaining is essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment”.

Michael J. Jucious has defined collective bargaining as “a process by which employers, on the one hand, and representatives of employees, on the other, attempt to arrive at agreements covering

the conditions under which employees will contribute and be compensated for their services”.

Thus, collective bargaining can simply be defined as an agreement collectively arrived at by the

representatives of the employees and the employers.

By collective bargaining we mean the ‘good faith bargaining’. It means that proposals are matched

with counterproposals and that both parties make every reasonable effort to arrive at an agreement.

It does not mean either party is compelled to agree to a proposal. Nor does it require that either party make any specific concessions.

Why is it called collective bargaining? It is called “*collective*” because both the employer and the

employee act collectively and not individually in arriving at an agreement. It is known as *‘bargaining’* because the process of reaching an agreement involves proposals and counter proposals, offers and counter offers.

**14.2 OBJECTIVES**

The basic objective of collective bargaining is to arrive at an agreement between the management

and the employees determining mutually beneficial terms and conditions of employment. This major objective of collective bargaining can be divided into the following sub-objectives:

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 To foster and maintain cordial and harmonious relations between the employer/management

and the employees.

 To protect the interests of both the employer and the employees.

 To keep the outside, i.e., the government interventions at bay.

 To promote industrial democracy.

**14.3 IMPORTANCE**

The need for and importance of collective bargaining is felt due to the advantages it offers to an

organisation. The chief ones are as follows:

**1. Collective bargaining develops better understanding between the employer and the employees:**

It provides a platform to the management and the employees to be at par on negotiation table. As

such, while the management gains a better and deep insight into the problems and the aspirations of the employees, on the one hand, the employees do also become better informed about the organizational problems and limitations, on the other. This, in turn, develops better understanding between the two parties.

**2. It promotes industrial democracy:** Both the employer and the employees who best know their problems, participate in the negotiation process. Such participation breeds the democratic process in the organisation.

**3. It benefits the both-employer and employees:** The negotiation arrived at is acceptable to both

parties—the employer and the employees.

**4. It is adjustable to the changing conditions:** A dynamic environment leads to changes in employment conditions. This requires changes in organisational processes to match with the changed conditions. Among other alternatives available, collective bargaining is found as a better approach to bring changes more amicably.

**5. It facilitates the speedy implementation of decisions arrived at collective negotiation:** The

direct participation of both parties—the employer and the employees—in collective decision-making process provides an in-built mechanism for speedy implementation of decisions arrived at collective bargaining.

**14.4 BARGAINING STRATEGIES**

The actual bargaining process, discussed later, and the events that take place during negotiation depend, to a great degree, upon the relationship between management and the union. Depending on the strength of the employer and the union and also on the degree of cooperation that characterizes their relationship, Walton and McKersie have identified the following four types of bargaining strategies that may be employed to arrive at an agreement:

**Distributive Bargaining**

Distributive bargaining, perhaps the most common form of bargaining, takes place when labour and management are in disagreement over the issues in the proposed contract, such as wages, bonus, benefits, work rules, and so on. It involves haggling over the distribution of surplus. In it, the gains of one party are achieved at the expense of the other. So, to say, a wage increase won by labour may be considered a loss suffered by management as reduction is profits.

Therefore, this form of bargaining is sometimes referred to as *win*-*lose* bargaining. Under it, each party is preoccupied with narrow sectoral gain of grabbing the bigger share of the cake. It, thus, lacks holistic approach.

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**Integrative Bargaining**

The purpose of integrative bargaining is to create a cooperative negotiating relationship that benefits both parties. In such bargaining, both labour and management win or gain or at least neither party loses. The issues of bargaining involved in such strategy may be such as better job evaluation process, better training programmes, better working conditions, etc. Such negotiations result in increase in the size of cake and, in turn, larger share for each party. This is considered the best bargaining strategy. Although integrative bargaining is not nearly as common as the distributive process, signs seem to indicate a steadily growing trend toward this cooperative form of bargaining.

**Attitudinal Structuring**

Such a bargaining involves shaping and reshaping of attitudes to positive and cooperative.

Examples of attitudinal structuring and shaping may be from hostile to friendly, from non-cooperative to cooperative, from untrust to trust, and so on. The need for attitudinal structuring or shaping is understood by the fact that any backlog of bitterness between the parties leads to bargaining impasse by erupting and destroying negotiations. Therefore, attitudinal structuring is required to maintain smooth and harmonious industrial relations. The attitudinal structuring helps achieve ‘good-faith bargaining’.

**Intra-organisational Bargaining**

In practice, there are different groups in an organisation by department-wise and level -wise. At

times, different groups may perceive the outcomes of collective bargaining process differently. For example, the unskilled workers may feel that they are neglected or women workers may feel that their interests are not taken into consideration. Not only that, there may be differences even within the management. While personnel manager may support increase in wages, the finance manager may oppose the same on the ground that it will disturb the company’s financial position. Given such situation, intra-organisational consensus is required for the smooth acceptance of the agreements arrived at collective bargaining. Thus, intra-organisational bargaining involves maneuvering to achieve consensus with the workers and management.

**14.5 BARGAINING PROCESS**

The actual bargaining goes through a process consisting of certain stages. However, the number of stages and sequencing of these may vary from organisation to organisation depending on the nature of parties involved in bargaining process. According to Mondy and Noe, the following four

types of structures decide the nature of parties involved in bargaining process.

**1.** One company dealing with a single union.

**2.** Several companies dealing with a single union.

**3.** Several unions dealing with a single company.

**4.** Several companies dealing with several unions.

Generally, a bargaining process consists of the following five stages:

**Pre-negotiation**

This is the first stage involved in a bargaining process is also known as ‘preparation for negotiation’. In other words, it refers to homework for negotiation. That the pre-negotiation stage of the bargaining process is vital is duly confirmed by the fact that “up to 83 per cent of the outcomes of the negotiations are greatly influenced by pre-negotiation stage”. Both parties, i.e., the management and the workers need to make preparation for bargaining. This is discussed

separately as follows:

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**Preparation by Management:** It is very important for the management to study very carefully the labour organisation, or say, labour union with which they are to negotiate or bargain. This may include studying the strength of the union, their contracts with other industries, the background and personality characteristics of the union negotiators, etc.

The management should also know what similar organizations are doing in the particular matter, and what is expected from the economy in the near future. What can it expect the union to ask for?

