UNIT 1   ASSESSMENT OF HUMAN RESOURCE IN ORGANISATION AND HUMAN RESOURCE PLANNING

Structure

1.0   INTRODUCTION

The most important asset for any organisation today is the human resource. Organisations have come to understand that this resource needs to be nurtured carefully if they have to stay in business and face the competition. Therefore human resource planning is the process of getting the right kind and number of qualified people into the right job at the right time so that the objectives of the organisation can be met. This unit deals with the assessment of human resource in organisation and human resource planning.

1.1   OBJECTIVES

After completing his unit, you will be able to:

- Define human resource planning;

- Describe the meaning of human resource planning;

- Explain the need for HR planning;
- Define forecast;
- What is external and internal supply of workforce; and
- The different procedures used in forecasting workforce demands.

1.2 HUMAN RESOURCE PLANNING

The most critical resource for any organisation is Human resource and obtaining and using this resource is a perpetual problem in any society. It is rather very difficult to procure specialised technical talent at the most specific time, particularly when the organisation is planning for an expansion or to promote employees to higher positions.

Therefore human resource planning is to anticipate and respond to the needs emerging within and outside the organisation. It is concerned with the flow of people into, through and out of an organisation. It also ensures that the organisation will have the right mix of employees and skills when and where they are needed.

Management has recognised that talent plays a major role in gaining and sustaining a competitive advantage in a global market place.

So, it is imperative that management should engage in assessing periodically their basic missions and objectives.

However, organisations have to answer a few question before embarking on using their human resources as for example the following questions:

- What talent, abilities and skills are available within the organisation today?
- Who are the people we can dependably build on for tomorrow?
- How are we blending the talent available with the organisation's needs?
- What are the qualitative as well as quantitative of HR demands for our growth plan?

Human resource planning is defined as a strategy for the acquisition, utilisation, improvement and retention of an enterprise's human resource. It is a process by which the organisation ensures that it has the right number, right kind of people, at the right place and at the right time capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objectives. In other words the human resource planning translates the organisation's objectives and plans into the number of workers needed to meet those objectives.

Further, it is defined as an effort to anticipate future business and environmental demands of an organisation and to meet the HR requirements dictated by these conditions.

The general view of HR planning suggests that there are several interrelated activities that can be called as HR systems.

Talent Inventory: To assess current resources (Skills, abilities and potential) and analyse current use of employees.

Workforce Forecast: To predict future HR requirements (numbers, skills mix, internal versus external labour supply).

Action Plans: To enlarge the pool of qualified individuals by recruitment, selection, training, placement, transfer, promotion, development and compensation.

Control and Evaluation: To provide closed-coop feedback to the rest of the system and to monitor the degree of attainment of HR goals and objectives

As a result, strategic initiatives are adopted in recruitment, selection, development individual performance management, team performance management, career planning, diversity, employee attitude surveys and employee communication.

There are certain tactical business plans which serve as a basis for HR strategy, i.e. to notice how labour markets affect the supply of and demand for labour. When labour markets are 'loose' the supplies of available workers exceed the demand and thus unemployment is high. For this reason there will be lesser turnover of employees due to the fear of unemployment.

On the other hand when labour market is 'tight' demand for workers exceed supplies and therefore unemployment will be less because jobs are plenty and employee mobility will also increase.

Hence, when there is a clear understanding of this activity i.e. the surpluses and deficits of employees in terms of their numbers, their skills and their experiences that are projected at some future date, it is possible to initiate an action plan to rectify the projected problems (i.e. the net workforce required can be easily estimated).

Finally, control and evaluation procedures will also provide the feed back that affects every aspect of HR planning process.

1.2.1 Strategic Business and Work Force Plan

Planning is a focal point of management as it helps the managers to reduce the uncertainty of the future and thereby do a better job of coping with the future. Hence the fundamental reason for planning is because planning leads to success-though not always.

A second reason for planning is that it gives managers and organisations a sense of being in control of their fate rather than leaving their fate to chance. Hence, planning helps organisations do a better job of coping with change-technological, social, regulatory and environmental.

A third reason for planning is that it requires managers to define the organisation's objectives and provide context, meaning and direction for the employees work.

The assumption behind this planning is that by defining, we can ensure that all employees are aware of the over all goals, like why they are doing what they are doing? By this it is easy for the employers to assess effectively what the employees are doing to the organsiation's over all objectives as all these lead to better employee performance and satisfaction. The final reason for planning is that without objectives, effective control is impossible.

1.2.2 Levels of Planning

Planning take place at any of the three levels, viz., (i) strategic, (ii) operational or (iii) tactical level. Strategic planning is long range and differs from the short range operational or tactical planning. In strategic planning there should be substantial commitments of resource for taking any decisions. Besides this, there should also be a guarantee that these decisions will bring about fundamental changes in the direction of the business or a change in the speed of development of the business.

Therefore to make a strategic plan, there should be considerable data collection, analysis and proper management reviews. Strategic planning decision may result in new business acquisitions, new capital investments, or new management approaches. Hence strategic planning is a process of setting organisational objectives and deciding on comprehensive action programmes to achieve these objectives. For this the following processes should be included.

1) Defining company philosophy, that is why the company exists, what are its unique contributions and what business it should be in.

2) Formulating company and divisional statements of identity, purpose and objectives.

3) Evaluating the company's strength or weaknesses so that we can identify the factors that may enhance or limit the choice of any future course of action.

4) Determining the organisation design, including the structure, processes and inter relationships. These should enable the organisation to manage the company's business properly.

5) Developing appropriate strategies for achieving objectives. In other words, time based points of measurements both qualitative and quantitative sub goals.

6) Devising programmes to implement the strategies.

1.2.3 Payoffs from Strategic Planning

One major benefit of strategic planning is the growth, as strategic planning encourages the management to look for new opportunities instead of cutting down on workers to reduce expenses. But the most important danger of strategic planning is that the planning is usually for a future vision and usually the future is not always predictable as it changes very quickly.

This is one of the dilemmas which are often faced by the manager. One way to overcome this problem is to plan for a wide range of people , that is, from line manager to customers and suppliers.

Besides this the top management should be ready to shift the plans in midstream if conditions demand it. It would be easy for the company if it is watchful and alert to the demands of the market so that it can immediately change itself to meet these demands.

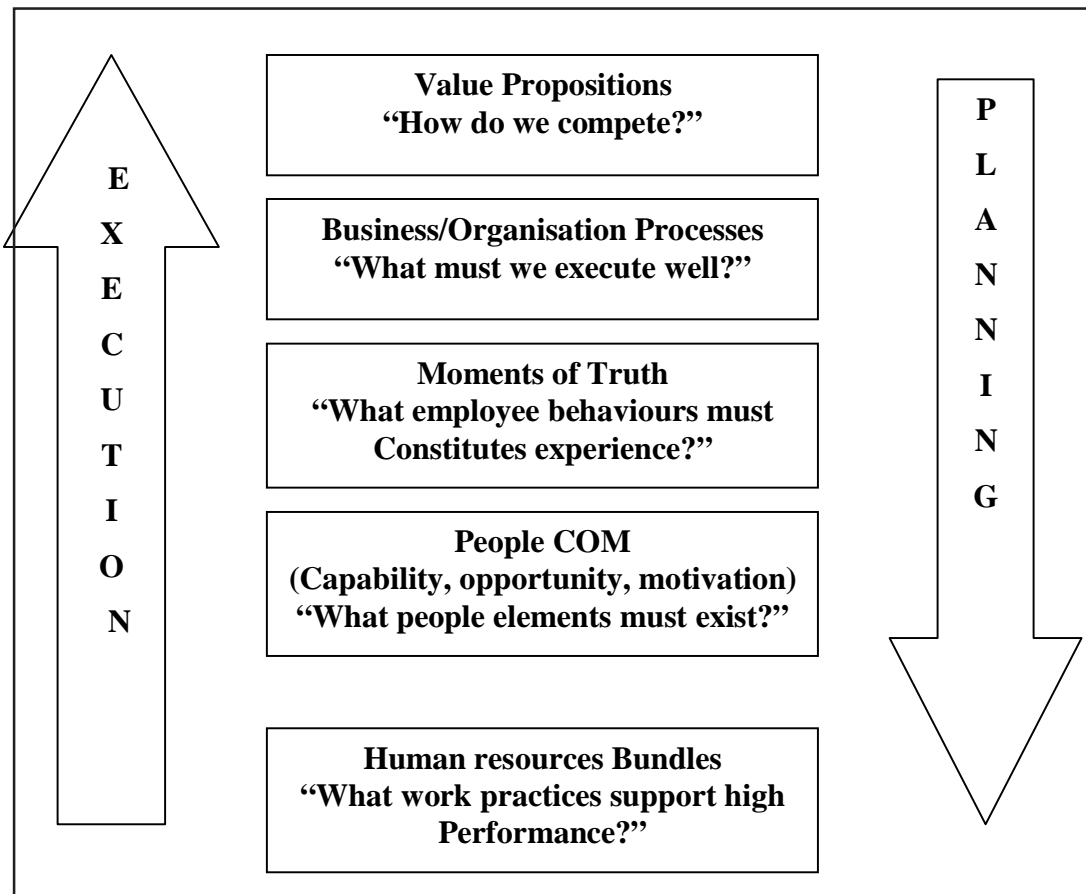## 1.2.4 Relationship of HR Strategy to Business Strategy

Fig. 1.1: Human Resource Strategy and Business Strategy

Figure above depicts the relationship of Human Resource strategy to the broader business strategy. As you can see in the model, planning, proceeds top-down and execution proceeds bottom-up.

There are five links in the model, beginning with a description of the "Value propositions"– How do we compete? Firms compete on a number of non independent dimensions such as innovation, quality, cost leadership or speed.

With the help of these, the business in organisational processes can be identified. The firm will have to execute these to withstand the competition. (e.g. Speedy order fulfillment) suppose a firm was able to deliver a particular product to the customer on his/her demand, the customer will experience a positive feeling "Moments of Truth". For e.g, when an employee presents a timely cost effective solution to the customer's problem, a moment of truth is said to occur.

If an employee should enact a moment of truth, he should have the capability, opportunity and motivation which are in other words **'People COM'** (capability, opportunity and motivation). To enhance **People Com**, there is a need for 'Bundles of Human Resource processes' in the form of work practices, in the area of staffing, training, rewards and performance management. Finally, execution proceeds. This process goes on from 1st the bundles of high performance work practices through People COM, to moments of truth, to execution of business/ organisational processes and back to the basic value propositions. Thus, high performance work practices include the following five factors (Paauwe, Williams Keegan, 2002).

1) Pushing responsibility down to employees operating in flatter organisations,

2) Increasing the emphasis on line managers as Human Resource managers,

3) Instilling learning as a priority in all organisational systems,

4) Decentralising decision making to autonomous units and employees,

5) Linking performance measures for employees to financial performance indication.

To meet these requirements work force plans must be outcomes of and be consistent with the overall business and Human Resource strategies. Managers will have to ask themselves the questions like what types of skills or competencies will we need to run the business five years from now, and how do we make sure we will have right kind of people for that?

At the broader level, the problem to procure the right kind of people can come from rapid technological changes, more complex organisations (in terms of products, locations, customers, and market) and more frequent changes in the external forces such as legislation, litigation, demographic changes and competition both from domestic and global fronts.

In such a kind of scenario, changes in the business environment will drive the issues pertaining to it and these issues will drive actions to be taken to address them and these actions will come in the form of programmes and processes to encounter the business issues identified.

The two key elements which should be examined for any Human Planning are **"Forecasts and Action plans"**.

The **forecast** of the net workforce is possible only after an analysis of the future availability of labour (supply) and future labour requirements (demand) which is done along with the analysis of the external conditions (i.e. Technologies, markets, competition).

Self Assessment Questions

1) What is human resource planning?

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2) What are the reasons for planning?

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3) What are strategic Business and work force plan?

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4) What are the various levels of planning?

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5) What benefits accrue to the organisation from strategic planning?

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6) Discuss the relationship of HR strategy to Business strategy.

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1.3 TALENT INVENTORY

To understand the future availability of people with the right skills, an inventory of the current talent is most important. For this purpose firstly **"A TALENT INVENTORY"** should be conducted. A talent inventory is an organised data base of the existing skills, abilities career interests and experience of the current workforce. Before data for the talent inventory can be obtained certain fundamental questions should be addressed like:

- Who should be included in the inventory?

- What specific information must be included for each?

- How can this information best be obtained?

- What is the most effective way to record such information?
- How can inventory results be reported to the top management?
- How often must this information be updated?
- How can the security of this information be protected?

The answers to these questions will provide a direction and scope to the data collection of Human Resource information. This information is stored electronically and is linked to other data bases. Such information can be used to form a complete human resource information system (HRM) that can be used by the organisation in a variety of situations. The information that is gathered contains a typical profile for each individual which runs in the following fashion.

- Current position information,
- Previous position in the company,
- Other significant work experience,
- Education (including degrees, licenses certifications),
- Language skills and relevant international experience,
- Training and development programs attended,
- Community or industry leadership responsibilities,
- Current and past performance appraisal data,
- Disciplinary action,
- Awards received.

Some voluntary information like limitations of the employees on mobility due to health or family circumstances, as well as their willingness to relocate are also obtained. Sometimes the preferences of the employees are obtained about the future assignments and locations.

1.3.1 Obtaining and Updating Information

The information gathered thus, can be further updated as and when the employee improves his qualifications or obtains licenses or certificates etc. To update the information a standardised update form is given to the employee at periodic intervals.

This information enables the company to identify the candidates for promotion, assignments to special projects, transfer and training. Further it also allows to identify the demographic trends in the workforce and to explore pertinent Human Resource research questions. Beside this it is also helpful to conduct training and workforce planning.

Therefore, talent inventories are potentially powerful tools in promoting the proper use of human resource, that too more accurately. However, the organisations have to take care that the employees' privacy is safeguarded.

1.4 FORECASTING WORKFORCE SUPPLY AND DEMAND

The organisations effort of obtaining workforce data will be useful only when the talent inventories and workforce forecasts are complementary to each other.

The inventory of the present talent is possible to be utilised only when it can be analysed in terms of future workforce requirements. Similarly, the forecast of workforce requirement is possible only when it is evaluated in relation to the current and project future supply of workers available internally (i.e. in the organisation itself). Only when we are clear of what workforce we have and how much more we require in terms of their number, their skill and their experience that it would aid us in taking a decisions about future requirements.

Thus workforce forecasts are attempts to estimate future labour requirements. There are two component processes in this task:

i)   Anticipating the supply of human resources, both inside and outside the organisation at some future time period.

ii) Anticipating organisational demands for various types of employees.

For the same reason forecasts of labour supply is generally considered as a separate entity from forecasts of demand. Each of them depends on a different set of variables and assumptions, in the sense that internal supply tend to relate much more on the conditions inside the organisation such as average rates of turnover, retirement, transfer, accidents, deaths and new hires within job classes, whereas demand forecasts depend on the behaviour of some business factor like sales, product volume etc.

Moreover there is slightly more stability in forecast of labour supply than demand forecasts due to many uncertainties particularly in consumer behaviour, in technology, and in the general economic environment.

There are **two paradoxes** in workforce forecast:

The techniques of forecasts are simple and easy to describe but are quite complex and difficult to apply them successfully.

After the forecast has been made it may prove to be most useful when it prove to be least accurate as a vision of the future.

To elaborate upon the second paradox, the organisation may envision a huge project to be sanctioned to it in the near future and to meet the demands of workforce for that period plans to equip itself with sufficient number of people. Therefore the hiring of employees has taken place. But there is a delay in the commencement of the project and the hired surplus employees are sitting on the bench. Instead of wasting this resource, the organisation can utilise their services for training, or transfer them to some other project or promote some internal employees to other positions etc., so that the surplus does not develop. This way the organisation can integrate the workforce into the total planning process and forecasts can be of special value because they enable an organisation to extend the range of other human resource planning and other functions.

1.4.1   External Workforce

There are many reasons why an organisation plans for its recruitment and hiring new employees:

•   When an organisation wants to expand

•   The aging of the present workforce

- Attrition (turnover)

- Recruitment and selection is a virtual certainty for some firms.

Therefore, the organisation has to explore the external labour market for the kinds of employees that will be needed.

There are some noteworthy agencies which make regular projections of external labour market, conditions and future occupational supply.

Thus it is a constant effort on the part of organisation or the agency to gauge both the future supply of workers in a particular field and the future demand for these workers.

It is highly dangerous to just focus on the supply side for instance, suppose one organisation is sure to procure its requirement from a particular institution at the end of an academic year but does not analyse that there may be other organisations who would need the same kind of supply. This could be a problematic situation, as due to the sudden competition there may be a shortage of supply of the right kind of workforce. The organisation should always consider wide spread and sophisticated recruitment procedures. They also require projections of the external labour market as a starting point for planning and dealing effectively with those that are to some extent unavoidable.