What is management prepared to acquiesce on? The management should understand the bargaining power of the union and should devise its bargaining strategy accordingly. For example, if the demand for the company’s product or service has been high, management will be reluctant to absorb a strike, even one of short duration. On the other hand, if the business is passing through slackness, management will be least willing to concede to union demands and may be prepared to accept a lengthy strike.

Finally, the likely decisions should be chalked out, their impact be analyzed, and the drafts for the

likely decisions be prepared in advance to facilitate the immediate preparation of final agreement draft as soon as the negotiation comes to an end.

**Preparation by the Labour Union:** The labour union also needs to collect data on relevant aspects of organisation to facilitate its negotiating power and tactics. It should be aware of its contracts with other companies, the practices followed by other companies in the same region, and so on. Employees’ expectations over various issues should also be assessed in order to avoid their resistance to the agreement arrived at with the management. Due care should also be taken in selecting negotiator representatives of the Union.

**Negotiators**

On the company side, the particular negotiator may be any one of a number of persons. It may be the industrial relations officer, the head of the particular area such as production area, an office bearer like executive vice-president, or even the company lawyer. In order to broaden the base of participation, the practice of allowing all major divisional heads to participate and a few supervisors to observe on a rotating basis has great advantages in bargaining process.

On the union side, the team approach is customarily used. The team may consist of business agents, some shop stewards, the president of the local union, and when the negotiation is vital, the president of the national union.

**Negotiation**

Once the first two stages are completed, both the parties come to the negotiation table at a time and place for this purpose. Customarily, negotiation process starts by the union representatives delivering an extravagant and long list of demands. Expectedly, the initial response from the management is usually as extreme as that of the union. The management counters the union demands by offering little more than what was agreed in the previous contract. This tug of war goes on from both the sides.

In the process, each party assesses the relative priorities of the other’s demands. This takes them in a situation when attempt is made to get management’s highest offer to approximate the lowest demands that the union is willing to accept. Thus, each group compromises by giving up some of its demands so that an agreement can be arrived at when they actually arrive at an agreement, this is converted into a written contract. In case, both parties do not reach to any agreement, then it is called deadlock or breakdown or bargaining impasse. This is discussed, in some more detail, later in this unit.

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**Agreement or Contract**

After both parties have arrived at an informal agreement either in the normal/initial process or through overcoming bargaining impasse, it is written. The written form of the agreement usually consists of the terms and conditions of agreement, the date from which it comes into effect, the duration for which it will remain in operation and the names of the signatories of the agreement.

The agreement so prepared is then sent to the labourers and management for its ratification and approval. The representatives of both the parties may not have ultimate authority to decide some issues referred to collective bargaining and included in the agreement. These need to be ratified by

both the parties. The agreement needs to be duly ratified to make an agreement binding. This implies that any collective bargaining agreement does not apply automatically to all workers of an organisation. The agreement becomes official once approved, ratified, and signed by labour and management representatives.

The collective agreement is variously known as “labour contract”, “union contract”, or “labour management agreement”. Union members and members of management all receive copies of the

agreement or contract. The agreement stipulates in formal terms the nature of the relationship between labour and management for the ensuing period of time as agreed in negotiation.

**Implementation of Agreement**

Once an agreement is ratified and approved, what next remains left is its implementation. The way

it will be implemented is indicated in the agreement itself. The agreement must be implemented with full magnanimity in terms of its letter and spirit by both the parties from the date of its operation as mentioned in the agreement. This is the duty of the Human Resource Department to ensure the proper and full implementation of all provisions given in the agreement.

One of the most important elements involved in agreement implementation is spelling out of a procedure for handling grievances arisen out of collective agreement. In practice, almost all collective bargaining agreements contain formal procedures to be used in resolving grievances over the interpretation and application of the agreement. Hence, the grievances, if any, need to be resolved accordingly.

**14.6 BARGAINING IMPASSE, MEDIATION AND STRIKES**

**Bargaining Impasse**

Sometimes serious conflicts occur during the course of negotiations. As such, labour and management become simply unable to reach an accord or agreement over certain issues such as wages, overtime, or other work provisions. Thus, when negotiations break down and the labour and management have been unable to reach an agreement, a *bargaining impasse* result. An impasse usually occurs when one party is demanding more than the other will offer.

As and when an impasse occurs, there can be three options:

**1.** The parties may ask a third party, known as mediator or arbitrator, to resolve the impasse.

**2.** The labour union may resort to work stoppage or strikes to exert their force on management.

**3.** The employer may also, through several pressure techniques may exert a show of force to suppress union demands.

Let us reflect on these one by one.

**Third-Party Involvement:** Three types of third-party interventions are used to overcome impasse:

Mediation, Arbitration, and Fact-finding.

(*i*) **Mediation:** A neutral third-party acts as a mediator to lead the two parties to an agreement as

a go-between for the labour and the employer. The mediator usually holds meetings with each party to determine where each party stands regarding its position.

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Then, grounds are prepared for settling the issues. Importantly, the mediator does not have the authority to impose his/her decision. To be successful in his mediating role, the mediator must have the confidence of both parties and is perceived as truly impartial and unbiased.

(*ii*) **Arbitration:** Arbitration is the commonly used and most definitive type of third-party intervention in resolving disputes. Unlike the mediator, an arbitrator is empowered to determine and dictate the terms of negotiation. This facilitates the arbitrator to guarantee a solution to an impasse. Arbitrations may be either binding or non-binding. In case of binding arbitration, both parties are bound to accept the arbitrator’s decision/award. The parties are not committed to the arbitrator’s award in case of non-binding arbitration.

(*iii*) **Fact-finding:** In certain situations of emergency type, a fact-finder is appointed to resolve an

impasse. Like mediator, a fact-finder is also a neutral party who dissects and studies the issues involved in dispute and then, based on this, makes a public recommendation of what a reasonable settlement ought to be. Fact-finding is rarely used in the private sector. This is commonly used in public sector to settle disputes.

**Union Power Tactics**

**Strikes:** A strike is a concerted and temporary withdrawal of labour from the work. The possibility

of a strike is the ultimate economic force that the union can bring to bear upon the employer. Flippo views that without the possibility of a strike in the background, there can be no true collective bargaining. Various types of strikes are the following:

**1. Economic Strike:** An economic strike is a strike over an economic issue such as demand for

better wages, benefits, hours, and working conditions than the employer is willing to grant.

**2. Recognition Strike:** This is the typical strike to force the employer to recognize and deal with

the union.

**3. Sympathy Strike:** A sympathy strike occurs when one union strikes in support of the strike

of another.

**4. Wildcat Strike:** A wildcat strike is an unauthorised strike not approved by the union leadership.

**5. Sit-down Strike:** This is a strike when the employees strike but remain at their jobs in the plant.

Such strike is illegal since they constitute an invasion of private property.

**Picketing:** Picketing is one of the activities occurring during a strike. The picket, a line of strikers

who patrol the employer’s place of business, helps keep a plant or building site closed during a strike. The purpose of picketing is to make the society know about labour dispute going on in the organisation. It also aims at discouraging others to refrain from doing business with the struck employer.

**Boycott:** A boycott is the combined refusal by employees and other interested parties to buy or

use the employer’s products. There are two types of boycotts:

(*i*) **Primary Boycott.** A primary boycott involves only those parties directly involved in a dispute.

The union exerts pressures on members to avoid patronizing an employer, even going as far as to levy fines against members that do. (*ii*) **Secondary Boycott:** This involves a third party not directly involved in a dispute. For example, an electrician’s union can persuade retailers not to buy employer’s product.

**Employer Power Tactics**

At times, employers do also use a number of tactics designed to overcome a bargaining impasse on their terms. These may include the lockout of employees, hiring nonunion employees, hiring replacement employees and filing for bankruptcy.

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**Lockout:** A lockout is refusal by the employer to provide opportunities to employees to work.

The employees are, sometimes literally, locked out and prohibited from doing their jobs, and thus, stop from getting paid. Because an employer normally halts operations with this tactic, the lockout sees only limited use in resolving bargaining impasse.

**Non-union Workers:** One way to maintain operations is let the non-union employees such as supervisors perform the duties of striking employees. However, this tactic may be successful where operations are highly automated or routine and where little training is required to perform the strikers’ jobs.

**Replacement Employees:** Yet another anti-strike tactic is to hire replacement employees for strikers. However, this strategy is not without problems. *First*, many workers will be hesitant to accept a short-term employment. *Second*, many workers will hesitate to cross picket lines to be ridiculed by the picketers. *Third,* the practice is sure to impair labour-management relations and lower workers morale if a settlement is reached.

**Bankruptcy:** In extreme case, an employer can go to the extent to cancel a union contract and declare oneself, under the provisions of the Bankruptcy Law, as bankrupt to get rid of striking workers.

**14.7 CONDITIONS FOR EFFECTIVE COLLECTIVE BARGAINING**

As has been seen, collective bargaining is one of the important means to settle the industrial disputes. However, its effectiveness depends much on the environment in which collective bargaining takes place. The following conditions make environment conducive for collective bargaining:

**1. Favourable Political and Social Climate:** That existence of a favourable political and social climate is a necessary condition for effective collective bargaining, is well confirmed by the history

of collective bargaining worldwide. Collective bargaining has made headways in settling industrial disputes in the countries where it has been duly supported by the government and favoured by the public. From this point of view, the political climate has not been much favourable for collective bargaining in Zambia. The reason is not far to seek. There has been a multiplicity of trade unions in the countries sponsored by different political parties. These trade unions favour employees not based on the merit of issues involved in disputes but based on their differing political considerations. Added to these is a plethora of legal laws also creating unfavourable climate for collective bargaining in the country.

**2. Trade Unions:** Like in a democratic country like ours, employees should have fundamental rights to form trade unions for protecting their interests. More the stronger the trade union is, the more the effective collective bargaining and vice versa.

The employer should also recognize a trade union and its representatives.

**3. Problem Solving Attitude:** Both the parties while negotiating should adopt a problem solving,

or say, compromising attitude to reach an agreement. Neither party should adopt an adamant or fighting attitude. The negotiating teams should follow give and take approach. It means that one party may win concessions over the other depending upon their relative strengths.

**4. Availability of Data:** Data and information serve as inputs for decision-making. Hence, the availability of required data serves as a pre requisite for successful collective bargaining. While the employer must make available data required for collective discussion, the union representatives also must accept and trust on data supplied by the employer.

**5. Continuous Dialogue:** Collective bargaining sometimes may not reach to an agreement. Instead, there may be deadlock, or say, bargaining impasse.

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In such case, dialogue must not end but continue with problem solving approach. Keeping the controversial issues aside for the time being may help narrow down disagreement and continue the dialogue. Possibility for agreement may increase with continuation of dialogue.

**ACTIVITIES**

**1.** What is meant by collective bargaining? What are its objectives?

**2.** Appreciate the need for and importance of collective bargaining in resolving industrial disputes.

**3.** Discuss various strategies of collective bargaining. Which one do you consider the best and why?

**4.** What are the necessary conditions for effective collective bargaining?

**5.** Write notes on:

(*a*) Bargaining Impasse (*b*) Mediation (*c*) Strikes (*d*) Employer Power Tactics

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**UNIT 15: PERFORMANCE AND POTENTIAL APPRAISAL**

**Learning Objectives**

After studying this unit, you should be able to:

**1.** *Define* performance appraisal and *state* its purposes.

**2.** *List* the common approaches to performance appraisal.

**3.** *Outline* the steps involved in a performance appraisal process.

**4.** *Describe* the methods used to appraise employees’ performance.

**5.** *Discuss* the problems associated with employee performance appraisal.

**6.** *Explain* how performance appraisals can be more effective.

**7.** *Define* potential appraisal and justify the need for potential appraisal.

**INTRODUCTION**

You have so far learnt the various ways and means managers apply to maintain and retain and, then, to extract the maximum results from the employees working in the organisation. As organisational effectiveness is often equated with managerial efficiency, a manager has to ensure

the full utilization of employees working under him to achieve organisational effectiveness.

This underlines the need for measuring and appraising the performance of employees. Accordingly, just what, why and how to make performance appraisal of employees are the major issues addressed in this unit. Also examined are the problems faced in performance appraisal and

look at the possibilities of overcoming these problems to make the performance appraisal more effective. Also discussed, towards the end of unit, is potential appraisal.

**15.1 WHAT IS PERFORMANCE APPRAISAL?**

To begin with, let us peep into the history of performance appraisal. In an informal sense, performance appraisal is as old as mankind itself. In a formal sense, performance appraisal of an individual began in the Wei dynasty (A.D. 261-265) in China, where an *Imperial Rater* appraised the performance of members of the official family. In 1883, the New York City Civil Service in USA introduced a formal appraisal programme shortly before World War I. However, formal appraisal of employees’ performance is believed to have been started for the first time during the First World War, when at the instance of Walter Dill Scott, the US Army: adopted the “Man-to-man” rating system for evaluating military personnel. This early employee appraisal system was called *‘merit rating*’. In the early fifties, attention shifted to the performance appraisal of technical, professional and managerial personnel.