1.4.2   Internal Workforce

As you may recall that each organisation makes its own talent inventory and that serves as an organisation's current workforce base from which a projection of future supply of workers can be made. The routinely recorded items are the age, gender, job title, organisational level, geographical location, training, performance ratings and promotability. These help to determine the future supply. But the most common type of internal supply forecast is the **'management succession plan'**.

This is an activity which is pervasive, well accepted and integrated with strategic business planning. It is considered as the sum and substance of Human Resource Planning. In this method, the objective is to assure top quality and ready talent for all executive positions in the corporation. The line executive from the division are the main persons who have to conduct this exercise and an executive's resource staff located within the corporate Human Resource functions provides staff support.

Each line executive makes a formal presentation to a corporate policy committee consisting of the Chairman, the Vice Chairman and the President. The overall assessment of the strengths and weaknesses of the unit's executive resources, the present performance and potential of key executives and potential replacements (along with pictures of the individuals) and the rankings of all incumbents of key positions in term of the present performance and expected potential are presented.

The policy committee reviews this information critically and also provides additional insights to the line managers on the strength and weaknesses of both, the incumbents and their replacements, sometimes the committee may even direct specific career development action to be accomplished by the incumbent before the next review.

Self Assessment Questions

1) What is talent inventory?

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2) What are the ways in which this inventory is made and what are its functions?

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3) Discuss forecasting of workforce supply and demand.

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4) Define and describe external workforce.

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5) How is the internal workforce different from the external workforce?

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1.5   WORKFORCE DEMAND

As has been seen, supply forecasts are slightly simpler than the demand forecast. Demand forecasts are more subjective and each organisation must be able to identify the important variables and appropriate forecast strategies through experimentation, experience and testing over time against the actual staffing needs. There is a trend analysis procedure which can be followed for forecasting workforce demand.

1) Find the appropriate business factor,

2) Plot the historical record of that factor in relation to employees employed,

3) Compute the productivity ratio,

4) Determine the trend,

5) Make necessary adjustments in the trend, past and future,

6) Project to the target year.

1.5.1   Predictor Selection

The business factors to which workforce needs will be related should be selected e.g. for a company producing steel, it is the tons of steel produced per week. To be useful the predictor should satisfy two requirements.

i)   It must relate directly to the essential nature of the business so that business planning can be done properly. E.g. if you want to produce steel in larger volumes you should plan for workforce which are involved with production of steel.

ii)   Changes in the selected factor should be proportionally to the required staff e.g. suppose you want 100 tons of steel by the end of a week you should calculate how many people would be required to produce one ton in a week and on the basis of this you should be able to say how many more you will need and a forecast for workers should be made accordingly.

However, when organisations are involved in manufacturing different products, the workforce projections should not be made for the total organisation, separate projections must be made for different products or segments of the workplace (e.g. technical and non technical). To calculate the workforce in this way the people involved should have sound "judgment", "experience", and thorough knowledge of the organisation and a sense of the future direction of technological changes.

1.5.2   The Historical and Project Relationships

This is another method or technique of calculating the required workforce. Selection of a business factor is only the first stage of the projection process. What is more important over here is a quantitative understanding of the past, so that an organisation can plan more accurately for the future. The past relationship of the business factor to staffing levels must be determined accurately and the future levels must be estimated e.g. 237 employees are needed to turnout 372,529 small electrical appliance per year (this is a calculation done on the basis of the past years) i.e. approximately 1,572 appliances per individual were produced. This ratio output per individual is known as labour productivity and to project

workforce requirements into the future, a calculation of the rate at which the productivity changes should be known and based on this, a target can be established, which reflects the productivity anticipated in the future.

1.5.3 Productivity Ratio

Productivity ratios should be computed for the previous 5 to 10 years so that we can determine the average rate of productivity changes. If productivity changed significantly, the causes for such changes (more efficient machinery, automation, etc.) need to be identified.

However, to be safer, productivity ratio and average rates of change must be tempered with the judgment of experienced line managers who are close to the scene of operations. These people can help to interpret the reasons for past changes in productivity and estimate the degree to which they will effect future projections.

1.5.4 Projecting Workforce Requirements

Once an appropriate business factor and the productivity ratio are computed, the projection of workforce needs for the target year is quite straight forward. The projected level of business factors are multiplied by the productivity ratio to arrive at the effective number of employees required. Adjustments to the projections for the influence of special factors can give a net figure for the workplace demand at that time, for e.g. if a course work of a university department is estimated at 75 hours of teaching per week. The total course work that the existing regular teachers should engage is allocated to them and whatever is the remaining workload will be distributed either to part time teachers or to contract teachers. Depending upon the allotment of the number of hours for each category, the number of teachers required would be calculated.

1.5.5 How Accurate Must the Demand Forecast be?

Certain factors like the duration of the planning period, the quality of the data for which the forecasts are based and the degree of integration of Human Resource Planning with strategic business planning all affects accuracy. The accuracy of labour demand forecast depends on the degree of flexibility in staffing the workforce. As long as people are willing to relocate geographically, they are multi skilled and easily hired there is less need for precise forecasts. However 2 to 20 percent margin of error is always acceptable.

1.5.6 Integrating Supply and Demand Forecasts

The forecasts should be easily understandable and meaningful if they have to be used by the managers. The manager should be given a concise statement of projected staffing requirements that shows how the integration between the supply and demand forecast have be done. If a senior manager has to make an informed decision regarding the future direction of Human Resource initiative, this concise statement is more than enough for him, instead of all the voluminous calculations done during the initial stages.

1.5.7 Matching Forecast Results for Action Plans

These forecasts affects the company's programme in different areas, including recruitment, selection, performance managements, transfer and many other career enhancement activity. All these are called as **'action programmes'** which help

the organisation to adopt to change in their environments. In the past decade there is a huge amount of workforce diversity in the form of women, minorities and immigrants. To adapt to these changes, organisation are giving extensive training programmes to the managers to develop their skills to manage diversity. Besides this, training programmes are also given to handle human relations, so that members of the organisation can deal more effectively with each others.

However, many organisations prefer to select workers who are already equipped with these skills because they have realised that training a group of employees is more expensive and unguaranteed of change. So the present trend is to insure more expense on selecting the right kind of people rather than to rehabilitate them and then plan programmes that are appropriate to increase the performance further. They have found that providing training for high-ability employee is less time consuming and is also cost effective. Thus training for employees should also be a strategy for building sustained competitive advantage. They form a deep reservoir of firm specific human capital.

Self Assessment Questions

1) Discuss workforce demand. What are its significances?

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2) What is predictor selection?

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3) Discuss critically the historical and project relationships.

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4) Define Productivity ratio and discuss its importance.

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5) How does an organisation forecast workforce requirements?

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6) How does one ensure accuracy in such forecasts?

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7) Discuss integrating supply and demand forecasts.

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1.6 LET US SUM UP

By now, we have gained a clear understanding of what is human resource planning and why it is imperative for the organisation to engage in to manage its resource effectively. For drawing out a sound HR Plan the most important activity is to conduct a talent inventory which provides comprehensive information about the labour available within the organisation containing the required skills, abilities, knowledge and experience. This data should be preserved and updated and used whenever there is a need for upgrading employees or relocating them. Besides this, the information regarding the supply and demand for the needed competencies is also assessed in this activity. With the help of this the organisation will be able to assess how much workforce can be had from within the organisation and for how much more should it search in the labour market. Moreover for making the forecast some noteworthy techniques have been shown which will enable the HR planners to calculate the requirement of the organisation's staff.

1.7 UNIT END QUESTIONS

1) What is Human Resource Planning?

2) Discuss strategic planning and the three levels of planning.

3) Discuss the relationship between HR planning and business planning.

4) What is Talent Inventory? How is it used and what are its advantages?

5) Describe the process of forecasting supply and demand of the workforce.

6) Elucidate the factors that constitute workforce demand.

7) What is the need for organisation to plan for its HR?

8) What is forecasting? What are the various methods of forecast?

1.8 GLOSSARY

Workforce planning	:	An effort to anticipate future business and environmental demands of an organisation and to meet the HR requirements dictated by these conditions.
Strategic Plan	:	Means of competing through innovation, quality and speed which leads to success.
People COM	:	It is a moment of truth which occurs in an employee when he / she presents time or cost effective solution to a customer's problem.
Talent Inventory	:	It is an organised database of the existing skills, abilities, career interests and experience of the current workforce.
Forecast	:	An attempt to estimate future labour requirement by anticipating the supply of human resource, both from inside and outside the organisation.
External workforce supply	:	This is an activity where the organisation looks for its labour supply in the external environment /community.
Internal workforce supply	:	An organisation assesses the workforce existing within the organisation and selections are made on the basis of the skills and capabilities present in them.

1.9 SUGGESTED READINGS

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UNIT 2   HUMAN RESOURCE MANAGEMENT

Structure

2.0   INTRODUCTION

In this unit we will be dealing with Human Resource Management. We start with Human Resource Development and Activities within which we discuss some of the theoretical perspectives of human resource management which

includes universalistic approach, strategic fit perspective, configuration approach etc. This is followed by how to transform the HR staff and HR structure and enhance administrative efficiency. This is followed by a discussion on integrating HR into strategic planning which includes the planning process, mission goals and value statements, how to overcome the environmental threats etc. Then we discuss how to make use of the organisational strengths and weaknesses in HR planning and how to formulate strategies.

2.1   OBJECTIVES

After completing this unit, you will be able to:

- Define Strategic Human Resource Management;

- Describe the various theoretical approaches to HRM;

- Explain transforming HR staff and structure;

- Analyse the processes of enhancing administrative efficiency;

- Explain how HR practices could be integrated into strategic planning;

- Discuss the processes of fitting HR strategies to business strategies;

- Elucidate Partnership in HRM;

- Delineate the various methods of measurement of HRM; and

- Analyse benchmarking HR practices.

2.2   HUMAN RESOURCE DEVELOPMENT AND ACTIVITIES

The pattern of planned human resource development and activities is intended to enable an organisation to achieve its goal. It is called as "Strategic Human Resource Management". While formulating the Strategic plan HR Management plays a vital role, especially in identifying and analysing external threats and opportunities that may be crucial to the company's success. It also offers competitive intelligence that may be helpful while giving shape to strategic plans.

Moreover, HR Management can also throw light on the company's internal strengths and weaknesses. Some firms even develop their strategies based on their own HR based competitive advantage.

Over and above this HR has a great role to play in the execution of strategies. It can help the firm carry out restructuring and downsizing efforts without rubbing the employees on the wrong side. HR can also initiate systematic efforts to enhance skill levels of employees so that the firm can compete on quality. HR practices build competitiveness because they allow for strategic implementation; create a capacity for change and instill strategic unity.

Strategic HR is transformational in nature, i.e. it helps people and organisations to adopt, learn and act quickly. It will make sure that change initiatives that are focused on creating high performance teams, reducing cycle time for innovation, or implementing new technology are defined developed and delivered in a timely way – Strategic HR is proactive and considers various time frames in a flexible

manner. It realises that an organisation can have competitive edge over its rivals if it is able to attract and retain knowledgeable workers who can optimally utilise and manage the organisation's critical resource because people are after all the organisation's only sustainable competitive advantage.

Strategic HR offers three critical customers: increased performance enhanced customer and employee satisfaction and increased share holder value. These outcomes are accomplished through effective management of staffing, retention and turnover process, selection of employees that fit with both the organisational strategy and culture, cost effective utilisation of employees through investment in identified human capital with the potential for higher return, integrated HR programmes and policies that clearly follow, from corporate strategy; facilitation of change and adaptation through a flexible, more dynamic organisation; and tighter focus on customer needs, emerging markets and quality.

2.3 STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

Organisation consultants, business academics and practicing managers have come to accept the idea that constant change is a fact of organisational life in the present days. They have come to understand that change is inevitable and human resource management plays an important role in the process of change and human resource managers play a key role in determining the competitive success of any firm. Therefore in the generic sense, the new view of human resource management has been referred to as "strategic human resource management (SHRM)". The trends in the present businesses have undergone a sea change and today the customers or marketplaces are making demands on the organisations. Besides these, there are changes in the job mix (i.e. proportion of permanent versus causal labour), new technology and increasing pressures from competitors.

Each of the above places additional pressures on the firms to be innovative and create new ways of doing business with new technologies, new products and new services to meet an increasingly diverse and demanding customer base. The firms now have to enhance the value of innovation and for this purpose they have to attract, train and retain employees of the highest quality and in addition, attempt to sustain the competitive advantage that the skills of these employees provide.

For so doing, the organisations of the 21st century require a greater focus on the human element in organisations. From this realisation has come the approach to Managing Human Resources.

What is SHRM? The traditional personnel department is both physically and psychologically separated from the 'real work' of the organisation whereas in the strategic view besides the functions of hiring, training and providing pay and benefits to employees, many organisations are developing new structural and cultural patterns to meet the competitive demand of their dynamic and international marketplace, implying that the role of the HR in these organisations has changed to meet these new challenges. The new strategic view of HR is that HR plays a central role in helping the organisations reach its strategic objectives and interacts fully with other functional areas within the firm.

2.3.1 Strategic HRM: Some Theoretical Perspectives

James Walker has suggested that the new role of HR can be described most simply as one of helping managers maximize the contribution of employees in achieving competitive advantage. Ian Clark defines strategic HRM as being concerned with the promotion of efficiency and profitability. As you now understand strategic HR management centers on how organisations can improve their competitive performance by considering and utilising their human resources more effectively.

A number of theoretical models have been developed to explain exactly what SHRM requires in an organisation and the process by which SHRM contributes to the bottom-line success of a firm.

2.3.2 Universalistic Approach

John Delery and Harold Doty described a "Universalistic Approach" to strategic HRM. They say that managers should focus on adopting a set of universally effective HR practices as they have a positive effort on organisational performance, whatever is the firm's particular business environment and strategy. They say that there should be:

- High level of employment security

- Selective hiring practices

- A focus on teams and decentralised decision making

- High pay levels

- Extensive employee training

- Practices that reduce status distinctions among employees

- High level of information sharing.

2.3.3 Strategic Fit Perspectives

In contrast to the universalistic view, the 'Strategic-Fit Perspective' of SHRM suggests that firm's performance will be enhanced only when the firm adopts human resource management practices that complement and support both; other HR policies and practices and the other elements of the organisation's strategic plan. The main idea of this model is that there should be a horizontal, vertical and external fit i.e. Horizontal refers to the consistency among various HR practices within the firm. For e.g. if the company wants to hire highly innovative, risk taking employees, the company's performance appraisal and reward systems should also assess and reward innovation and risk taking.

Vertical fit is the degree to which HR practices are consistent with the firm's overall business strategy. For e.g. Suppose a firm has decided to enhance its competitive standing relative to other firms in its industry by becoming highly "customer focused", the training programme should be planned to develop better customer relations skills which will be consistent with the overall business philosophy instead of just procuring highly technical skills which may be unrelated to employee - customer oriented business strategy.

External fit is about how well HR practices align with the specific aspects of the external environment i.e. the demographical changes occurring within and outside the organisation and compelling the workforce to become more multicultural in

nature, thus, diversity management training, remedial language training or new approaches to selection of employees from non majority cultures should be concentrated upon as a part of the overall HR systems in order to fit to the new external environment and enhance the competitive value of employees.

2.3.4 Internal Service Provider

The next approach of SHRM is the 'Internal Service Provider' to the firm's individual business units. Over here the HR professionals have to improve the quality and cost effectiveness of HR services to increase the satisfaction of management "customers in various business units within the firm. When we say 'customers' it means the customers who have utilised the services of this business unit managers to help solve their people related business problems and increase the overall effectiveness of their units. E.g. the HR professionals can intervene and solve conflicts, interpersonal problems etc. among employees and managers. It can plan some training programmes to enhance certain skills in the employees or counselling session to deal with individual employee's problems.

2.3.5 Configurational Approach

The "configurational approach" to HRM, attempt at enhancing a firms competitive advantage by focusing on a set of HR practices rather than on any single HR program or policy e.g. quality circles which have addressed many organisational problems. This approach is consistent with the long held view that employee's performance is determined by a number of factors such as motivation and ability. To increase employee performance there is a need to enhance both motivation and ability. An opinion that configurational view is an extension of universality approach was afloat when, Pfeffer found a set of HR practices which seem to have universally positive effects on employee's performance. However, another study on 62 manufacturing firms by John Mac Duffie found that team based, high commitment HR practices increased the performance of manufacturing firms using flexible production system but did not enhance performance in firms with more traditional mass-production systems. Thus this study suggests that there is no single HR bundle that works universally. So it was found that universalistic and configurational approach are not the same. One of the major contributions of the configurational view is that research showed that a number of different bundles of HR practices which contain individual HR elements are internally consistent with one another.

2.3.6 Resource Based Model

In 1995, Jay Barney discussed a "resource based model" of SHRM. He said that this model is based on the idea that organisations gain competitive advantage when they posses resources that are valuable, rare, difficult for competitors to imitate and organised in such a way as to maximize their overall value of the firm. Thus each firm comes up with innovative and unique ideas so that they can address the needs of the customers with novelty.

2.3.7 Key Elements in Developing HRM

Now that we have considered the different theoretical approaches to HR functions, we come to a point where we have to question which approach is correct. This is not an easy question to be answered as each approach points to different aspects of the process needed for developing an effective strategic HR function.

However six key elements required in developing HRM within a firm have emerged from the above mentioned approaches. They are as follows:

- Internally transforming HR staff and structure

- Enhancing administrative efficiency

- Integrating HR into the strategic planning process

- Linking HR practices to business strategy and to one another

- Developing a partnership with line management

- Focusing on the bottom line impact of HR and measurement of that impact.

Though these processes seem to be independent of each other there is an obvious overlap not only in the process but also in the approaches.

If an organisation intends to create a HRM perspective, it needs to transform the existing staff that performs HR duties and also the structure in which they operate since these are the individuals who have to enact the change to SHRM. The focus over here would be to perform the administration task (like pay and benefits, safety programmes etc.) in as efficient and cost effective manner as possible.

The next elements of HRM are concerned with the strategic fit perspectives in which the HR has to be integrated into the strategic planning process. Only then the HR planners can link business strategies and HR practices to one another. In addition there should be an effective development of partnership between the line managers and HR staff. With the help of the line managers only the HR activities have a value adding effect.

The sixth essential HRM element is the importance of bottom-line, value adding impact of HR practices. HRM activities must add value to the firm instead of just doing its regular duties.

Before we go to examine how firms used these six elements to get transformed into a strategic HRM, let us have a brief discussion about "pre-transformation" activity. Michael Beer has suggested the following:

i) First the leader of any HR change effort must be a highly competent and credible leader within the organisation.

ii) Second, he must create a shared need for change among top managers so that they can easily identify.

iii) Third, he should be able to articulate a clearly defined 'end-state-vision' for HR and the major steps that should be taken to achieve that vision.

Thus involvement of the top management will ensure their commitment to HR change process.

Finally measures must be developed to monitor the progress which should focus on the value added by HR and sustain them.

Self Assessment Questions

1) What is strategic HRM?

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2) Discuss the universalistic approach.

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3) Define strategic fit and explain its role.

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4) What do you understand by the term internal service provider in HR context?

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5) Discuss the configurational approach.

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6) Describe the Resource based model.

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7) What are the theoretical perspectives of SHRM?

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2.4 TRANSFORMING OF HR STAFF AND STRUCTURE

There are two aspects of this transformation.

i)   Transforming the people

ii) Transforming the structure

2.4.1 Transforming HR People

The skills needed of HR staff to function effectively in the traditional and strategic orientations differ significantly meaning that in the traditional role staff members need to be specialists in certain personnel functional areas and must have skills to perform activities such as training or recruitment. In contrast the largest skill component of a strategic HRM role is the change management. These managers should have the ability to focus on strategic planning, team building, quality improvement and diversity management and training. They should also have team leadership skills, the ability to have a global perspectives, financial and marketing literacy and good consulting and presentation skills.

However, these competencies may vary depending on the strategy of the organisation.The processes by which firms have attempted to transform HR staff from traditional specialists to strategic generalists are quite varied. The line managers wanted the HR to do the following functions:

*   Share responsibility for performance and profitability.

*   Be customer driven and a business partner with a broad focus.

*   Focus on solutions, not activities.

- Be creative and strategic

- Initiate, lead and facilitate change

- Help develop global managers

- Act with urgency.

However, it is not easy to transform the HR skills within a large organisation. Time, effort, money and patience are needed.

2.4.2   Transforming HR Structure

The aim of the organisational restructuring is to determine which activities should be centralised and which should be decentralised. Some companies which have created new HR organisation structures to realign roles in order to separate transactional-fulfillment work (administrative role) and consultative business–partnering work (strategic role) reported that significant improvements in delivering strategic results were found when the traditional roles were replaced with more consultative organisation – effectiveness roles.

However, the appropriate structure for the HR function will depend on the nature of the firm's business activity, its size and its overall business strategy. Whatever particular structure is used, the key element is to find a structure which meets the needs of the business strategy of the organisation and allows the HR unit to provide services designed to help the firm achieve strategic objectives.

2.5   ENHANCING ADMINISTRATIVE EFFICIENCY

The important role of a HR manager is as an Administrative expert and as such he/she must take an active role in re-engineering administrative and other processes in the firm and find ways of improving services throughout the organisation.

Several processes are needed to enhance the administrative expert if the organisation wants him to function effectively. The focus should be on improving administrative efficiency by targeting current processes for improvement.

Thus the role of HR unit is to examine the gaps between the 'as is' process and what the system should be. Once this is identified, certain programmes can be developed to close them.

In implementing the new programmes however, the HR unit must market them throughout the organisation and then measure whether efficiency has been enhanced.

Administrative efficiency can also be enhanced through development of centralised HR services that are shared throughout the organisation. The organisation can develop one stop shop for all its payrolls, benefits and other HR administrative services. Another thing it can do is to establish a 'core team' of experts who can be called on for assistance by HR staff throughout the organisation.

Finally the administrative experts have to completely rethink how they can create value for the firm through their administrative activities. Therefore, the HR units

can create programmes that give value as perceived by the customers of the programmes and not as perceived by the provider of the programme.

2.6 INTEGRATING HR INTO STRATEGIC PLANNING

There are two requirements for strategic integration:

i)   That a strategic planning process occurs in the organisation; and

ii)   That HR managers play important role in that process.

Generally most of the firms do not have a well written strategic plan. Their main aim is to 'simply make money and not go bankrupt'. Thus the following paragraph will present a brief description of the actual strategic process.

2.6.1 The Strategic Planning Process

For the development of any strategic plan, there is a need to involve, the top management and sometimes outside consultants also sit down together to analyse the current and future state of the organisation. During this time they try to answer some basic questions like, where is the organisation today and where do we want it in the next five years? What are the strength and weaknesses? What opportunities exist in the business environment and what challenges are we likely to face i.e. SWOT analyses are done.

2.6.2 Mission, Goals and Value Statements

The major reasons for the organisation's existence are shown in the 'Mission statement'. This should be operationalised, in the sense that, when proper definitions are given to a mission only then it is clear and can be achieved. Managers should be able to visualise the mission, produce a backward imaging and also start working with the end result in their mind. The next is the "value statement" which is a fundamental belief statement to guide strategic change.Just as an individual behaviour is shaped by a personal value system; organisational behaviour and success are influenced by employee's perceptions of corporate beliefs. The degree to which values create desired organisational outcomes is a function of the extent to which beliefs are clearly articulated, successfully communicated and integrated into the way of doing business.

2.6.3 Environmental Threats and Opportunities

This is another integral step in the development of a strategic plan. The environmental factors that influence organisational objectives are analysed and the "environmental threats" which may prevent the organisation from achieving its strategic goals are identified. "Environmental opportunities" on the other hand are the aspects of the surroundings that may help the organisation to achieve its goals. Thus for any firm which is preparing a strategic plan, an environmental scan is essential, in which, the analysis of technology, economic factors, the legal/political environment, international market's competitions, the labour supply and its customers are included. Moreover, a strategic planning process should help managers develop as, complete an understanding as possible of all the features of the organisation's environment and how they come together to affect the enterprise.

2.6.4 Organisational Strengths and Weaknesses

The positive internal characteristics on which the organisation can draw its strategic goals are the "organisational strengths" and "organisational weaknesses". These are characteristics that may stand in the way of the accomplishments. The analysis of strengths and weaknesses focus on the specific functions such as marketing, finance, production and research and development. Besides these the management philosophy may become outdated to address the changing dynamics and in the same way the contributions of the human resource may also fall short of what is expected in a competitive market. Therefore without losing the sight of the organisation philosophy, certain amendments can be made to strengthen the organisation for its future needs.

2.6.5 Goals and Objectives

After all the above aspects have been carefully examined the organisation should establish its goals and objectives more realistically so that the mission can be furthered. These goals have to do with people, products, marketing, resources citizenship and profitability and they have to be translated into "specific" "tactical" and "operational goals", only then a team orientation that emphasis on accomplishment, involvement and provide the opportunity for employees to reach their full potential can be achieved. These general goals in turn will have specific implications for the structure of work, the appraisal of performance, rewards and career progression. Besides these, the definitions of goals have several important benefits to an organisation and its employees like:

Goals are a source of motivation as they describe the purpose of the organisation to all involved.

Goals also provide the basis for decisions since managers and employees must take many decisions in their day to day activities, knowing the goals would help them to make decisions with the desired outcome in the mind.

Goals also become the basis for performance measurement and guide the managers for future actions.

2.6.6 Formulation of Strategies

After, defining the mission and analysing the environmental threats and opportunities, considering the strengths and weaknesses and finally establishing the goals, the management undertakes the strategy of formulating the goals. The task over here is to select the most effective game plan or course of action to achieve the organisation's goals and objectives. Thus strategy can be formulated at the 'corporate level' and for "individual business units and functions". However, it is the HRM function which will be the critical element in the overall success of any strategy formulation and implementation process. Thus to ensure the success of the overall strategic planning process, HRM will have to be completely integrated and be a full partner in the strategic planning team.

2.6.7 Strategic Integration of HRM

Integration simply does not mean that HR managers have to provide HR related information to people who are making strategic decisions. To achieve full integration HR managers must have the ability to influence the development and

selection of information used in making a decision as well as the ability to make or influence the decision itself. There are various ways of integrating HR into the strategic decision making process.

1) The process of HR integration can begin by changing the hierarchical position of the senior HR manager which would automatically make the top HR manager to be a member of the senior executive committee and thus ensure that the HR issues are incorporated into the Strategic planning process. However this is not as simple as it seems. The person who holds the position should have the power and behave in accordance and see that the strategies are voiced and implemented.

2) In addition to the power, the HR representative should also gather and present information that is relevant to the making of overall business strategy. The HR officials should review the key talents, the firm's benefit structure and the culture etc. before taking any decisions, otherwise it would prove adversely.

Self Assessment Questions

1) What are mission goals and value statements?

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2) Discuss the integral steps in strategic planning.

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3) How do we overcome environmental threats in strategic planning?

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4) Discuss the organisational strengths and weaknesses from strategic planning approach.

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5) Describe the goals and objective for strategic planning.

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6) How do we integrate strategic planning with HRM?

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2.7 FITTING HR PRACTICES TO BUSINESS STRATEGY

The most relevant and important HR issue for the staff and line managers in the modern business is the issue of fitting HR practice to business strategy. The HR fit involves seeing that the HR activities "make sense" and help the organisation achieve its goals and objectives. As mentioned earlier in this chapter there are three aspects of HR fit i.e. the vertical fit, the horizontal fit and the external fit (refer to earlier paragraphs).

If vertical fit occurs, then horizontal fit should follow but each of the fits should be considered separately if one wants to ensure that both are managed effectively within the organisation. However, to achieve, external, horizontal and vertical fit, the HR staff members, working closely with line managers must make correct choices about the nature and specific type of HR programmes that are used in the organisation.

2.7.1 Human Resource Practices Choices

Turning to ensuring a proper fit between external, vertical and horizontal fit, the HR practices should result in and continuously reinforce the behaviours which are needed for accommodating specific aspects of the external environment and to help achieve the organisation's objectives. To attain these organisations may have to indulge in downsizing the employees and also reduce the levels of management hierarchy.

There are six categories of HR practice choices and the challenge is to develop internally consistent configurations of HR practices choices that help implement the organisation's strategy and advance its competitiveness. The following are some of the HR choices which should be understood to accomplish the objectives of the organisations.

Staffing: Staffing is one of the most important decision for strategy implementation i.e. whether the firm hires from external sources or relies in promoting people from within the organisation to fill the vacant posts will determine the opportunities for current employees and will also influence the rewards, training and development and employment commitment. Related to this the issue of whether the recruitment and career decisions will be open or closed will also come up. Depending upon this the notification of the job opportunities will be posted on the notice board or sometimes the upper-level managers will simple announce the openings.

Appraising: Once the strategic goals are established, performance appraisals become a 'must'. Performance appraisal should evaluate the behaviours which

are needed to achieve these objectives and the methods should vary according to the strategy.

Compensation: This is one area of HRM which communicates the overall philosophy and strategy of the organisation. Besides, the choices with respect to rewards overlap many other areas of human resource management. As with the performance appraisal system, different reward systems are needed for different strategies. Where firms look for operational excellence, the reward system should focus on team productivity, profit sharing and skills-based pay and when customer – intimacy is assessed, there should be individual rewards, non-financial rewards and service award programmes.

Training and development: When the organisations have to adapt to fast growth or rapidly changing technology they usually engage a skilled trainer from outside the organisation because the needed expertise can be obtained. Some other times they develop expertise in house. The training and development programmes must be compulsorily tied to the overall strategic objectives of the organisation and to other HR systems. Sometimes, there is a danger with in house training, like, since the in house trainers are not rewarded for the work they have done, they is a possibility that they do not expend enough time and effort to the task. In addition, the development efforts will be counter productive if the employees who get trained do not get any promotions after their training. If the employees cannot use what they have learned or are not rewarded for it, there is a possibility that they may leave the organisation for better opportunities elsewhere.

Employee influence: This concept has evolved from superficial participation (suggestion system) in the decision making process. However it has contributed to the empowerment of the employees who tend to manage their performance in support of business objectives. The question is how much of influence is given to the employee in matters such as organisational goals, rewards, working conditions and the work itself, because organisations are finding that empowered employees strengthen the organisation.

Work system: Another factor in individual productivity and organisational effectiveness is the design of work. The jobs that give greater responsibility and control over their work seem to motivate the employee as opposed to simplification and overspecialisation. The use of work systems to influence productivity has also been manifested in an emphasis on teams. The team approach has contributed to de-layering i.e. fewer management levels and fewer managers, due to which more authority and responsibility are delegated to self managed teams or autonomous work groups to plan, organise, supervise and evaluate their own work.

Self Assessment Questions

1) How do you fit HR practices to Business strategy?

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2) What are the six categories of HR practice choices?

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3) Define staffing, compensation.

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4) Describe training and development.

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5) How do empowered employees strengthen organisations?

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2.7.2 HR Practices: Strategic Fit

In 1991, Jerre Stead the president of AT&T Global Business Communication Systems developed a new set of strategic business principles for the organisation:

- Make people a key priority

- Win customers for life

- Use the total quality management approach to run the business.

- Profitability grows by being the leader in customer led applications of technology.

- Rapidly and profitability globalise the business.

- Be the best value supplier.

The process of transforming HRM at GBCS was done in 5 steps.

Step I : Identifying the basic business principles.

Step II : A set of HR 'Strategic imperatives' were derived directly from the business principles which helped to translate the business principle to a set of HR related outcomes pertaining to the daily operation of GBCS.

Step III : The HR units used these imperatives to develop its own internal mission statement, which identified areas in which it was essential to focus HR activities.

Step IV : The focus was on cultural change i.e. in order to globalise successfully, the organisation had to become sensitive to differences

in cultures. So the critical focus areas for HR were cultural change, rewards and recognition and the development of ownership among employees.

Step V : Once these areas have been clarified, the HR unit would then develop, special programme, in partnership with management and employees, to adapt to a new external environment, accomplish the mission and contribute to the overall strategic success of the organisation.

Thus these principles showed how one can bring out a horizontal, vertical and external strategic fit of HR practices with the help of a step by step analysis of the overall mission, goals, and objectives of the organisation. Further the fit process requires an active involvement of individuals in change of HR practices and policies and also the meaningful participation of line staff.

2.7.3　HR Practices: Strategic Fit Vs. Strategic Flexibility

We assumed that strategic fit is the highly desirable end state of HR managers to be achieved in any organisation. However, there is a danger when HR systems become too well 'fitted' to a particular business environment and strategy. We all know that the environment in which organisations function are all dynamic and any changes in it has a direct impact on the organisation. The more the perfect fit the more is the difficult for the organisation to modify to the changing circumstances.

Thus several researchers have pointed out that both fit and flexibility are needed for long term competitive advantage. They argue that fit and flexibility are two independent concepts and each needs a close attention. They describe fit as a 'temporary state' and flexibility as a 'characteristics of an organisation' related to its ability to meet the demands of a dynamic environment. There are two types of flexibility: (i) Coordination flexibility and (ii) Resource flexibility. These are discussed below.