Since then, the philosophy of performance appraisal has undergone tremendous changes. Different

experts have used different terms to describe this philosophy or concept. The common terms used

include merit rating, behavioural assessment, employee evaluation, personnel review, staff assessment, progress report and performance appraisal. Notwithstanding, the term ‘performance evaluation’/ ‘appraisal’ is most widely used.

To appraise is to assess the worth or value. In the context of an industrial organisation, performance

appraisal is a systematic evaluation of personnel by supervisors or those familiar with their performance. In other words, performance appraisal is a systematic and objective way of judging the relative worth or ability of an employee in performing his/her task.

According to Flippo, “performance appraisal is the systematic, periodic and an impartial rating of

an employee’s excellence in matters pertaining to his present job and his potential for a better job”.

To Beach, “performance appraisal is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development”.

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Thus, performance appraisal is a systematic way of judging the relative worth of an employee in performing his task. It helps identify employees who are performing their tasks well and also those

who are not and the reasons for such (poor) performance.

Over the period since its formal introduction in 1920, performance appraisal has undergone tremendous changes in terms of its concept, philosophy and methods. In this context, W. F. Cascio observes that: “Performance appraisal has many facets. It is an exercise in observation and judgement, it is feedback process, and it is an organisational intervention. It is a measurement process as well as an intensely emotional process. After all, it is an inexact human process. While it is fairly easy to prescribe how the process should work, descriptions of how it actually works in practice are rather discouraging”.

**15.2 PURPOSE OF PERFORMANCE APPRAISAL**

A cross-examination of organisational practices reveals that performance appraisal is undertaken

for variety of purposes. Performance appraisal is broadly used for meeting the following purposes:

**1.** To identify employees for salary increases, promotion, transfer and lay-off or termination of services.

**2.** To determine training and development needs of the employees.

**3.** To motivate employees by providing feedback on their performance levels.

**4.** To establish a basis for research and reference for personnel decisions in future.

The above purposes of performance appraisal can be divided into two broad categories: evaluative

and developmental.

**Purposes of Performance Appraisal**

1. Compensation Decisions

2. Performance Feedback

3. Staffing Decisions

4. Training and Development Needs

5. Evaluate Selection System

6. Feedback for Improvement

**Evaluative Developmental**

It rates a job holder.

It rates a job holder on the basis of his or her performance.

It is done for the purpose to give effect to promotions, transfers, assess training needs, offer

rewards, award, punishments, etc.

It is evaluated only after the employee has been hired and placed on a job.

It is compulsory to conduct it on regular basis.

It is done by employees themselves, peers, supervisors or combination of them.

1. It rates a job.

2. It rates a job keeping in view the responsibility, qualification, experience, working conditions, etc., required to perform a job.

3. Its purpose is to determine wage levels for different jobs.

4. It is rated before an employee is appointed to hold it.

5. Conducting job evaluation is not compulsory.

6. It is done by a committee consisting of internal and external experts.

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That the purpose of performance appraisal may vary from country to country and from organisation to organisation within a country is reported by the two research studies.

**17.3 APPROACHES TO PERFORMANCE APPRAISAL**

In our social life, we appraise or evaluate, in our own ways, the worth of others. We select a tailor, hairdresser, doctor or architect through our evaluation of their worth. So do the organizations as well.

All employees are appraised on their job performance in some manner or another. In general, industries make performance appraisal of their employees using three possible approaches:

**The Casual Approach:** The casual approach of performance appraisal was perhaps the most commonly used one in the past. It, however, lost its popularity with the need for quantitative and qualitative measurement of output for the rank-and-file personnel.

**The Traditional Approach:** This approach is used to evaluate (*a*) employee characteristics, (*b*) employee contributions, or (*c*) both. All employees are appraised in the same manner using the same approach. As such, employees’ ratings so obtained become comparable. That the use of traditional and highly systematic approach is on increase is revealed by a survey of 426 firms resulting in 67 percent reporting a formal rather than casual attempt to evaluate employees10. It also highlighted that the size of the firm and extent of formal evaluation of employees are positively related, as 87 per cent of the firms having more than 5,000 employees were using a systematic approach to performance appraisal.

**The Mutual Goal Setting Approach:** This is also called “the behavioural approach”. This is an

improvement over the traditional approach in which the supervisor was placed in the position of “all in all”. As such, his evaluation becomes subjective and biased11. Therefore, to overcome this problem, a new approach giving emphasis on mutual goal setting and appraisal of progress by both the appraiser and the appraisee is evolved. This is popularly known as ‘Management by Objectives’ (MBO). The use of the MBO as an appraisal approach is gaining popularity in the organisation. The MBO is discussed in detail later in this unit under the *‘methods of performance appraisal*’.

**15.4 PROCESS OF PERFORMANCE APPRAISAL**

Though the specific steps that an organisation will follow in developing an appraisal system may vary somewhat from organisation to organisation, yet the following are the common steps usually

followed by organizations while developing an appraisal system for them:

**Establish Performance Standards:** The appraisal process begins with the establishment of performance standards. The managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job descriptions. These performance standards should also be clear and objective to be understood and measured. Standards should not be expressed in an articulated or vague manner such as “a good job” or “a full day’s work” as vague phrases tell nothing.

**Communicate Performance Expectations to Employees:** Once the performance standards are established, these need to be communicated to the respective employees so that they come to know

what is expected of them. Past experience indicates that not communicating standards to the employees compounds the appraisal problem. Here, it must be noted that mere transference of information (relating to performance standards, for example) from the manager to the employees is not communication.

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It becomes communication only when the transference of information has taken place and has been received and understood by the employees12. The feedback from the employees on the standards communicated to them must be obtained. If required, the standards may be modified or revised in the light of feedback obtained from the employees. It is important to note that communication is a two-way street.

**Measure Actual Performance:** This is the third step involved in the appraisal process. In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports, and written reports. Needless to mention, the evaluator’s feelings should not influence the performance measurement of the employee. Measurement must be objective based on facts and findings. This is because what we measure is more critical and important to the evaluation process than how we measure.