Coordination flexibility: This is the extent to which an organisation has decision making and other systems that allow it to quickly move resources from one use to another.

Resource flexibility: It is the extent to which an organisation can apply its resources to a variety of uses and purposes. It also involves the cost, difficulty and time needed to switch resources from one use to another.

So to develop a strategic fit, the establishment of HR practices that provide both fit and flexibility is something that HR managers cannot do alone. They can accomplish this task only by developing a strong partnership between themselves and line managers.

2.8　PARTNERSHIP

To become a business partner the HR manager must:

- Learn as much as possible about the firms business.
- Be more responsive to and more aware of the organisation's needs and direction.
- Move away from the traditional HR functions.

- Become more involved in supportive, collaborative relationships with managers throughout the organisation.

- Demonstrate how critical HR is to the success of the business.

To build a good business partnership the HR managers should first consult the line managers, who can provide information about where the support can be given by HR managers. Generally, the support is needed in areas such as career planning, education and training etc. Then depending on these requirements the HR staff can focus on strategy focusing on:

i) Generating organisational excellence through selection and training.

ii) Reinforcing organisational excellence through performance management and reward systems.

iii) Sustaining organisational excellence through continuous improvement initiatives and constant communication of the vision of the organisation.

iv) Individual programmes can also be developed within each of these three main focus areas and then to start implementing these programmes, a conference can be held for all senior HR people.

Another way of building partnership is:

i) The HR staff's, attending meetings of all the units of the firms, so as to better understand the nature of the business.

ii) Then some HR practices which were not adding value to the business should be removed and replaced by more apt ones.

iii) The HR staff should meet the top executive from other areas of the firm to discuss and identify issues and develop ways in which HR can help them grow.

This way the HR managers can identify the skills they need to be more effective business partners.

Thus the ability of HR to measure its contribution to the organisation's bottom line or other relevant measures of firm effectiveness is, however an essential final ingredient in the development of a lasting, meaningful partnership between HR and line managers.

2.9 MEASUREMENT OF HRM

HR departments are generally criticized for not providing any results for the organisation. There has been increasing pressure on the HR departments to evaluate their returns on investment. In order to show how HR contributes to the overall business success, the first requirement is to identify a means of measuring HR's performance. Some authors have suggested typologies of HR measurement systems, which relate to four basic questions about HRM.

1) What did the customers of the HR practices or those who have same stake in an HR activity think of it?

2) Did the HR activity have a measurable impact?

3) If the HR activity did have an impact, then what was the bottom line cost benefit to the organisation?

4) How do our HR activities compare with the HR activities of others (HR Bench marking)?

2.9.1   Customer Reactions

This is an attempt of measuring HRM effectiveness by identifying those who have a stake in the activities of HR in the organisation or some who are the direct users of the product like the managers, the unions, customers, employees, suppliers or even company shareholders. A survey is conducted on them about their perception on whether the HR could supply the right kind of HR products in the right way at the right time. If the answers to these are affirmative then we can say that they have performed a satisfactory job.

2.9.2   HR Impact

In order to properly evaluate the impact of HR programme the HR units must develop a strategic framework for assessing the effectiveness of their services. The strategic objectives of the organisation at units should be identified along with the human resource activities needed to accomplish those objectives. For e.g. if an organisation is planning to hire R&D scientists and the HR staff have an innovative method of selection and after hiring them into the organisation they have proved to be good, it shows that the HR impact was good.

Value of HR programmes: This is about the monetary costs and benefits of HR activities. There are many direct ways of assessing HR cost-benefits ratio of HR activities.

1)   The first step is to figure out how much some undesirable HR-related situations in the organisation are costing.

2)   Once this is known, the next step is to estimate the costs of the HR programmes developed to set this problem right.

3)   Thus when the actual cost of the HR activities to bring about a difference in the staff behaviour is calculated and the benefits accrued by this changed behaviour are compared, one can assess the cost-benefit ratio easily.

4)   However, there is an enumerable pressure on the HR activities of all the organisations because the HR practitioners always have to justify the bottom-line impact of their practices.

2.10   BENCH MARKING HR PRACTICES

This is important because, to determine the true competitive advantage of HR, an organisation must assess HR practices not only against same internal standard but also against the HR practices of key competitors and firms that exemplify excellence. Bench-marking is actually a generic term that can be defined as a comparison with selected performance indicators from different organisations, typically in the same industry, or with comparable organisations that are considered to be the 'best in class'. There are different types of bench marking:

Internal bench marking: This occurs when a firm compares practices in one part of the organisation against those in other internal units.

Competitive bench marking: This is conducted against external competitors in the same markets.

Generic HR Bench marking: This involves the comparison of HR processes that are the same, regardless of industry.

Whatever type of bench marking is being conducted, the process is the same. The firm must first understand its own performance by developing measures of customer reactions,

HR impact and the cost benefits: The firm must then decide exactly what to benchmark.

Measures that are obtainable in the comparison firms or business units should be identified and then prioritized relative to their overall strategic importance to the role of HR in the company.

An overall plan for the programme should be developed, including the allocation of sufficient resources for the project and the establishment of a clear project calendar.

The next step is to identify firms, that will be in the study, persuade them to participate and then collect data.

Analyse the data collected to find out the 'gaps' between the firm which is being compared and the target firm in the study.

Recommendations on how to close these gaps should be made and then implemented

There are a number of ways of benchmarking, however which one should be used will be left to the discretion of the firm that is involved.

In US, twenty five HR measurement 'National standards' were developed in 1984 by the Saratoga Institute. This would be useful for anyone who is contemplating benchmarking process.

Self Assessment Questions

1) What is the HR practices strategic fit steps?

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2) Discuss strategic fit versus strategic flexibility.

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3) How do we measure HRM?

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4) What are the ways to understand the effectiveness of HR?

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5) Discuss the measures to be taken to benchmark HR practices

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2.11 IMPORTANCE OF STRATEGIC HRM

There are a variety of reasons why organisations have to transform from traditional HRM to SHRM. But for adopting the SHRM, there is a need for highly competent and persistent SHRM leader as well as committed and supportive top management. Many firms do not really have this kind of HR leaders or even the top management's support. Political forces within the organisation accompanied by competing coalitions with different interests may bar the adoption of many SHRM practices. When the company thinks of downsizing, the HR staff is the first to go because it is always seen as a non essential unit to the core business. Unless HR managers are involved directly in the process of strategy formulation, and the senior managers to link the HR activities to business strategy, the HR cannot implement the HR components and therefore loses the credibility with non HR managers, which will further isolate HR from the strategic planning process. However, there is evidence that HR practices do have a direct bottom line effect on the organisational profitability.

Research showed that it has a financial impact and there seems to be a strong case for promoting the improvement of HR activities as a means of affecting the financial results of many organisations. The business environment that has caused organisations to focus on human resources as a potential enduring source of competitive advantage is likely to continue. Thus, to the extent that HR practitioners become adept at measuring aspects of customer reactions, HR programme impact, and the cost benefit value of HR practices and also comparing their own HR practices with those of their best competitors, the importance of strategic human resource management is likely to continue to grow. Hence as a last word we can say the strategic human resource management is really worth all the trouble.

2.12 LET US SUM UP

In this unit we have discussed the process of how an organisation can move from a traditionally personnel management perspective to a strategic approach. Since the modern business environment is rapidly changing where technology, finance and products and can be imitated easily by the competitors this move has become essential. Human resources are one of the few enduring sources of competitive

advantage that remain for many firms. The traditional view of HR is that it is an isolated, record-keeping function with the organisation. Strategic human resource (SHRM) though is considered as a simple process of helping an organisation achieve the competitive advantage through its people there are many different perspectives on this definition.

People believe that there are universal set of HR practices that will always contribute to a firm's success, regardless of the business environment in the company's strategy. Therefore the role of the SHR managers is one of incorporating these universally effective HR practices into their firm, besides this it is also believed that their job is to match specific HR practices to particular aspects of the firm's strategy. They have to ensure a fit between HR practices and business strategy besides a fit with the external environment and one another.

Another view of SHRM is that of a service provider's role is to solve the problems and serve the HR needs of managers within different business units in a firm. Other HRM specialists believe that SHRM involves a process of putting together configurations of HR practices that are logically consistent with and appropriate for a particular business environment in which it operates. The final view is that it is a means of gaining competitive edge by putting together a unique group of human skills and abilities that other firms are unable to initiate and give the firms special capabilities so that it can with stand competition. Each of these perspectives adds to an overall view of HRM which suggest that HRM is a process that involves.

- Internally transforming HR staff and structure.

- Enhancing HR administrative efficiencies.

- Integrating HR into the strategic planning process.

- Linking HR practices to business strategy and to one another.

- Developing a partnership with line management so that HR programmes meet real business needs.

- Measuring the bottom line impact of HR activities.

Though each of these parts of SHRM process is complex, time consuming and difficult, and research indicates that real financial benefits result from more progress strategic and efficient use of human resources within modern organisation.

2.13   UNIT END QUESTIONS

1) Discuss the contributions of the different perspectives of Strategic Human Resource Management.

2) Explain how we can measure the effectiveness of HRM?

3) Explain what is SWOT analysis of an organisation?

2.14   SUGGESTED READINGS

Fisher, Cynthia. D, Schoenfeldt , Lyle .F and Shaw .J, B., (2004) *Human Resource Management.* 5th Edition, Indian Adaptation, New Delhi, Biztantra

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UNIT 3   PEOPLE DIMENSIONS IN HR AND SHORT TERM HUMAN RESOURCE PLANNING

Structure

3.0 INTRODUCTION

This unit deals with people dimensions at work and short term human resource planning. We start with people in organisations in which we discuss the psychological contracts and the person job fit. Then we take up the personality and organisation within which we discuss the big five personality traits, the Myer Briggs framework and the various other personality traits which affect organisation. Then we deal with attitude formation and structure of attitudes in an organisation. We then point out how cognitive dissonance come about and how the attitudes could be changed. Then we elucidate a few key work related attitudes and show how affect and moods in organisation are formed and adversely affect the work. This is followed by a discussion on creativity in organisations and types of work behaviours including dysfunctional behaviours and how to remedy the same. Then we take up Short term HR planning and discuss under this the resource planning and recruitment planning. Then we take up employee choice plans, the flexibility plan, job sharing process, the use of part time workers and the possibility of working from home etc. Under short term HR planning us take up subcontracting and flexible hour arrangements and as a last resort how the organisation can resort to downsizing.

3.1 OBJECTIVES

After completing this unit, you will be able to:

- Describe the relationship between people and organisation;

- Define psychological contract;

- Elucidate the person job fit;

- Explain the personality of individuals and how it affects organsiation;

- Describe the Big Five personality traits and Myer Briggs framework;

- Explain how attitudes are formed in an organisation and their effects on the organisation;

- Delineate the perceptual processes in an organisation;

- Elucidate how creativity can be enhanced in an organsation;

- Delineate the different types of workplace behaviours in an organisation;

- Explain how dysfunctional behaviours can be overcome;

- Discuss short term HR planning;

- Delineate the various choice plans of employees such as flexibility plans, job sharing etc; and

- Define subcontracting and downsizing and their effects on organsiation

3.2 PEOPLE IN ORGANISATION

To manage people effectively the managers should necessarily understand the factors that affect how people behave a work. As a starting point for understanding the behaviour of people in organisation we need to examine the basic nature of the individual and organisation relationship which helps us to appreciate the

nature of individual differences. These differences play a critical role in determining various important workplace behaviours which are of special relevance to managers. Besides these the gender, race and disabilities should also be taken into account. Further the needs and wants of the individuals will differ and these affect their levels of motivation. Due to the above differences, people develop a set of expectations regarding what he/she will contribute to the organisation and what the organisations will provide to them in return. All these psychological and emotional process influence the working of an individual employee and sometimes deter him/her from giving his/her total commitment to the organisation. Therefore organisations are turning towards making alternative arrangements in employment which is in other words known as short term planning. Through this the organisation is offering the employees different timings and opportunities, so that the employee can manage his/her job at the organisation and other activities at home.

Since the most pertinent variable of any organisation is the human variable, it is a huge challenge for the organisations' managers to plan and maintain them. There are many factors which operate on the people and each of them has an immense influence on the employee. He/she is processing the information that is emitting from the management side and if the individual perceives that the management is concerned, empathetic and provides for need fulfillment, then the established relationship or contract is satisfying and if he/she perceives it otherwise then, there are other adversities the management has to encounter. Thus it is imperative for the management to address the individual's every need to the utmost so that a 'Psychological Contract' gets established between the worker and the organisation.

3.2.1 Psychological Contracts

The contract resembles a standard legal contract is some ways but is less formal and well defined. However, nothing is written on a paper or any of the terms are explicitly negotiated. The individual makes a variety of 'contributions' to the organisation and in return the organisation provides 'inducements' to the individual. Some of these inducements like pay and career opportunities are tangible rewards and others such as job security and status are more intangible. When the employee feels that he/she is receiving a fair and equitable compensation for his/her efforts there will be satisfaction and a relationship will form and he/she will continue to contribute in the same way. However if either party sees any kind of inequity in the contract, that party may initiate a change. The employee might ask for a pay rise or a promotion, put forth less effort or look for a better job elsewhere. On the organisation side, they may initiate change by training the worker to improve the skills, transfer the employee to another job or fire the person.

All organisations strive to manage the psychological contracts. They want value from their employees and they give their employees the right inducements. Otherwise the employee starts stealing the resources as a way of balancing the psychological contract.

Recent trends in downsizing and cut backs have actually complicated the process of managing psychological contracts. Job permanence for most people started seeming unlikely therefore the organisations are providing alternative inducement

in the form of sending the employees for additional training, increased flexibility in working schedules etc.

Increased globalisation of business also complicates the management of psychological contracts because the values attached to the inducements are varying extremely. For, e.g The U.S. workers value individual rewards and recognition but Japanese workers are happy with group based rewards and recognition.

The more recent problem is due to international businesses. Managers who are selected for a foreign assignment are usually given some estimate of the duration of the assignments and receive various adjustments in their compensation package. When the assignment is over the manager must then be integrated into the domestic organisation. Thus, the problem here would be that during the tenure of the employee's assignment, many changes might have taken place in the organisation and the returning manager may be coming back to quite a different organisation and job from the one he/she has left.

3.2.2   The Person-Job Fit

The specific aspect of managing psychological contract is managing the person-job fit. A good person-job fit is one in which the employee's contribution match the inducements the organisation offers. However, such a precise person- job fit is not always possible. One reason is the hiring procedure is imperfect. Managers can estimate employee skill levels when making hiring decisions and can improve them through training, but to obtain an objective and valid performance dimension is quite difficult.

Another consideration is that both people and organisations change. An employee who finds the new job stimulating and exciting may consider the same job boring and monotonous in a few years time. Finally, each person is unique, measuring skill and performance is difficulty and assessing attitude and personality is far more complex. Hence each individual difference, make matching workers with jobs a difficult and complex process.

Since managers need to establish effective psychological contracts with their employees and achieve optimum fit between people and jobs, they face a major challenge in attempting to understand both individual differences and contributions in relation to inducements and contexts. Let us start off by developing an understanding of the role of personality in organisations.

As you all know individual differ on personal attributes that vary from one person to another. They can be physical, psychological or emotional. The basic categories of individual differences include personality, attitudes, perception and creativity. However, we need to note the importance of the situation in assessing the individual's behaviour. The circumstances in which an individual operates determine, whether an individual is dissatisfied, withdrawn and negative in one job setting but satisfied, outgoing and positive in another. Working conditions, co-workers, and leadership are also a few factors which affect how a person performs and feels about a job. So whenever the managers attempt to assess or account for individual differences, they must be sure to consider the situation in which the behaviour occurs.

Self Assessment Questions

1) Discuss people in organisations and management of them by the organisation.

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2) Define psychological contract.

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3) How does an organisation manage the psychological contract?

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4) What is meant by person-job fit?

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3.3 PERSONALITY AND ORGANISATION

Personality is the relatively stable set of psychological attributes that distinguish one person from another. Both biological and environmental factors play an important role in determining our personality, thus managers should strive to understand the basic personality attributes and how they can affect peoples' behaviour in organisational situations.

3.3.1 Big Five Personality Traits

Psychologists have identified literally thousands of personality traits and dimensions that differentiate one person from another. But researchers in the

recent years have identified five fundamental traits that are especially relevant to organisation which are commonly called the 'Big Five' personality traits.