**Compare Actual Performance with Standards:** In this stage, the actual performance is compared with the predetermined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e., the discussion of the appraisal with the concerned employees.

**Discuss the Appraisal with the Employee:** The fifth step in the appraisal process is to communicate to and discuss with the employees the results of the appraisal. This is, in fact, one of the most challenging tasks the managers face to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner. A discussion on appraisal enables employees to know their strengths and weaknesses. This has, in turn, impact on their future performance. Yes, the impact may be positive or negative depending upon how the appraisal is presented and discussed with the employees.

**Initiate Corrective Action:** The final step in the appraisal process is the initiation of corrective action when it is necessary. The areas needing improvement are identified and then, the measures to correct or improve the performance are identified and initiated. The corrective action can be of two types. One is immediate and deals predominantly with symptoms. This action is often called as “putting out fires.” The other is basic and delves into causes of deviations and seeks to adjust the difference permanently. This type of action involves time to analyze deviations. Hence, managers often opt for the immediate action, or say, “put out fires”. Training, coaching, counselling, etc. are the common examples of corrective actions that managers initiate to improve the employee performance.

**15.5 METHODS OF PERFORMANCE APPRAISAL**

. In this section, we now want to describe in specific terms how management can devise instruments, i.e., methods that can be used to measure and appraise employees’ performance. By now, a number of performance appraisal methods are available. In fact, each organisation has its own. Each method with its strengths and weaknesses may be suitable for one organisation and non-suitable for another one. As such, there is no single appraisal method accepted and used by all organizations to measure their employees’ performance.

All the methods of appraisal devised so far have been classified differently by different authors.

While DeCenzo and Robbins have classified appraisal methods into three categories: absolute methods, relative methods and objective methods; Aswathappa has classified these into two categories: past-oriented and future-oriented. Michael R Carrell et. al. have classified all appraisal methods into as many as six categories: rating scales, comparative methods, critical incidents, essay, MBO and combination methods.

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Rock and Levis have classified the methods into two broad categories: narrow interpretation and broad interpretation. Beatty and Schneier have categorised various methods of appraisal into four groups: comparative methods, absolute methods, goal setting, and direct indices.

A more widely used classification of appraisal methods into two categories, viz., traditional methods and modern methods, is given by Strauss and Sayles18. While traditional methods lay emphasis on the rating of the individual’s personality traits, such as initiative, dependability, drive,

creativity, integrity, intelligence, leadership potential, etc.; the modern method, on the other hand,

place more emphasis on the evaluation of work results, i.e., job achievements than the personal traits.

Modern methods tend to be more objective and worthwhile. The various methods included in each of the two categories are given below:

In the discussion that follows, each method under both categories will be described briefly.

**15.5.1 Traditional Methods**

**Ranking Method:** It is the oldest and simplest formal systematic method of performance appraisal

in which one employee is compared with all others for the purpose of placing them in a simple rank order of worth. The employees are ranked from the highest to the lowest or from the best to the worst.

In doing this, the employee who is the highest on the characteristic being measured and also the one who is the lowest, are indicated. Then, the next highest and the next lowest are chosen, alternating between next highest and lowest until all the employees to be rated have been ranked. Thus, if there are ten employees to be appraised, there will be ten ranks from 1 to 10.

However, the greatest limitations of this appraisal method are that (*i*) it does not tell that how much better or worse one is than another, (*ii*) the task of ranking individuals is difficult when a large number of employees are rated, and (*iii*) it is very difficult to compare one individual with others

having varying behavioural traits. To remedy these defects, the paired comparison method of performance appraisal has been evolved.

**Paired Comparison:** In this method, each employee is compared with other employees on one-on-one basis, usually based on one trait only. The rater is provided with a bunch of slips each containing a pair of names, the rater puts a tick mark against the employee whom he considers the

better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

The number of possible pairs for a given number of employees is ascertained by the following formula:

N (N – 1) / 2

Where N = the total number of employees to be evaluated. Let this be exemplified with an imaginary example.

If the following five teachers have to be evaluated by the Vice Chancellor of a University : Khanka (K), Mohapatra (M), Raul (R), Venkat (V), and Barman (B), the above formula gives 5 (5 – 1) / 2 or 10 pairs. These are:

K with M

K with R

M with R

K with V

M with V

R with V

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K with B

M with B

R with B

V with B

Thus, the pairs so ascertained give the maximum possible permutations and combinations. The number of times a worker is considered better, makes his/her score. Such scores are determined for each worker and he/she is ranked according to his/her score.

One obvious disadvantage of this method is that the method can become unwieldy when large numbers of employees are being compared.

**Grading Method:** In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory, and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance.

Such type of grading is done is Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

**Forced Distribution Method.** This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees’ performance level confirms to a normal statistical distribution i. e., 10, 20, 40, 20, and 10 per cent. This is useful for rating a large number of employees’ job performance and promotability. It tends to eliminate or reduce bias. It is also highly simple to understand and easy to apply in appraising, performance of employees in organizations. It suffers from the drawback that if all distribution grades improve similarly, no single grade would rise in a rating.

**Forced-Choice Method.** The forced-choice method is developed by J. P. Guilford. It contains a

series of groups of statements, and rater rates how effectively a statement describes each individual

being evaluated. Common method of forced-choice method contains two statements, both positive or negative. Examples of positive statements are:

**1.** Gives good and clear instructions to the subordinates.

**2.** Can be depended upon to complete any job assigned.

A pair of negative statements may be as follows:

**1.** Makes promises beyond his limit to keep these.

**2.** Inclines to favour some employees. Each statement carries a score or weight, which is not made known to the rater. The human resource section does rating for all sets of statements— both positive and negative. The final rating is done on the basis of all sets of statements.

Thus, employee rating in this manner makes the method more objective. The only problem associated with this method is that the actual constructing of several evaluative statements, also called ‘forced-choice scales’, takes a lot of time and effort.

**Check-List Method.** The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in ‘yes’ or ‘no’ are prepared by the HR department. The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraisee. Each question carries a weightage in relationship to their importance. When the check-list is completed, it is sent to the HR department to prepare the final scores for all appraisees based on all questions.

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While preparing questions, an attempt is made to determine the degree of consistency of the rater by asking the same question twice, but in a different manner.

However, one of the disadvantages of the check-list method is that it is difficult to assemble, analyze and weigh a number of statements about employee characteristics and contributions. From

a cost stand point also, this method may be inefficient particularly if there are a number of job categories in the organisation, because a check-list of questions must be prepared for each category

of job. It will involve a lot of money, time and efforts.

**Sample Check-list for Appraising University Teachers**

***Yes/ No***

1. Is regular on the job? — —

2. Does maintain discipline well? — —

3. Does show consistent behaviour to all students? — —

4. Is interested in (teaching) job? — —

5. Does ever make mistakes? — —

6. Does show favouritism to particular students? — —

7. Is willing to help colleagues? — —

**Critical Incidents Method:** In this method, the rater focuses his or her attention on those keys or

critical behaviours that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method. *First*, a list of noteworthy (good or bad) on-the-job behaviour of specific incidents is prepared. *Second*, a group of experts then assigns weightage or score to these incidents, depending upon their degree of desirability to perform a job. *Third*, finally a check-list indicating incidents that describe workers as “good” or “bad” is constructed. Then, the check-list is given to the rater for evaluating the workers.

The basic idea behind this rating is to appraise the workers who can perform their jobs effectively in critical situations. This is so because most people work alike in normal situation. The strength of critical incidents method is that it focuses on behaviours and, thus, judges performance rather than personalities.

Its drawbacks are to regularly write down the critical incidents which become time-consuming and

burdensome for evaluators, i.e., managers. Generally, negative incidents are more noticeable than positive ones. It is rater’s inference that determines which incidents are critical to job performance. Hence, the method is subject to all the limitations relating to subjective judgements.

**Graphic Rating Scale Method:** The graphic rating scale is one of the most popular and simplest

technique for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee. The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five-point scale. The rater rates each appraisee by checking the score that best describes his or her performance for each trait. At last, all assigned values for the traits are then totaled.

***Factor:*** This method is good for measuring various job behaviours of an employee. However, it is also subjected to rater’s bias while rating employee’s behaviour at job. Occurrence of ambiguity in designing the graphic scale results in bias in appraising employee’s performance.

**Essay Method.** Essay method is the simplest one among various appraisal methods available. In

this method, the rater writes a narrative description on an employee’s strengths, weaknesses, past

performance, potential and suggestions for improvement.

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Its positive point is that it is simple in use.

It does not require complex formats and extensive/specific training to complete it.

However, essay method, like other methods, is not free from drawbacks. In the absence of any prescribed structure, the essays are likely to vary widely in terms of length and content. And, of course, the quality of appraisal depends more upon rater’s writing skill than the appraisee’s actual

level of performance. Moreover, because the essays are descriptive, the method provides only qualitative information about the employee. In the absence of quantitative data, the evaluation suffers from subjectivity problem. Nonetheless, the essay method is a good start and is beneficial also if used in conjunction with other appraisal methods.

**Field Review Method:** When there is a reason to suspect rater’s biasedness or his or her rating appears to be quite higher than others, these are neutralised with the help of a review process. The

review process is usually conducted by the personnel officer in the HR department. The review process involves the following activities:

(*a*) Identify areas of inter-rater disagreement.

(*b*) Help the group arrive at a consensus.

(*c*) Ensure that each rater conceives of the standard similarity.

However, the process is a time-consuming one. The supervisors generally resent what they

consider the staff interference. Hence, the method is not widely used.

**Confidential Report:** It is the traditional way of appraising employees mainly in the Government

Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually, a structured format is devised to collect information on employee’s strength, weakness, intelligence, attitude, character, attendance, discipline, etc.

Its drawbacks include it is a subjective evaluation based on evaluator’s impression about the appraisee rather than on facts and figures. As the feedback is not given to the appraisee, the appraisal remains confined to evaluation than development. Feedback, if any, is given only in case of adverse report.

**15.5.2 Modern Methods**

**Management by Objectives (MBO):** Most of the traditional methods of performance appraisal are subject to the antagonistic judgements of the raters. It was to overcome this problem, Peter F.

Drucker propounded a new concept, namely, *management by objectives (MBO)* way back in 1954 in his book. *The Practice of Management*.

The concept of MBO as was conceived by Drucker, can be described as a “process whereby the superior and subordinate managers of an organisation jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members”. In other words, stripped to its essentials, MBO requires the manager to get specific measurable goals with each employee and then periodically discuss his or her progress toward these goals.

In fact, MBO is not only a method of performance evaluation. It is viewed by the practicing managers and pedagogues as a philosophy of managerial practice because it is a method by which

managers and subordinates plan, organise, communicate, control and debate.

An MBO programme consists of four main steps : goal setting, performance standard, comparison,

and periodic review.

In *goal-setting*, goals are set which each individual is to attain. The superior and subordinate jointly establish these goals. The goals refer to the desired outcome to be achieved by each individual employee.

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In *performance standards*, the standards are set for the employees as per the previously arranged time period. When the employees start performing their jobs, they come to know what is to be done, what has been done, and what remains to be done.

In the *third step*, the actual level of goals attained are compared with the goals agreed upon. This enables the evaluator to find out the reasons for variation between the actual and standard performance of the employees. Such a comparison helps devise training needs for increasing employees’ performance. So much so, it can also explore the conditions having their bearings on employees’ performance but over which the employees have no control.

Finally, in the *periodic review step*, corrective measure is initiated when actual performance deviates from the standards established in the first step-goal-setting stage. Consistent with the MBO philosophy, periodic progress reviews are conducted in a constructive rather than punitive manner. The purpose of conducting reviews is not to degrade the performer but to aid in his/her future performance. From a motivational point of view, this would be representative of McGregor’s theories.

**Limitation of MBO:** MBO is not a panacea, cure for all organisational problems. As with other

methods, it also suffers from some limitations as catalogued below:

(*i*) **Setting Unmeasurable Objectives:** One of the problems MBO suffers from is unclear and

unmeasurable objectives set for attainment. An objective such as “will do a better job of training” is useless as it is unmeasurable. Instead, “will have four subordinates promoted during the year” is a clear and measurable objective.

(*ii*) **Time-Consuming:** The activities involved in an MBO programme such as setting goals, measuring progress, and providing feedback can take a great deal of time.

(*iii*) **Tug of War:** Setting objectives with the subordinates sometimes turns into a *tug of war* in

the sense that the manager pushes for higher quotas and the subordinates push for lower ones. As such, goals so set are likely to be unrealistic.

(*iv*) **Lack of Trust:** MBO is likely to be ineffective in an environment where management has little trust in its employees. Or say, management makes decisions autocratically and relies heavily

on external controls.