The five traits are:

- Agreeableness
- Conscientiousness
- Negative Emotionality
- Extraversion
- Openness

1) **Agreeableness:** It is the person's ability to get along with others. People with agreeableness are gentle, cooperative, forgiving, understanding and good natured in their interaction with others. Research has found that highly agreeable people are better at developing good working relationships with co-workers, subordinates and higher level managers whereas less agreeable people are not likely to have good working relationships. The same pattern will extend to the customers, supplier and the other key organisational constituents.

2) **Conscientiousness:** This means the number of goals on which a person focuses. People who focus on few goals at a time are more organised systematic, careful, thorough, responsible and self disciplined. Research in this dimension showed that more conscientiousness people tend to be higher performers than the less conscientiousness people in a variety of different jobs. People high on conscientiousness take their jobs more seriously and approach their jobs in highly responsible fashions.

3) **Negative emotionality:** The third dimension is 'Negative Emotionality' where people having this dimension in lesser measure are said to be relatively poised, calm, resilient and secure. People with less negative emotionality are better at handling job stress, pressure and tension. These people are considered more reliable and stable.

4) **Extraversion:** This reflects a person's comfort level with relationship. They are more social, assertive and open to establishing new relationship. Research suggests that extraverts tend to be higher in overall job performance and they are more likely to be attracted to jobs based on personal relationships, such as sales and marketing positions.

5) **Openness:** Finally openness reflects a person's rigidity of beliefs and a range of interests. People high on openness are willing to listen to new ideas and to change their own ideas, beliefs and attitudes in response to new information. They also tend to have broad interests and to be curious, imaginative and creative. People who are low on openness are less receptive and less willing to change their minds. They have fewer and narrower interests and are less curious and creative. Because of their flexibility people with more openness are better performers and are better accepted by others in the organisation. Openness may also involve a person's willingness to accept change, whereas people with less openness resist change.

Researchers and managers are highly attracted to the big five framework as it encompasses a set of traits which are predictors of behaviour in certain situations. This framework enables the managers who are aware of it to understand their employees better.

3.3.2 Myer- Briggs Framework

This is based on the Carl Jung's classical work and differentiates people in terms of four general dimensions: sensing, intuition, judging and perceiving. Higher and lower positions in each of the dimensions are used to classify people into one of the sixteen different personality categories. This is a popular questionnaire and most organisations use it to assess personality type. It also serves as a selection instrument. It allows determining the communication styles and interaction preferences.

3.3.3 Other Personality Traits

Besides the above two frameworks, several other personality traits influence behaviour in organisations. Among the most important are: Locus of Control, Self efficacy, Authoritarianism, Machiavellianism, Self esteem and Risk Propensity.

1) **Locus of Control:** It is the extent to which people believe that their behaviour has a real effect on what happens to them. People who believe that individuals are in control of their lives are said to have internal locus of control. Other people think that fate, chance, luck or other people's behaviour determines what happens to them. People who think that forces beyond their control dictate what happens to them are said to have an extreme locus of control.

2) **Self efficacy:** It is a person's belief about his or her capabilities to perform a task. People with high self efficacy believe that they can perform well on a specific task. Individual's personality and assessment of ability contribute to self efficacy. It brings out more self assuredness and will be better focused on performance.

3) **Authoritarianism:** Authoritarianism is the belief that power and status differences are appropriate within hierarchical social systems such as organisations. The persons who are highly authoritarian may accept directives or orders from someone with more authority because he believes that the other person is a 'boss' and he has a right. In contrast people who are not authoritarian, though may carry out the order from the boss are more likely to question things, express disagreement with the boss. A highly authoritarian manager may also be more autocratic and demanding and the subordinates will accept his behaviour. However a less authoritarian manager may allow subordinates a bigger role in making decisions and the subordinate will respond positively to his behaviour.

4) **Machiavellianism:** This is another important personality trait in which the behaviour is directed at gaining power and controlling the behaviour of others. More Machiavellian individuals tend to be rational and non emotional, may be willing to lie to attain their personal goals, put little emphasis on loyalty and friendship and enjoy manipulating other's behaviour. Less Machiavellian individuals are more emotional, less willing to lie to

succeed, value loyalty and friendship; highly and get little pleasure from manipulating others.

5) **Self esteem:** This is the extent to which a person believes that he/she is a worthwhile and deserving individual. People with high self esteem are more likely to seek higher status jobs, be more confident in their ability to achieve higher levels of performance and derive greater intrinsic satisfaction from their accomplishments. Among the major personality dimensions, self esteem is the one that has been most widely studied and applied in organisations.

6) **Risk propensity:** This is the degree of which a person is willing to take chances and make risky decisions. Managers with high risk propensity will experiment with new ideas and gamble on new products. These can lead the organisations to new and different directions. These managers might be catalysts for innovation. However through low risk propensity managers may not take the required risks, they can maintain stability and calm in organisations. The potential consequence of a manager's risk propensity depends heavily on the organisation's environment.

Self Assessment Questions

1) Discuss personality traits and how do they affect organisations.

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2) What are the Big Five Personality traits? Describe

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3) Elucidate Myer Briggs framework.

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4) Name the other personality traits that are relevant for organisation.

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3.4 ATTITUDES IN ORGANISATION

Attitudes are complexes of beliefs and feelings that people have about specific ideas, situations or other people. People's attitudes also affect their behaviour in organisation, because they are the mechanism through which most people express their feelings. E.g. If an employee thinks he is under paid by the organisation it reflects his feeling about his pay.

3.4.1 Formation of Attitudes

A variety of forces including our personal values, our experiences and our personalities, act on the formation of attitudes. We form a favourable attitude about a person, an object or event when we have a pleasant experience with them and we form an unfavourable attitude when our experiences were unpleasant or negative. Sometime any of the dimensions dealt in the Big Five frame work may also influence our attitude formation.

Let us consider the Basic structure of attitudes.

3.4.2 Basic Structure of Attitudes

Attitudes are usually seen as stable dispositions to behave toward objects in a certain way, and we expect a person to express the same feeling consistently. Thus attitude contains three components: 'affect', 'cognition' and 'intention'. A person's affect can be said as his/her feeling towards something. It is similar to emotion and we have little or no control over this. You may like something extremely, do not like something and you may be indifferent to something else. However if what you do not like so much is very important for your progress, then some amount of anxiety develops in you.

1) **Cognition:** It is the knowledge that one has about something. This knowledge may be true, partially true or totally false. Cognitions are based on perceptions, truth and reality and perceptions agree with reality to varying degrees.

2) **Intention:** This guides the person's behaviour. Some attitudes and their corresponding intentions are central and significant to an individual than others. Like you may intend to do one thing, but later on alter you intention because a more significant activity has come up.

3.4.3 Cognitive Dissonance

When two sets of cognitions or perceptions are contradictory or incongruent with each other, a person experiences a level of conflict and anxiety. Cognitive Dissonance also occurs when people behave in a fashion that is inconsistent with their attitudes e.g. a person may realise that smoking and over eating are dangerous for health but continue to do both. A certain amount of tension and discomfort is experienced by the individual because the attitudes and behaviours are inconsistent with each other. So to reduce this feelings the person may change the attitude alter the behaviour or distort the circumstances.

This dissonance affects people in a variety of ways. They have frequent conflicts with different attitude or with their own behaviour. In an organisation setting, people thinking about leaving the organisation wonder why they continue to stay and work hard and as a result of this conflict, they may conclude that the

company is not so bad after all, or that they have no immediate option else where or that they will leave soon.

Attitude change: Attitude change takes place in an individual as and how he/she receives new information about the target person, object or event. For e.g. a manager may have a negative attitude about a new colleague because of his lack of job-related experience. After working with him for a while, the manager may realise that the person is actually very talented and subsequently develops a more positive attitude.

Attitudes can also change when the objects of the attitude becomes less important or less relevant to the person e.g. suppose an individual is not very happy with the insurance benefits of his company but later on if his spouse gets a job in an organisation which offers good insurance benefits for the whole family, then his feeling or attitude toward his company get moderated basically because his worries are reduced.

Finally, individuals may change their attitudes as a way to reduce cognitive dissonance because staying under dissonance can increase the tensions.

Attitudes are highly resistant to change because most often they are deeply rooted, and developed over a long period, mainly out of our experiences and observation.

3.4.4 Key Work Related to Attitudes

There are many things in an organisation to form attitudes for the employees. They have attitudes about salary, their promotion possibilities, their boss, employee benefits, and the food in the company cafeteria etc. However some of the attitudes are more important than others like job satisfaction and organisational commitment.

Job Satisfaction: This attitude reflects the extent to which people find gratification or fulfillment in their work. Individual's needs and aspirations are some of the important factors of job satisfaction. Along with this, group and organisational factors such as relationships with co-workers and supervisors and working conditions, work policies and compensation also influence job satisfaction.

A satisfied employee tends to be more regular to work, makes positive contribution and stays with the organisation. In contrast a dissatisfied employee will be frequently absent, experiences stress which can have effect on his work and other co-workers, and may be on the lookout for other jobs. However, high level of satisfaction has not been found to lead to higher levels of productivity.

Organisational Commitment: This also called as job commitment and it reflects an individual's identification with and attachment to the organisation. A highly committed person will see him/her self as a true member of the company, over looks minor sources of dissatisfaction and remains a member of the organisation. Organisations on their part take some measures to promote satisfaction and commitment.

Like they must treat their employees fairly and provide reasonable rewards and job security.

Allow employees to have a say a how things are done.

Design jobs that are stimulating.

Besides these some other factors that lead to commitment are extrinsic rewards, role clarity and participative management.

3.4.5   Affect and Mood in Organisation

Turning to the effective component of attitudes, which reflect our emotions, research shows that there are some short term fluctuations in the emotions and feelings of people and they are also some underlying stable predispositions which are fairly constant and predictable moods and emotional states. Some people have positive affectivity which means that they are relatively optimistic and possess an overall sense of well being. These people see things in a positive light and are always in a good mood. People with negative affectivity are the opposite, that is, they are pessimistic and usually see things in a negative way and are mostly in bad mood.

However, as said earlier some short term variations can occur among both these types and it does not mean that people who have positive affectivity will always be in good mood, if something go wrong in their life like being laid off or did not receive promotion they can suffer from bad mood.

3.5   PERCEPTION IN ORGANISATION

This is another important process by which individuals become aware and interpret information about the environment. Thus perception is also another important element in the workplace behaviours. People perceive the same thing in many different ways.

These differences would arise primarily because of perception and therefore managers should understand basic perceptual processes. As said earlier perception is receiving information in many guises, and the receiver assimilates the varied type of incoming information for the purpose of interpreting it.

3.5.1   Basic Perceptual Processes

The following are the two basic perceptual processes that are of particular importance to the manager: Selective perception and Stereotyping.

Selective Perception: It is the process of screening out the information that is uncomfortable or one that contradicts our beliefs. Because of selective perception managers tend to ignore some important or disagreeable information about the employees i.e. if they are in favour of an employee they may ignore some behaviour which is not acceptable, and it is the vice-versa, if they are unfavourable of an employee. This behaviour of the manager can be quite detrimental in running the organisation.

Stereotyping: It is categorizing or labeling people on the basis of a single attribute. Sometimes, certain forms of stereotyping are useful and efficient. Like attributing that marketing executives are very forceful and go-getters. But when stereotypes are made for race or sex then it is harmful.

These kinds of stereotyping are inaccurate for e.g. if a Human Resource manager forms the stereotype that women can only perform certain tasks and men are

best suited for other tasks it affects the manager's hiring practices. He/She is also costing the organisation valuable talent for both sets of jobs. This also amounts to violating federal law and behaving unethically.

3.5.2 Perception and Attributes

The theory of attribution has enhanced our understanding of how perception affects behaviour in organisation. This suggests that we observe a behaviour and then attribute causes to it i.e. we try to explain why people behave as they do.

The process of attribution is based on perceptions of reality and these vary widely among individuals. The process starts like this: we observe behaviours either our own or someone else's, we evaluate that behaviour in terms of its degrees of consensus, consistency and distinctiveness.

'Consensus' is the extent to which other people in the same situation behave the same way.

'Consistency' is the degree to which the same person behaves in the same way at different times.

'Distinctiveness' is the extent to which the same person behaves in the same way in different situations.

Thus 'Consensus- means falling in line with others behaviour, consistency means, repeatedly behaving in the same way, whereas distinctiveness means the ability to read the situation and judge it and behave as required. So to form an attribution as to the cause of behaviour, we have to analyse a person's behaviour based on various combinations of consensus, consistency and distinctiveness. We may think that the behaviour is caused internally (i.e. by the forces within the person) or externally (by forces in the person's environment) For example suppose a subordinate behaves as a rowdy, disrupting others work and making nuisance of himself, the manager can change his behaviour if he/she can know the cause of this behaviour. If the employee is the only one engaging in the disruptive behaviour (low consensus), if he behaves like this many times in a week (high consistency) and if the behaviour is the same in other settings (low distinctiveness) then a logical conclusion can be drawn, that the employee is behaving this way due to internal factors.

In another similar case, everyone in the employee's work group is rowdy (high consensus) and the particular employee is also a rowdy at work (high consistency) but the manager has not seen him behave that way in other settings (high distinctiveness) then the behaviour is said to be caused due to external factors. i.e. this particular employee though is a rowdy he/she has the judgment and distinction of analysing the situation and displaying a suitable behaviour, but in this particular situation is governed by external factors (other's force).

Self Assessment Questions

1) Define attitudes in organisation.

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2) How are attitudes formed?

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3) What is the basic structure of an attitude?

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4) What is cognitive dissonance?

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5) Elucidate the key words related to attitudes.

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6) Discuss affect and mood in organisation.

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7) What are basic perceptual processes?

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8) Relate perception to attributes.

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3.6 CREATIVITY IN ORGANISATION

Creativity is an ability to generate new ideas or to conceive new perspectives on existing ideas. Let us examine how the process of creativity works? There are a few general patterns which help us understand the sources of individual creativity within the organisations.

3.6.1 The Creative Individual

The common attributes of creative individuals fall under three categories, Back ground experiences, personal traits and cognitive abilities.

Background experiences and creativity: Research shows that creative people were raised in environments which nurtured creativity.

1) **Personal traits and creativity:** Certain personal traits like openness, an attraction to complexity, high levels of energy, independence and autonomy, strong self confidence, and a strong belief of being creative are said be some traits among creative people.

2) **Cognitive abilities:** The individual's power to think intelligently and to analyse situations and data effective are said to be the cognitive abilities of a person. Intelligence may be a precondition for individual's creativity, but it is not necessary that person who is creative necessarily be intelligent. Creativity is also linked with the ability to think divergently as people with divergent thinking can see differences among situations, phenomena or events whereas convergent thinking allows people to see similarities among the same.

3) **The Creative Process:** Generally the 'ideas' of creative people come to them 'in a flash' but creativity generally tends to progress through a series of stages. However all creative activities may not follow these stages but most of them go through these.

4) **Preparation:** There is a period of 'preparation' for creativity to occur. To make creative contributions to business management or business services, people usually receive formal training and education in business, because it helps the individual to think form different perspectives and this lateral thinking can bring out some creative idea.

5) **Incubation:** This is a period of intense conscious concentration during which the knowledge and ideas acquired during preparation, mature and develop. Every idea or thought needs some time to grow.

6) **Insight:** It is a break through in which the creative person achieves a new understanding of some problems or situation. All the scattered thoughts and ideas that were maturing during incubation come together and represent 'Insight'. It may occur suddenly, or develop slowly over a period of time. It can get triggered by some external event, such as a new experience or new data that forces the individual to think about old issues and problem in a new way and generate new ideas.

7) **Verification:** Only verification of the insight would determine the validity or truthfulness of the insight. To verify one must check and cross check the available insight time and again and after it withstands the test of time, one can publicize it as an innovation or creative idea.

3.6.2 Enhancing Creativity in Organisations

If managers intend to enhance and promote creativity in their organisations, they can do it in many ways. One important method is to make it a part of the organisation's culture. For this the manager should set explicit goals and state that the employees will enjoy some parts of the gains and profits which the organisation has obtained because of their creative ideas. This statement communicates that their creativity and innovation are valued.

Another method is to reward creative success but not punish creative failures. Otherwise the other organisational members will not come forward with innovative ideas for fear of failure.

3.7 TYPES OF WORK PLACE BEHAVIOUR

Turning our attention to work place behaviours, it is a pattern of action by the members of an organisation that directly or indirectly influence the organisation's effectiveness. One way to discuss the work place behaviour is to describe its impact on performance and productivity, absenteeism and turnover and organisational citizenship. However, employees can exhibit dysfunctional behaviours as well.

3.7.1 Performance Behaviour

These are the total set of work related behaviours that the organisation expects the individual to display. For example, an assembly line worker's performance can be assessed quantitatively by counting how many products /units, he/she has produced during the day.