**Behaviourally Anchored Rating Scales (BARS):** The problem of judgemental performance evaluation inherent in the traditional methods of performance evaluation led to some organizations

to go for objective evaluation by developing a technique known as “Behaviourally Anchored Rating Scales (BARS)” around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension. It combines the benefits of narratives, critical incidents, and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance. The proponents of BARS claim that it offers better and more equitable appraisals than do the other techniques of performance appraisal we discussed so far.

Developing a BARS typically involves five steps:

**1. Generating Critical Incidents:** Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively. Persons who are knowledgeable of the job in

question (jobholders and/or supervisors) are asked to describe specific critical incidents of effective and ineffective performance. These critical incidents may be described in a few short sentences or phrases using the terminology.

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**2. Developing Performance Dimensions:** The critical incidents are then clustered into a smaller

set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined.

**3. Reallocating Incidents:** Various critical incidents are reallocated dimensions by another group of people who also know the job in question. Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster as classified in step 2.

**4. Scaling Incidents:** The same second group as in step 3 rates the behaviour described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide

which incidents will be included in the final anchored scales.

**5. Developing Final BARS Instrument:** A subset of the incidents (usually six or seven per cluster) is used as a behavioural anchor for the final performance dimensions. Finally, a BARS instrument with vertical scales is drawn to be used for performance appraisal.

How BARS is developed can be exemplified with an example of grocery checkout clerks working

in a large grocery chain. A number of critical incidents involved in checking out of grocery can be

clustered into seven performance dimensions:

Knowledge and Judgement

Conscientiousness

Skill in Human Relations

Skill in Operation of Register

Skill in Bagging

Organisational Ability of Checklist and Work

Skill in Monetary Transactions

Observational Ability

Now, a BARS for one of these performance dimensions, namely, “knowledge and judgement” can

be developed. Notice how the typical BARS is behaviourally anchored with specific critical incidents.

BARS method of performance appraisal is considered better than the traditional ones because it provides advantages like a more accurate gauge, clearer standards, better feedback, and consistency in evaluation. However, BARS is not free from limitations. The research on BARS indicates that it too suffers from distortions inherent in most rating scales.

The research study concluded that “it is clear that research on BARS to date does not support the high promise regarding scale independence..... In short, while BARS may outperform conventional rating techniques, it is clear that they are not a panacea for obtaining high interrater reliability”

**Assessment Centres:** The introduction of the concept of assessment centres as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s, and to the Britain in 1960s. The concept, then, traversed from the army to business arena during 1960s. The concept of assessment centre is, of course, of a recent origin in Zambia. In Zambia, Crompton Greaves, Eicher, Hindustan Lever and Modi Xerox have adopted this technique of performance evaluation.

In business field, assessment centres are mainly used for evaluating executive or supervisory potential. By definition, an assessment centre is a central location where managers come together to participate in well-designed simulated exercises. They are assessed by senior managers supplemented by the psychologists and the HR specialists for 2-3 days.

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Assessees are asked to participate in in-basket exercises, work groups, simulations, and role playing which are essential for successful performance of actual job. Having recorded the assessee’s behaviour the raters meet to discuss their pooled information and observations and, based on it, they give their assessment about the assesee. At the end of the process, feedback in terms of strengths and weaknesses, is also provided to the assesees.

The distinct advantages the assesment centres provide include more accurate evaluation, minimum

biasedness, right selection and promotion of executives, and so on.

Nonetheless, the technique of assessment centres is also plagued by certain limitations and problems. The technique is relatively costly and time consuming, causes suffocation to the solid performers, discourages to the poor performers (rejected), breeds unhealthy competition among the assessees, and bears adverse effects on those not selected for assessment.

**360 - Degree Appraisal:** Yet another method used to appraise the employee’s performance is *360*

*- degree appraisal.* This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including Zambia. In Zambia, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback-based method is generally used for ascertaining training and development requirements, rather than for pay increases.

Under 360 - degree appraisal, performance information such as employee’s skills, abilities and behaviours, is collected “all around” an employee, i.e., from his/her supervisors, subordinates, peers and even customers and clients. In other worlds, in 360-degree feedback appraisal system, an employee is appraised by his supervisor, subordinates, peers, and customers with whom he interacts in the course of his job performance. All these appraisers provide information or feedback on an employee by completing survey questionnaires designed for this purpose. All information so gathered is then complied through the computerised system to prepare individualized reports. These reports are presented to the employees being rated. They then meet the appraiser—be it one’s superior, subordinates or peers—and share the information they feel as pertinent and useful for developing a self-improvement plan.

In 360 - degree feedback, performance appraisal being based on feedback “all around”, an employee is likely to be more correct and realistic. Nonetheless, like other traditional methods, this method is also subject to suffer from the subjectivity on the part of the appraiser.

For example, while supervisor may penalise the employee by providing negative feedback, a peer, being influenced by ‘give and take feeling’ may give a rave review on his/her colleague.

**Cost Accounting Method:** This method evaluates an employee’s performance from the monetary

benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the cost involved in retaining the employee, and the benefits an organisation derives from him/her. While evaluating an employee’s performance under this method, the following factors are also taken into consideration:

**1.** Unit wise average value of production or service.

**2.** Quality of product produced or service rendered.

**3.** Overhead cost incurred.

**4.** Accidents, damages, errors, spoilage, wastage, caused through unusual wear and tear.

**5.** Human relationship with others.

**6.** Cost of the time supervisor spent in appraising the employee.

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**15.6 PROBLEMS IN PERFORMANCE APPRAISAL**

None of the methods of performance appraisal discussed so far is absolutely valid and reliable.

As is seen, each method has its own strengths and weaknesses. There are some problems and issues associated with the formal appraisal methods that make appraisal ineffective. This section highlights the major problems in the formal appraisal methods.

**Judgemental Bias:** As is already seen, most of the appraisal method involve rater’s judgement of

one kind or the other. These could be within or beyond the rater’s control. The inherent error of “central tendency” and “leniency” involved in the process cause the judgements bias. The error of

central tendency, for example, refers to the rater’s tendency of not using extreme scale scores on the judgement scale to discriminate between the superior and inferior ratees. The rates are clustered in the middle in such a manner that all or almost ratees are rated as average. Leniency occurs when the rater puts most of the ratees on the higher side of the scale. Contrary to it, the tough raters tend to rate low.