But for many other jobs, performance behaviour can be very diverse and difficult to assess, e.g. a Research and development scientist. He/She works in a lab trying to find new scientific break through. The desired breakthrough may take months and years. Thus assessing the performance in this situation is quite difficult. So organisation depends on different methods to evaluate performance, the purpose of which is to match the evaluation mechanism with the job being performed.

3.7.2 Dysfunctional Behaviour

Behaviours which detract from the organisational performance are termed as dysfunctional behaviours. Two most common ones are absenteeism and turnover.

1) **Absenteeism:** When an employee does not show up for work, it is called absenteeism. Some absenteeism is legitimate like illness, jury duty, death or illness in the family. But sometimes employees feign a legitimate cause which could just be an exercise to stay at home. Thus when an employee is absent, either legitimately and illegitimately, either his/her work gets stalled or sometimes a substitute must be hired to do it. In either case the quality and or quantity of the output suffers. Though absenteeism is an expected feature of an organisation, it strives hard to minimize feigned absenteeism and reduce legitimate absence as much as possible.

2) **Turnover:** This is another frequent problem experienced by the organisations, i.e. people quit their jobs. It is usually a costly activity for the organisation because when people quit an organisation they have to be replaced. Particularly when the employee was a valued worker, it is even worse because finding a good replacement may be difficulty. Turnover can result from a number of factors such as, aspects of job, the organisation, the individual, the labour market and family influences. Sometimes a poor person job-fit can also be a cause of turnover.

   Another important issue could be the inflexibility on the part of the organisation and this makes it difficult for the employee to manage his/her work, family and other personal matters. So employees may look for jobs which enable them to balance their work and non work considerations.

3) **Theft and sabotage:** There are some more dysfunctional behaviour of the employees which are even more costly for an organisation, e.g. Theft and Sabotage. These result in direct financial costs for an organisation. Besides these, sexual and racial harassments both indirectly (by lowering morale, producing fear, and driving off valuable employees) and directly costs the organisation if it respond inappropriately. Further work place violence also seems to be a growing concern in many organisations. Violence by disgusted workers or former workers can result in dozens of deaths and injuries each year and some times they can cause other concerns for the organisations.

3.7.3 Method to Overcome Dysfunctional Behaviour

Organisation Citizenship: By trying to promote organisational citizenship managers strive to minimize the dysfunctional behaviours of the employees. Thus Organisational Citizenship refers to the behaviour of individuals who make a positive overall contribution to the organisation. An employee is considered to be an organisation's citizen, when he/she contributes beyond the strict

performance of the job. Many a times an employee does work that is acceptable in terms of both quantity and quality but refuses to work overtime, or is unwilling to help new comers etc., and then he/she is seen as good performer but not as good organisation citizen.

There is an interweaving of individual, social and organisational variables which determine the organisational citizenship behaviour. For example, the personality, attitudes and needs of the individual must be consistent with citizenship behaviour. In the same manner, the social context or the work group must also facilitate and promote such behaviour. In addition, the organisation itself, especially the culture must promote, recognise and reward these types of behaviours, if they are to be maintained. The study of organisation citizen is expected to play a powerful role in organisational effectiveness.

Self Assessment Questions

1) Define creativity.

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2) How can creativity be enhanced in an organisation?

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3) Discuss the different types of workplace behaviours.

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4) What is performance behaviour?

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5) Elineate the various dysfunctional behaviours.

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6) What is organisational citizenship?

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7) How is it to be promoted?

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3.8 SHORT TERM HR PLANNING

Turning to the typical concept of why Human Resource planning as a matter of forecasting the long term demand and supply for people fails, is because the ability to make these estimates are severely limited by the difficulty of predicting the influence of the external events. Most of the time, management runs the risk of converting sensible anticipation, into foolish numbers, by making some loose assumptions for need of labour supply in the future.

Thus Human Resource planning today is more likely to concentrate on what skills will be needed in the future and may only provide a board indication of the numbers required in the longer term. In some circumstances it might provide short term forecasts whenever it is possible to predict activity, levels and skills requirements with a reasonable degree of accuracy. Such predictions are based on board scenarios rather than on specific supply and demand forecasts.

Rothwell (1995) points out the gap between theory and practice and suggests that this usually arises from

i)   Impact of change and the difficulty of predicting the future – the need for planning may be in inverse proportion to its feasibility.

ii) The shifting of policy priorities and the strategies within the organisation.

iii) The distrust displayed by many managers about theory and planning.

iv) Lack of evidence that human resource works.

However, it is difficult to reject the belief that some attempts should be made to forecast human resource requirements, bearing in mind that major changes in the operations of an organisation can usually be foreseen and thus one must keep track of developments so that the organisation is in a better position to deal with resourcing problems when they arise.

3.8.1 The Organisations Context of HR Planning

Human Planning takes place within the context of the organisation. The extent to which it is used and the approach adopted, will be contingent on the management recognising that success depends on forecasting future people requirements and implementing plans to satisfy those requirements. The approach will also be affected by the degree to which it is possible to make accurate forecasts. When organisations are operating in turbulent environments in which future activity levels are difficulty to predict, they may have to rely on adhoc and short-term measures to recruit and keep people.

Thus organisations develop some action plans which are derived from broad resourcing strategies and more detailed analysis of demand and supply factor. These plans however have to be short term and flexible because of the difficulty of making firm predictions about human resource requirements in times of rapid changes. Thus plans should be prepared in the areas of resourcing, flexibility and downsizing.

3.8.2 Resource Planning

This is an 'obtaining plan' from within the organisation to recruiting them externally and to attract high quality candidates. Thus the first step is to analyse the availability of suitable people from within the organisation. They can be identified by referring to the assessments of potential and a skills database. These are essential information about the candidates which are regularly updated with the sort of skills needed by the organisation. Decisions are then made on what steps should be taken to promote, redeploy, and if necessary to provide additional experience and training to eligible staff. Plans can also be made to make better use of existing employees, which may include flexibility arrangements or home working.

3.8.3 Recruitment Planning

This includes:

- The number and type of employees required to make up any deficits, when they are needed.

- The likely sources of candidates – school, colleges of further education, universities, advertising, internet etc.

- Plans for tapping alternative sources, such as part times, or widening the recruitment procedure to include women.

- How the recruitment programme will be conducted.

3.9   EMPLOYEE CHOICE PLANS

The recruitment plan should include plans for attracting good candidates. This can be achieved by improving the image of the company as an employer of choice, and by offering the following:

*   Better remuneration packages

*   More opportunities for learning, development and careers.

*   Enhanced future employability because of the reputation of the organisation as one that employees and develops high quality people and provides learning opportunities.

*   Employment condition which address work life balance issue.

*   Better facilities and scope for knowledge workers.

*   'Golden Hellos' (some of the money paid in front to recruits).

*   Generous relocation payments.

3.9.1   Flexibility Plan

The aims should be to:

*   Provide for greater operational flexibility

*   Improve the utilisation of employees skills and capabilities

*   Reduce employment costs

*   Help to achieve downsizing smoothly and in a way which avoids the need for compulsory redundancies

*   Increase productivity

For attaining this, there should be a radical look at traditional employment patterns. This means identifying the scope for using alternatives to full time permanent staff, which could include increasing the number of part times, job sharing, the expansion of home working or tele-working or employing more temporary workers. The two main new trends in temporary working are:

i)   To establish permanent staffing levels to meet minimum or normal levels of demand and rely on temporary staff to cover peaks.

ii)   To develop a 'two tier' work force in order to provide greater job security for the core workers, by employing a certain percentage of temporary staff at the periphery. Sometimes, the organisation can make more use of sub - contractors or outsourcing works and introduce more flexible working arrangements.

3.9.2   Part Time Workers

There are some advantages of using part time workers like, there is:

*   More scope for flexing hours worked

*   Better utilisation of plant and equipment, e.g. introducing 'twilight shift'.

*   Lower unit labour costs because over time levels for full time workers are reduced

- Higher productivity on repetitive work because part time workers can give more attention to their work during their shorter working day.

The disadvantages are:

- Part timers are generally less willing to undertake after noon or evening work, they are less mobile and have difficulty in varying their hours of work.

- Rates of labour turnover may be higher among part timers.

- Part timers may be less committed than full time employees.

3.9.3   Job Sharing

This is an arrangement where two employees share the work of one full time position dividing pay and benefits between them according to the time each works. Job sharing can involve splitting days or week, or less frequently working alternate weeks, the advantages of job sharing include reduced employee turnover and absenteeism because it suits, the needs of the individuals, greater continuity results because if one-half of the job sharing team is ill or leaves, the shares will continue working for at least half the time. Job sharing also means that wider employment pool can be tapped, if those who cannot work full time but want permanent employment. The disadvantages are the administrative costs involved and the risks of responsibility being divided.

3.9.4   Home-Working and Tele-Working

The job, that we can give home based employees are that of consultants, analysts, designers, programmers or various kinds of administrative work. The advantage of these arrangements is Flexibility to respond rapidly to fluctuations in demand, reduced over heads and lower employment cost if the home workers are self employed.

The teleworking of people working at home are linked to the main company or networked with other outworkers. Its aim is to achieve greater flexibility, rapid access to skills and the retention of skilled employees who would otherwise be lost to the company. Teleworkers can be used in a number of functions such as marketing, finance and IT. The arrangement does, however depend for its success on the involvement and education of all employees, the careful selection and training of teleworkers, allocating adequate resources to them and monitoring the operation of the system.

3.10   SUBCONTRACTING

This enables the following:

- Resources to be concentrated on core business activities
- Employment costs to be reduced
- Flexibility and productivity to be increased
- Job security for core employees to be enhanced

The potential drawbacks can be:

- The legal status of subcontractors has to be classified for the purpose of income tax, national insurance etc.

- The degree to which subcontractors will be able to meet delivery and quality requirements, for, sometimes it may be difficulty to control quality.

- Negative reactions from employees and trade unions that prefer work to be kept within the company.

However, the decision as to how much work can be subcontracted is mainly an operational one, but the flexibility plan should cover the implications of subcontracting on employment levels and employee relations.

3.10.1   Flexible Hour Arrangement

This can be included in the flexibility plan in one or more of the following ways:

- Flexible daily hours, these may follow an agreed pattern day by day according to typical or expected work loads (e.g. flexitime systems).

- Flexible weekly hours, providing, for longer weekly hours to be worked at certain peak periods during the year.

- Flexible daily and weekly hours:-Varying daily or weekly hours or a combination of both to match the input of hours to achieve the required output. Such working times, unlike daily or weekly arrangements, may fluctuate between a minimum and a maximum.

- Compressed working weeks, in which employees work fewer than the five standard days.

- Annual hours: Scheduling employee hours on the basis of the number of hours to be worked, with provisions for the increase or reduction of hours in any given period, according to the demand for goods or services.

- Shift Work Arrangement

These can be introduced or modified to meet demand requirements, reduce over time or provide for better plant or equipment utilisation (dealt in detail else where).

Self Assessment Questions

1) What do you understand by short term HR planning?

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2) Discuss the organisation's context of HR planning.

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3) Define and describe resource planning.

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4) What is recruitment planning?

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5) Discuss the employee choice plans in detail.

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6) What is meant by subcontracting?

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7) Discuss flexible hour arrangement.

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3.11 THE DOWNSIZING PLAN

If all the other methods of managing surplus employees fail it may be necessary to deal with unacceptable employment costs which is in other terms known as 'Downsizing'. The downsizing plan should be based on the timing of reductions and forecasts of the extent to which these can be achieved by natural wastage or voluntary redundancy. The plan should set out:

*   The total number of people who have to go and when and where this needs to take place.

*   Arrangements for informing and consulting with employees and their trade unions.

*   A forecast of the number of losses that can be taken up by natural wastage.

*   Any financial or other inducements to encourage voluntary redundancy.

*   A forecast of the likely numbers who will volunteer to leave.

*   A forecast of the balance of employees, if any who will have to be made redundant.

*   The redundancy terms.

*   Any financial inducements to be offered to key employees whom the company wishes to retain.

*   Any arrangements for refraining employees and finding them work elsewhere in the organisations.

*   The steps to be taken to help redundant employees find new jobs by counselling, contacting other employers or offering the services of outplacement consultants.

*   The arrangements for telling individual employees about the redundancies and how they are affected, and for keeping the trade unions informed.

Thus Human Resource function can make a major contribution for developing the resource capability of the firm. Its strategic capability is to systematically review the firm's strategic objectives, and see that plans are made to ensure that the human resources are available to meet those objectives.

It focuses on the acquisition and development of the human capital required by the organisations.

Therefore the heads of Human Resource and their colleagues in the Human Resource functions need to:

Ensure that they are aware of the strategic plans of the business, and can provide advice on the human resource implications of the plans.

Point out to management, the strengths and weaknesses of the human resources of the organisation and the opportunities and threats they present, so that these can be considered when developing business plans.

Be capable of scenario planning, i.e. they can identify future issues of acquisition, retention and employment of people and advise on methods of addressing them.

Understand the extent to which quantitative assessments of the future demand for and supply of people may be feasible, useful, and know the methods that can be used to prepare such forecasts.

Be aware of the scope to deal with future requirements by introducing various form of flexibility.

Be capable of preparing relevant and practical resourcing plans and strategies for retaining people based upon an understanding of the internal and external environment of the organisation and the implications of analyses of labour turnover.

3.12   LET US SUM UP

It is highly important for a manager to understand the individuals in an organisation. A basic framework for facilitating this understanding is the psychological contract which is the people's expectations regarding what they will contribute to the organisation and what they will get in return. Organisations constantly strive to achieve an optional person – job fit but sometimes this is difficult due to the individual difference between the employees.

This unit has also dealt with personality which is said to be relatively stable sets of psychological and behaviour attributes that distinguish one person from another. The Big Five personality and Myers-Briggs Type Indicators have been extensively discussed besides the other personality traits such as Locus of Control, Self efficacy, Authoritarian, Machiavellianism, Self esteem and Risk propensity.

The impact of attitudes and the cognitive dissonance experienced by the employee which, results from contradictory or incongruent attitudes, behaviour are discussed. Besides these, the job satisfaction or dissatisfaction and organisational commitment are found to be important work related attitudes. In addition to this, the employee's moods in terms of positive and negative affectively is discussed. The perception and perceptual processes including selective perception and stereotyping are dealt with and some amount of focus has also been devoted to attributions.

Finally, the person's ability to generate new ideas and become creative is also explored in which the important steps of creativity are considered. Lastly but definitely not the least the work place behaviour has been spoken about which is a pattern of action by the members of the organisation which has direct and indirect influence or organisational effectiveness. Over and above the people dimensions in organisation, this unit also deals with short term planning. Thus this unit talks about the work related behaviours and what it expects from the individual, to display the psychological contract and it also tells as to what should be considered as dysfunctional behaviours which should be controlled. Besides, it also shows as to how organisation citizenship entails behaviours that make a positive overall contribution to the organisation.

Further, since employees of the present day are working for long hours in their organisations, due to the competition that the other organisations are posing to

them, they do not have sufficient time and energy to allocate to other personal activities. Due to this, there is frequent turnover in the organisations as employees move in search of better opportunities and suitable working hours. To address this issue organisations are making alternative arrangements at work place and are also planning for short term human resource planning in the form of part time, contract, job sharing, tele-working, shift working etc.

3.13   UNIT END QUESTIONS

1) What is Psychological Contract, why is it important?

2) What are the components of individual's attitude, how do managers manages their short term requirement of human resources?

3) Discuss the relationship between personality and organisation.

4) What are the basic perceptual processes in organisation?

5) Discuss creativity in organisation and indicate how to enhance creativity

6) What are the various types of workplace behaviours?

7) Discuss the dysfunctional behaviours and indicate the remedial measure for the same.

8) Elucidate short term HR planning.

9) Discuss the employee choice plans in detail.

10) What do you understand by the term subcontracting?

11) Would downsizing plan work? Critically evaluate.

3.14   GLOSSARY

People-Job fit   :   the extent to which the contributions made by the individual match the inducements offered by the organisation.

Psychological contract   :   a person's set of expectations regarding what he/she contributes to the organisation and what he/she receives in return.

Risk propensity   :   is the degree to which a person is willing to take chances and make risky decision.

Organisational commitment: is a person's identification with and attachment to an organisation.

Organisational citizenship   :   the extent to which the individual's behaviour makes a positive overall contribution to the organisation.

Dysfunctional behaviour   :   behaviour which detract from organisational performance.

Distinctiveness   :   the ability of an individual to display behaviour appropriate to the situation.

3.15   SUGGESTED READINGS

Greenberg, J. and Baron, R. A. (2003) *Behaviour in Organisations*, 8th Edition, New Delhi, Prentice Hall.

Luthans, F. (2005) *Organisational Behaviour*,10th edition, New York, Mc Graw Hill.