Again, there are some raters who rate on recently observed performance, while others tend to rate on potential performance. In such cases, the appraisal results of the two raters become highly incomparable.

The rater’s liking or disliking for the people/ratees may also cause the judgemental biasedness.

Awarding high rating to the people whom the rater likes and low rating whom they dislike is not

unlikely.

Another source of error in performance appraisal leading to judgemental bias is “halo effect”, or

a tendency to assess the ratee on one or two traits to influence assessment on others. Character traits cause such error more often than others.

Besides, there are some other biases which Blum and Naylor 28 term as “critical biases”, beyond

the control of both the rater and the ratee. These too cause error of judgemental bias. Opportunity

conditions i.e., supportive supervisors, more experienced co-workers, better working conditions;

cohesive group and the rater’s knowledge predictor bias are the examples of critical bias making their dent in the performance appraisal. Let us exemplify how the knowledge of predictor bias makes its dent in performance appraisal. A student who topped in the admission selection test might leave the impression that he/she is the best among the students and hence railroad the rater-teacher to better evaluation despite a moderate performance in the subsequent internal tests. This may happen in case of employee evaluation also.

**Faulty Managerial Assumptions:** Employee performance appraisal also suffers from faulty managerial assumptions. That managers wish to appraise their subordinates on a fair and accurate basis, based on a criterion once and for all the times, and make appraisal by instincts are untenable. Also, managers’ assumption that employees really want to know where they do stand often turns to be a myth, not a reality.

**Criterion Problem:** The objectives of performance appraisal vary from organisation to organisation. Hence, criteria used to appraise employee too vary from one organisation to another.

Since criteria are hard to define mainly in measurable terms, these suffer from ambiguity, vagueness and generality. As such, the results of performance appraisal based on different criteria are hardly comparable.

Research studies also report, by and large, similar problems of performance appraisal. For example, Dayal in his on-the-spot investigation of two Zambian manufacturing companies finds the following:

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**1.** No significant relationship was found between employees’ performance evaluation and their promotions, transfers, placements, etc.

**2.** Low reliability was noticed what the rater reported on paper about the performance of a subordinate and what he/she reported in face-to-face discussion.

**3.** Supervisors took only a few minutes to complete the appraisal before its submission.

**4.** Supervisors revealed some sort of anxiety in appraising their subordinates.

**5.** The evaluation of an employee made by the two raters revealed remarkable variation.

Closely related to Dayal’s findings were the problems reported by some other studies also.

**1.** Wider variation between raters than between ratees.

**2.** Feedback on employee appraisal is found pleasant neither for rater nor ratee.

**3.** Most supervisor-raters do not possess the required tact and insight to convey employees

constructively how to improve their performance.

**15.7 MAKING PERFORMANCE APPRAISAL MORE EFFECTIVE**

Performance appraisal, being a behavioural activity, is inevitable to suffer from certain problems. There is no panacea for eliminating altogether the problems of performance appraisal. Taking the

following measures can help minimize the impact of appraisal problems and, in turn, make performance appraisal more effective:

**Standard Appraisal Scheme**

Standard appraisal scheme, also known as ‘result-oriented schemes’, implies a more positive approach for performance appraisal. This is based on the Management by Objectives (MBO) philosophy based on the writings of Peter F. Drucker 31. According to this approach, the emphasis in performance appraisal should be shifted from appraisal to analysis. In other words, the job of superior who is evaluator, shifts from that of criticising the subordinate to that of helping him or her to improve his or her performance. The employee evaluates himself or herself and, thus, becomes an active agent in the evaluation process. Now, he/she does not remain just a passive object.

The employee performance is examined against specific targets and standards of performance already agreed jointly by the superior and the subordinate. This approach is, thus, very much in consistent with the belief that people work better when they have definite goals which they must meet in specified periods.

**Performance Reviews**

The term ‘performance review implies a deliberate stock taking exercise. The basic purpose of performance review is to anlyse what a person has done and is doing in his job in order to help him perform better by developing his strengths or / and overcoming his weaknesses. It is always better to review employee performance with employee himself/herself. One way of doing so is through counselling sessions.

A seriously designed and carefully handled counselling session can enable the employee to know where he stands, what he is expected to do, what are his strengths and weaknesses, and what further actions he should take. It is important to mention that the effectiveness of counselling *inter alia* depends on the use of skills which few managers are likely to possess in the normal course of the

work. Therefore, it is essential that the managers should acquire the necessary skills through proper

training and orientation courses.

**Multiple Appraisals**

Most of the methods of performance appraisals being judgemental in nature, suffer from the problem of subjectivity and, in turn, from reliability.

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One way to minimize the problem of reliability is to use multiple evaluations rather than single evaluation. The greatest strength of multiple appraisals is that it provides an indication of overall performance and also potential for employee development.

Multiple appraisals include appraisal of the same employee by superiors, peers, subordinates, and

employee himself. In a sense, multiple appraisal approach seems like ‘360-degree feedback’ method of performance appraisal.

**Trained Appraisers**

No one is born with the ability to appraise others’ performance accurately. Experience itself also does not prepare one to conduct performance appraisals. Rather, formal training is the most effective way to prepare managers and supervisors to conduct successful employee appraisal. Topics normally included in appraisal training are:

 Purpose of performance appraisal.

 How to avoid problems like halo, bias, central tendency, and so on.

 How to conduct nondiscriminatory appraisals.



**ACTIVITIES**

**1.** What do you mean by performance appraisal? Discuss the three purposes performance appraisal can meet.

**2.** Discuss the various steps involved in performance appraisal process.

**3.** What is BARS? How will you develop this scale for one of your teachers?

**4.** “Performance appraisal is not merely for appraisal but is for accomplishment and improvement

of performance”. Discuss.

**5.** Describe an optimum performance appraisal system.

**6.** “Performance appraisal should be a two-way street. Supervisors evaluate their subordinates, and subordinates should evaluate their supervisors”. Do you agree or disagree? Discuss.

**7.** Discuss 360-degree appraisal with its relative merits and demerits.

**8.** Which method will you use to appraise the performance of one of your teachers and why? What

will you suggest to improve his performance?

**9.** Develop a set of critical incidents covering the classroom performance of the teacher you like the most.

**10.** What are the major problems that distort performance appraisal?

**11.** Write short notes on the following:

(*a*) Appraisal by Objectives

(*b*) Forced Choice Method

(*c*) Critical Incidents Method

(*d*) BARS

(*e*) 360 - Degree Appraisal.

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