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UNIT 4   SHORT TERM PROGRAMMES IN HUMAN RESOURCE AND EVALUATION

Structure

4.0 INTRODUCTION

This unit deals with short term programmes in human resource and evaluation. It starts with short term programme of HR planning within which we discuss cross cultural training, diversity training, apprentice training and training for team building. This is followed by enhancing of emotional intelligence for improving over all performance. Then we deal with assertiveness training and interpersonal training within which we handle need for assertive training, voice training etc. Then we take up six sigma in HR professions within which we deal with the variations in human activities, the technical definition of six sigma management, etc. This is followed by market feasibility and competitive intelligence market research. Within this we take up market feasibility studies, the needs assessments and environmental scans, and the agency that should conduct market feasibility and competitive research. Then we take up anger management followed by time management. We then end up with other training programmes and how to evaluate training programmes.

4.1 OBJECTIVES

After completing this unit, you will be able to:

- Describe short term programme of HR planning;

- Describe cross cultural training;

- Explain apprentice training and training for team building;

- Elucidate enhancing emotional intelligence for improving performance;

- Describe assertiveness training;

- Explain six sigma management;

- Describe how to condict market feasibility studies;

- The importance of short term training programmes;

- Why it is important to conduct this training programme; and

- The various training programmes and the intricacies involved in them.

4.2 SHORT TERM PROGRAMMES IN HUMAN RESOURCE PLANNING

By now you have come to understand the meaning and role of Human Resource in the organisation and how managers are constantly attempting at gaining an advantage over the competitors by inculcating new skills and knowledge in their own Human Resource. The major resource as you have seen in any organisation is the Human Resource and it has to be nurtured and developed with great commitment on the part of the management. The managers plan a variety of training programmes for their human resource to inculcate new learning and expertise so that they can meet the various demands placed upon them regarding relocation, mobility, interacting with employees from diverse cultures, and also with other colleagues, who are from different ethnic groups, differently abled, women workers, aged and younger colleagues etc. Besides these, the organisation's customers are pressurising the workers for better quality goods

and services , so training in Quality Control, Total Quality Management, Team building, Communication Skills, Conflict managements, Interpersonal relationship, Assertive training are becoming essential. Besides these some training programmes for self improvement are being imparted to modify the employee's behaviour and life style on all fronts, such as home, social life and organisational life. The main objective of any training programme is to enhance the skill, knowledge, abilities of an employee. However, this seems to be achievable only when there is total cooperation from both the sides, that is the employer and the employee, otherwise the idea remains as theory instead of turning into practice.

Short term programmes are aimed at enhancing the competency levels of the employees for a particular reason. These training programmes are planned according to the skills that have to be instilled into the employee, for example: the employee is assigned an oversea project, to interact efficiently and to understand the culture of that particular country, he is given training, so that he is informed about the geographical, socio cultural aspects, political scenario, legal aspects, rituals etc., which aid in his adjusting well with the country, without having any culture shocks.

Similarly, since a great variety of workforce is now entering into organisations, the managers and the other colleagues need to be trained to handle different kinds of demands that may crop up due to diversity and address them appropriately. In the same way customers are placing high demands for quality of the products and services provided by the organisations. If they do not derive satisfaction from one organisation, they turn to other competing brands. Therefore to stay in business and meet the competition managements are training their employees to produce quality goods, and to work effectively in teams, maintain good interpersonal skills etc. Sometimes, the organisation may not have sufficient staff to cover the demand for specific products so they also engage interim staffs, who have to be trained and rehabilitated into the organisation's functioning. Thus there are many training programmes which can be planned as per the requirement of the organisation. Some of them have seen discussed in the following paragraphs.

4.2.1 Cross Cultural Training

As companies are going global, there is a need for change, not only in the way the employees have to perform to meet the competition but also in the overall outwork toward certain major issues. Training employees to meet the international assignments particularly in the area of habits and practices relating to the work motivation, profit motivation negotiating skills, gift giving customs, eating, dressing, body language, holidaying etc., is especially important. The employees are trained in the area of etiquette, communication skills, business skills etc., to handle these nuances before being posted on overseas projects.

These types of training are particularly essential because India is a country with diversified cultures and Indians are sticklers to their beliefs. In takes a long time for an Indian to change and adjust to the new methods and cultures and due to this he/she may not be successful when on foreign assignments. Thus training these "expatriates" has become imperative if organisations want to see success because failures are costly with respect to goodwill, reputation and finances of

the company. Despite its importance, training employees for overseas assignments has not received enough attention. Companies have to plan for a preparatory training for the expatriates and to develop and design an effective preparatory training; companies must implement a systematic approach. The steps of any training programmes are:

1) Training need of the target population.

2) Next is the establishment of training goals and

3) A careful design.

However before the preparatory training is planned for, the profiles required in terms of competencies for success on international assignments should be assessed as a basis for development of effective training.

An 'ideal people' concept can be drawn, on the basis of the training needs of specific assignees, who have already served abroad and one can add or delete depending upon the evaluation of their success.

The competencies that were perceived as important for success of international managers are:

- Leadership skills

- Initiative

- Emotional stability

- Motivation

- Ability to handle responsibility

- Cultural sensitivity

- To handle stress

- Flexibility

The training and development of international staff should be seen as a process and not as a onetime event just before embarking on the assignment. Many of the competencies needed for international success lie in the areas of abilities and attitudes and therefore require development and strengthening over an extended period of time. The preparation for global assignments should begin much early in the careers by means of a phased, or cumulative approach.

4.2.2 The Goals of Cross Cultural Training

The next step is translation of training needs into training goals and objectives. As you know a goal is a fairly general statement of intent. Whereas objectives are very specific statements of what a candidate should be able to do at the end of training session.

Thus the goal of cross-cultural training should be to equip the trainees with knowledge skills and attitudes which enable them to achieve the following three adjustments and effectiveness which are indications of international success:

*Personality adjustment i.*e. he/she should feel happy and satisfied with situation abroad.

Professionally effective: He/she should perform the tasks, duties and responsibilities on the job competently.

Inter personal skills: adjustment and effective behaviour while interacting with others.

The different methods that can be used for training are simulations, programmed instructions, sensitivity training behaviour modification, field experiences and on the job training.

Though cross cultural training is seen as short duration one-shot remedy, to increase the effectiveness, it should be seen as a process and the trainer should use a phased approach.

4.2.3 Phases in Cross Cultural Training

The first phase of the training should be given soon after the selection and should focus on strengthening the abilities needed for international career and motivation to work abroad.

The 2nd phase is usually for specific skills needed for the assignment and then knowledge of specific cultural issues of the host country, logistical information and business practices and procedures should be imparted. Besides this, training should also be given in negotiation and conflict resolution skills to enable them to cope with and resolve the unexpected issues and problems.

It would also be good if a partner from the host country is included in the cross-cultural training. Besides this the cooperation local people with whom the expatriate has to work is also important for the successful completion of the expatriate's assignment. For this purpose the host country nationals also need to be trained.

The training of the expatriate includes the host country's language, customs and practices and if the company allows the employees wife/husband to be accompanying her/him then she/he should also be included into the training.

4.2.4 Designing the Training Programmes

First level training is to focus on learning about host country's culture, language, policies, business geography, religious values and history. This can be given through seminars, videos, meetings with a citizen of the country before the assignment begins.

Second level is about the assignment itself, requirements of the position and technical managerial knowledge needed. This can be done before leaving to the country.

Third level is preparing the person for the new job at new location. This is done by the person whom this person is replacing.

Fourth level is to teach him to adjust and adapt to new environments, by providing assistance.

Fifth level is to address reentry back home and contact with people at home and visit home during vacation.

Thus training and development of international staff is viewed as complete deployment cycle and it can serve as a career development plan.

4.2.5 Diversity Training

Off late there is an influx of different types of workforce to the organisations like more number of women or people from different cultures, differentially abled people, retired workforce and very young workers (aged between 19yrs to 22yrs) are all coming to work in an organisation. The needs for these different types of people are different and; the managers have to address each one carefully by providing for every one sufficiently.

Thus managers have to be trained to handle diversity particularly in handling, racism, ageism and sexism etc.

Legislative compliances: There should be equal opportunities provided for all and no race or disability discrimination should be shown. There are gender, ethnic status and disability diversity, governed by the laws of the country and sometime age and sexual harassment also fall under this.

The organisation gains competitive advantage with diversity training as employees can use increased heterogeneous markets and customers.

It helps to bring together mix of people where differences are valued and an environment is provided where people can grow with innovative ideas and also helps in improving productivity and solving problems of the organisation.

Components of diversity trainings: There are four elements which have been identified by Frame (2001) and there have been highlighted by David Asbton; this model is called as ASKE model relating to attitudes, skills, knowledge and emotions

"Attitudes", pertain to understanding our own attitudes and others' attitudes and being open to them.

"Skills" such as interpersonal, communication, problem solving, teamwork, leadership, conflict resolution can be inculcated.

"Knowledge" about legislation, company policy and procedures, professional standards can be gained.

Recognising and managing "emotions" can be instilled with the help of this training.

The diversity training can be provided, to managerial personnel and also to non-managerial staff because the whole organisation should be involved in managing diversity.

4.2.6 Apprenticeship Training

This training is intended to provide on the job training and to increase availability of trained technical manpower for the organisation. The apprentice act 1961 directs the employees of specified industries to place apprentices in the designated jobs as per the standard terms laid down. During the training each apprentice is given a basic training in that particular trade and a minimum stipend.

The Director General of Employment and Training (DGET) lays down the general policies for training programmes, formulates standards, prepares syllabi, imparts training to institutions and industrial supervisors, conduct examinations and issues the appropriate certificates. However, the responsibility of training lies with the state government under whose wings fall the Industrial Training Institutes and Apprenticeship Training Programme. The Government of India has established two advisory bodies including the National Council for Training in Vocational trades (constituted in 1957) and the Central Apprenticeship Council for the apprenticeship scheme under the apprentice act 1961. These bodies advise the government in formulating training policies, training standards, standardisation of tool and equipment and related issues. They are actually tripartite in nature and consist of representation of central and state government industry and labour. The Union Minister of labour is the chairman of these councils.

The DGET conducts the training of craftsmen in Industrial Training Institute from 6 months to 2 years. After the successful completion of the training the trainees are awarded national trade certificates which are recognised by all Government of India undertakings. Four model Industrial Training Institute were established in 1981-82 to supplement craft training with a modular training.

The objectives of this training are to supplement the programme of institutional training by on the job, training and increase availability of trained technical personal for the industry. Regulate and control the training of apprentices in designated trades. It also covers graduate engineers and diploma holders for building their potentials for improving their employment opportunities.

Employment of Apprentices after training: There is no obligation to provide a job to the apprentice and in the same way there is no compulsion on the apprentice to accept employment under an employer who trained him.

Offences and Penalties: Any employer who fails his obligations under the contract, does not engage the required number of apprentices, refuses to furnish any information, obstructs any inspection, examination or inquiry and requires an apprentice to work over time or to do any work not connected to the training shall be punishable with imprisonment up to 6 months or with fine or with both.

Self Assessment Questions

1) Discuss short term programme of HR planning.

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2) What is cross cultural training?

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3) What are the goals of cross cultural training?

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4) How is the cross cultural training programme designed?

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5) What do you understand by diversity training?

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6) Discuss apprentice training.

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4.2.7 Training the Interim Staff

Contract employment, interim staff or man power outsourcing has become the latest trend to meet the staffing problem of the present organisations. Outsourcing is gaining popularity with large and medium sized companies, especially those with seasonal products and those which cut costs on over heads and most importantly those companies which are proactive and open to change.

Today organisations are turning toward 'thinking team', 'acting smart' and 'concentrating as core competencies.' Every organisation is aiming at achieving productivity by enhancing returns on investments and achieving the economics of scale. In this context, it makes sense when organisations think of concentrating only on the core competencies and outsource non-critical business activities.

There are three most important drivers which prompt companies to outsource. These are financial gains, lesser administrative hassles and focus on core areas.

Share volumes of work when an outsource can tackle the work at a lesser price and provide better quality, the in-house operations need not bother themselves with it. Besides this when some critical yet non-core tactical and transactional oriented operations are outsourced, it saves a great amount of time and energy for the organisations HR.

HR is also now making a transition from backroom to boardroom and concentrating more on productivity enhancement. The HR functionaries recognise that they need to help align with business objectives of the organisation and play a key role in delivering results and focus on core people functions.

Thus experts are outlining five top benefits of outsourcing which are given below:

- The opportunity for HR to focus on strategy and core competencies,

- Substantial reduction in operational and transactional costs,

- Sharing of risks and increase in mobility,

- Access to world-class services, and

- Option to convert fixed cost to variable cost.

Interim mode of staffing provide flexibility to the organisation to scale up its manpower and take advantage of business opportunities and at the same time allow to scale down in a short span of time and avoid the financial and emotional costs of a large benched workforce when business is down. Through interim staffing the organisation can bring on board the required skills at the most optimal costs.

Besides these, outsourcing transfers various risks involved with compliance, financial, technology, legislative and corporate restructuring issues to the vendor. Further the companies need not incur expenses to maintain and upgrade high quality, productively expensive HR systems and infrastructure.

Third party outsourcing agencies can offer leading edge technology, highly developed programmes and software to manage employee data, along with specialised, expertise, without the costs of hiring and retaining the best HR professionals.

However, when the question of commitment crops up it is felt that the same kind of commitment is not present in the contract labour as there is no permanency of the job and also the benefits that are extended to the regular employees are not meted out to the contract employees.

But since HR outsourcing grew at a time when permanent workforce were being sent out by the corporate through voluntary, compulsory or early retirement schemes, security in a job is considered a myth. Today employees have understood that performance is the key and that if they are good they will have a career path for themselves.

The handing over of the major responsibilities of the HR does not mean that the HR department is absolute. They have an extra responsibility of supervising, implementing and successfully carrying out the process of outsourcing. They

have to continuously work toward employee retention especially at the key levels, succession planning, fine tuning human resources, ensuring people to productivity etc.

Some basic reasons of hampering the growth of HR outsourcing are attributed to confidentiality and cost factors. The fear of losing jobs and losing control over confidential data, ethics and quality of outsourcing vendors, security breaches and overall confidence in the vendor, defers many organisations and forces them to review and evaluate various aspects of confidentiality and prompts them to chalk out an agreement on issues like, penalties etc.

Thus many outsourcing agencies ensure that the client data is not accessible to anyone else except to the team which is working on it.

Future scenario: HR outsourcing agencies have consolidated its services across the geographies and have begun to see the value addition in terms of expertise in administration and superior experience in query resolution. Quality has become the focal point in defining the parameters of success.

Thus training and self development are playing an important role as an individual has to keep himself competitive. It is not just enough to be the best; one has to keep evolving to stay the best. Individual has to assume responsibility and has to make conscious effort to exploit his strengths. The competencies, contributions, attitudes and values of the individual will have to be enhanced through proper training programmes which will further enhance the value of the organisation.

4.2.8   Training for Team Building

Organisations today are focusing more on working as a team rather than contributing as an individual. Team, process encourages high motivation and consequent achievement. Moreover, it meets member's social need to affiliate. They also exert pressure for achievement of goals. Level of commitment of members to team decision/goals is much higher and it has a collaborative strength. Further the team members have a clear focus on 'mission and vision' of the organisation.

The major concern about a team is how to build a team, because it is not an easy task to bring people together and make them work as a team. Therefore certain interventions are directed toward four main areas:

- Diagnosis

- Task accomplishment

- Team relationships

- Team and organisation process

In the diagnosis meetings the members are made to get ready to work as a team and given, the task of joint data collection. Then feedback is given to them and problem areas of the group are discussed.

Then team building focuses on:

- Task accomplishment, including problem solving, decision making, role clarification, goal setting. Building and maintaining effective interpersonal relationships, including, boss-subordinate and peer relationships, communication and conflict resolution.

- Understanding and managing group process and culture, and identifying barriers and seeking collaboration are also done in this place.

- The members are also taught role negotiation techniques.

- Characteristics of effective work team.

- Clear purpose to all, like everyone share their goals, mission, vision.

- Participation, all members are heard and there is effective interaction.

- Consensus decision making, when problems arise the situation is diagnosed by joint discussion and the problems are solved through cooperation and supportive relationship.

- As and when a need for leadership arises, everyone volunteers and this role is supportive and informal.

- Members trust and respect each other.

- Clear roles and work assignments, group is flexible in resources and seeks new and better ways of growing.

- Teams are collectively creative and posses different task skill.

- They have a close sense of identity and have high degree of group loyalty, group solidarity and cohesiveness.

Positive synergy: Team efforts results in a level of performance that is greater than the sum of the individual inputs.

Self assessment: Members check their contributions and how well the team is functioning periodically.

High performance team have all the above and strong personal commitment, are more ambitious, have mutual accountability and are willing to interchange their tasks and also have complementary skills.

Skills of leader for team work: Though there is no formal leader in a team, there should be some linkpin and this person should possess certain qualities because the success of the team rules on his effectiveness. Thus, a leader in the teams should have good listening skills, he should be available and responds to people's problems. There should be open and honest communication. He should allocate work based in the capabilities of the person. He should encourage, respect, understanding and trust among members. He should empower his team and set examples and accept only high quality work. Sets achievable targets for the members and insists on improved performance, solicit participation in solving problems on key issues.

4.3 ENHANCING EMOTIONAL INTELLIGENCE IN TEAMS FOR IMPROVING OVERALL PERFORMANCE

Emotional intelligence is the ability to manage one's feelings, interact effectively with others and communicate easily with others and is more important than

intellectual ability or job skills in determining team success. Thus to build a foundation for emotional intelligence, a team must be aware of and constructively regulate the emotions of the individual team members, the whole group and other key persons with whom it interacts. Thus groups / teams are more creative when their members collaborate unreservedly. When there is mutual trusts, and freedom in interaction people adjust more easily to each other and hence the output will be efficient.

4.4 ASSERTIVENESS TRAINING AND INTER PERSONAL TRAINING

As most of us work as a part of the team and depend on each other to produce results, it is not enough to possess the technical skills. It is also essential to know how to work well with people. To be successful at work one should build into oneself, flexibility to deal with a variety of people and situations. So developing the interpersonal skills will help to a certain extent. Behaving assertively at work situations is an important interpersonal skill because it is not enough to just deal with people but it is also important to get them to perform. Therefore conflicts arise due to ego clashes and most of them would react by rebelling in anger, or by withdrawing from the situation. Both these reactions are not good or productive. Employees need to be provided with 'Assertive Training' to make them express themselves freely and properly. Assertiveness is described as the extent of control; the leader tries to exercise over both the followers, as well as the situation. It means expressing what you think or feel without endangering the ego of others and at the same time maintaining our self respect. Hence an Assertive individual

- Will express his views and opinions and convinces others. His approach is to persuade by keep his self-respect.

- Will assert his rights by not being submissive and at the same time does not force himself on to others.

- Will work on the principle of mutuality.

- Will listen to others and is sensitive to their needs.

- Will express his feeling openly.

4.4.1 The Need for Assertive Training

When a manager under goes an assertive training he can deal appropriately with his subordinates. He can bring in a balance between people orientation and task orientation.

Assertive Training builds one's self-esteem and gives one the confidence.

It also helps to be more effective in giving negative feedback. When negative feedback is given with concern and feelings, the employees change their negative behaviour easily. Otherwise they will feel hurt and humiliated.

However, learning to be assertive does not mean that you must always behave assertively. One should be judicious in ascertaining when and where assertiveness is applied. The behaviour that is upsetting should be pointed out in a precise specific manner without becoming judgmental. One should not draw inferences

about the motives. One must refer to the behaviour not the person. The expression of feeling should be directed toward oneself instead of directed toward the opposite person, making him feel victimized.

Thus Assertiveness Training can be of great benefit as a means of self development. People with good Assertiveness Skills will also have enhanced self awareness, greater confidence and self esteem and will also be honest, powerful and have effective communication skills. They will have respect for themselves and others.

On the whole assertive people have positive outlook thinking and when faced with a problem, they see that both the parties 'win'.

4.4.2 Voice Training

Communication is an important means of conveying a message and the key tool for this is the voice. If one wants to become a powerful communicator, the range of tone, volume and pitch are very important.

Let us consider some techniques as to how to care for our voice. These techniques are invaluable and applicable to all, viz; lecturers, professional speakers, and trainers.

Seven areas impact the quality of voice and taking care of them would help immensely.

1) **Breathing:** Long and deep breathing helps to calm down instantly.

2) **Posture:** an imbalance in posture can set-up tensions in the body, so when standing balance your weight evenly, by keeping the feet a width apart.

3) **Warm-ups:** Make some vocal work outs at the start of each day to keep you voice healthy and tuned.

4) **Pitch:** You natural pitch should be used so that it is comfortable.

5) **Stress:** The jaw is the most often used part of your body, so when stressed drop it one or two times and you will feel relaxed.

6) **Environment:** Smoky, noisy environment can be very damaging to the voice besides extreme temperature changes.

7) **Habits of Drinking Water:** You should keep a large glass of water handy because a dry throat can strain and damage you speech.

Exercises: Some breathing and relaxation exercise will help to ease your tense jaws.

Stretching the neck shoulders will promote good breathing and posture habits and relieve tension.

Move your jaws as if you are chewing a sticky toffee.

To increase breadth control, begin by breathing in for three counts and out for six counts, and repeat this pattern for ten times.

Increase the same to four and eight counts and add sounds to the outward breadth like counting, speaking your name and address.

Drink fluids as many times as possible (12 times a day)

Avoid iced water, or drinks

Speaking to large groups: Train yourself to be sensitive to each situation, so that you know when to raise your pitch and when to lower.

Begin and End on a strong note.

Use your mouth energetically to produce the sound but do not shout.

Pay special attention to sentence endings because usually people tend to swallow the last few words.

4.5 SIX SIGMA INTERVENTIONS IN HUMAN RESOURCE PROFESSIONS

The greatest challenge for any Human Resource Professional is to meet their customers' expectations and add value to business in a very dynamic business environment. Success of this function depends on the ability to understand the customers' expectations and align the people capability and process to achieve these expectations. The best utilisation of people, process and technology ensures high quality Human Resource services at lower costs, on time, which contributes toward high level customer satisfaction. Companies today are turning to a quality initiative called *Six Sigma* for help. The process limits, the number of defects in the produced goods. It is a structured systematic, quantitative process for making decisions. Businesses are required to identify customer requirements, measure performance, analyse performance gaps, make improvements and ensure ongoing compliance.

Thus in the simplest terms, Six Sigma is a quality improvement methodology that provides a systematic approach to the elimination of defects that affect something important to the customer. The tools associated with Six Sigma are qualitative, statistical and instructional devices for 'observing process variables 'quantifying' the impact on out comes as well as managing their character.

Six Sigma is based on simple principles:

1) What is important to the customers? A customer service or information. If the quality is good there will be positive impact

2) What is an opportunity? A chance to get something right.

3) What defines success? Every result of an opportunity that meets that customer's satisfaction is a success.

Thus in Six Sigma's words an indicator of success or failure is refined to as defects per million opportunities.

4.5.1 Every Human Activity Contains Variations

The term 'Sigma' is a symbol of standard deviation which is a measure of variation. Six Sigma refers to the idea of being able to achieve six standard deviations between the mean performance of the process and the customer determined specification limit. If Six sigma performances is achieved in a process, then that process will generate less than four defects per one million opportunities.

The idea of measuring the number of standard derivations that fit between the mean performance of a process and the customer's expectation is referred to as the process Z-Score. The Z-Score allows for comparative analysis of the performance of dissimilar process based upon the tendencies of each to either satisfy or disappoint their respective customers. The higher the Z-Score the less probability of customer disappointment

Creating a Six Sigma company is an environment where all processes are designed to meet customers' requirements by using quality tools and techniques. It helps in bringing down costs, improve productivity of resource, improve efficiency of a system, reduce the time for producing and hence leads to high level customer satisfaction. The approach of Six Sigma is aimed at performance improvement and if utilised properly it will help the Human Resource systems to regain control and realise substantial benefits. It helps in improving Human Resource service quality.

4.5.2 Technical Definition of "Six Sigma" Management

The Normal Distribution – the term "Six Sigma" is derived from the normal distribution used in statistics. Many observable phenomena can be graphically represented as a bell-shaped curve or a normal distribution.

When measuring any process, it can be shown that its outputs (services or products) vary in size, shape, look, feel or any other measurable characteristic. The typical value of the output of a process is measured by a statistic called the mean or average.

The variability of the output of a process is measured by a statistic called the standard deviation. In a normal distribution, the interval created by the mean plus or minus two standard deviations contains 95.44 percent of the data points, or 45,600 data points per million (or sometime called defects per million opportunities denoted DPMO) are outside of the area created by the mean plus or minus two standard deviations [(1.00-.9544=.0456)X1,000,000=45,600].

In a normal distribution the interval created by the mean plus or minus three standard deviations contains 99.73 percent of the data, or 2,700 DPMO are outside of the area created by the mean plus or minus three standard deviations [(1.00-.9973=.0027)X1,000,000=2,700]. In a normal distribution the interval created by the mean plus or minus six standard deviations contains 99.9999998 percent of the data, or two data points per billion data points outside of the area created by the mean plus or minus six standard deviations.

Six Sigma management promotes the ideal that the distribution of output for a stable normally distributed process (Voice of the Process) should be designed to take up no more than half of the tolerance allowed by the specifications limits (Voice of the Customer). Although processes may be designed to be at their best, it is assumed that over time the process may increase in variation. This increase in variation may be due to small variation with process inputs, the way the process is monitored, changing conditions, etc. The increase in process variation is often assumed for the sake of descriptive simplicity to be similar to temporary shifts in the underlying process mean.

The increase in process variation has been shown in practice to be equivalent to an average shift of 1.5 standard deviations in the mean of the originally designed and monitored process.

If a process is originally designed to be twice as good as a customer demands (i.e., the specifications representing the customer requirements are six standard deviations from the process target), then even with a shift, the customer demands are likely to be met. In fact, even if the process shifted off target by 1.5 standard deviations there are 4.5 standard deviations between the process mean (m+1.5s) and closest specification (m+6.0s), which result in at worst 3.4 DPMO at the time the process has shifted or the variation has increased to have similar impact as a 1.5 standard deviation shift.

4.6 MARKET FEASIBILITY AND COMPETITIVE INTELLIGENCE MARKET RESEARCH

Conducting market feasibility and competitive intelligence marketing research early in the development cycle can provide a "reality check" on one's idea as well as help define product of an organisation development to ensure its appeal to the customers. This type of market research is used to determine:

How much of a demand is there for the product or service being considering?

What are your potential customer's needs and price expectations?

Who are your competitors?

What are the strengths and weaknesses of your competitors from your potential customer's perspective?

How can you design your product or service most effectively, given the needs of your target market and the competitive environment?

4.6.1 Market Feasibility Studies

Market feasibility marketing research studies involve collecting information about a potential market that can be used in deciding how a product or service should be designed, delivered, priced, and marketed. Market Street Research uses a variety of tools to assess **market feasibility** ranging from collecting and analysing secondary data to conducting primary research such as focus groups, telephone surveys and other methodologies.

Secondary data is information that has already been collected and is available to the public. Examples include population statistics from the Census, economic indicators, health data and information published in newspapers, web sites, magazines, government documents, and industry and trade journals. Many businesses and organisations also collect information about their customers or clients (such as where they live), and this is also considered secondary data.

Primary information is data that is gathered specifically for a research project-the most familiar primary research methods are focus groups and telephone surveys.

4.6.2 Needs Assessments and Environmental Scans

Needs assessments: This involves studying a geographic region or client population to see if there are unmet needs or barriers to access that could be addressed by changing or expanding existing services or by developing new services.

Environmental scans: These are expanded needs assessments that include a broad survey of community characteristics and needs.

Market Street Research has considerable experience and expertise in conducting community needs assessments for clients in many industries.

Competitive intelligence analysis: This is the process by which an organisation or company assesses the evolution of its industry and the capabilities and behaviour of its current and potential competitors to assist in maintaining or developing a competitive advantage. Market Street Research works with clients to ensure that the organisation has accurate, current information about its competitors and a plan for using that information to its advantage.

4.6.3 The Agency that Should Conduct Market Feasibility and/or Competitive Research

Any business or organisation facing a significant investment or risk in developing a new product or service should consider conducting **market feasibility, needs assessment and/or competitive intelligence marketing research.** If your risk is high or your investment is likely to be large, conducting a feasibility study and/or a competitive intelligence analysis can greatly improve your chances of succeeding with your product or service. Market Street Research works with you to collect and analyse information about:

- Unmet needs that could be addressed by a new product or service

- Overall demand for new products, services, or ideas

- Characteristics of likely customers (such as demographics and buying behaviour)

- Characteristics of likely competitors

- How competitors are likely to react when your product or service is introduced

- How your new product or service should be designed to best meet customer's needs

- How best to market, advertise, and communicate about your product or service

- Likely barriers to successful introduction of your product or service.

Market feasibility studies and competitive intelligence analysis can provide invaluable information about the likely success of new product or service ideas. Any time you are considering changing your products or services, developing new ideas, moving into new geographic markets, or expanding your business or service offering, Market Street Research can provide accurate, timely, in-depth information that will help you make the best possible decisions, given the characteristics of your likely customer base and competitors.

4.7 MANAGING ANGER

One need not describe anger, elaborately as each one of us experience it one time the other.

Anger is a very basic human emotion and the reasons for anger are many:

- Anger occurs when out personal needs are not being met or our personal.

- Rights are being violated. It can lead to either frustration or sublimation.

- It is a sense of righteousness.

- It is a defense against something we value.

- It is sometimes demonstration of power.

When a person gets very angry and cannot express it. It manifest in other forms like, hypertension, headache, ulcers, asthma etc. Thus it is always better to ventilate our angry rather than bottling up.

The general method employed to the feeling of anger express is displacement. Many people make certain other people or objects the scapegoat of their anger. Thus we find that we do not know how to manage our feelings and express them appropriately.

Let us turn our attention to the issue of managing anger. Anger has both constructive outcome and destruction outcome. For e.g. when a manager expresses anger on his employees, there are chances that the employees will work toward completing the task. In the other hand, if this same manager becomes violent, using abusive language and frequently harasses the employees then an opposition builds up and the employees may not cooperate with him/her and also protest against the completion of the task. Thus, one should know how to use anger to the optimum level and turn it into a positive outcome.

Positive Outcome: Anger helps us to move toward a specific action, by helping us to identify the problem and lead towards problem-solving and decision making. It also helps us to maintain a sense of virtue and righteousness. It further helps us to provide justification to the beliefs that we value and uphold.

Tips for Managing Anger: Do not attack the personality of the person and describe the behaviour of the person which has caused the anger by using 'I' response instead of using 'you' response. For e.g, when an employee is showing inappropriate behaviour at the job and if you want to check him/her.

Negative expression: You make me anger, you are clumsy, you do not follow the instructions correctly etc.

Positive expression: I am angry because of the way you are doing the job.

Thus when we attack a person you are putting a person into defense and by insulting him/her you are blocking his thinking and the communication is cut off because you already put him into a negative mind set. Instead when you explain with some patience and give him clear instructions and ensure that he/she has understood what you want him/her to do then that person will develop more enthusiasm towards the work and will also respect you. Next time when he/she has difficulty he/she will approach you to clarify his/her doubt.

Further, we should reconcile and forgive people and work out a mutual understanding for our future relationships.

Anger is considered as energy and if managed and directed correctly we can reach great heights. It helps immensely when one is joyful; it has great effect on our life.

4.8 TIME MANAGEMENT

The term Time Management is misnomer. You cannot manage time; you manage the events in your life in relation to time. You may often wish for more time but you only get 24 hours, each day. How you use that time depends on skills learned through self analysis, planning, evaluation, and self-control.

Much like money, time is both valuable and limited: it must be protected, used wisely, and budgeted. People who practice good time management techniques often find that they:

- Are more productive,

- Have more energy for things they need to accomplish,

- Feel less stressed,

- Are able to do the things they want,

- Get more things done,

- Relate more positively to others, and

- Feel better about themselves (Dodd and Sundheim, 2005).

Finding a time management strategy that works best for you depends on your personality, ability to self motivate and level of self discipline. By incorporating some, or all of the ten strategies below, you can more effectively manage your time.

Keeping a time log is a helpful way to determine how you are using your time. Start by recording what you are doing for 15 minute intervals for a week or two. Evaluate the results. Ask if you did everything that was needed; determine which tasks require the most time' determine the time of day when you are most productive; and analyse where most of your time is devoted job, family, personal, recreation, etc. Identifying your most time-consuming tasks and determining whether you are investing your time in the most important activities can help you to determine a course of action. In addition, having a good sense of the amount of time required for routine tasks can help you be more realistic in planning and estimating how much time is available for other activities.

4.8.1 Set Priorities

Managing your time effectively requires a distinction between what is important and what is urgent. But focusing on important activities allows you to gain greater control over your time and possibly reduce the number of important tasks that do become urgent. One of the easiest ways to prioritize is to make a "to do" list. Whether you need a daily, weekly or monthly list depends on your lifestyle. Rank the items on your "to do" list in order of priority (both important and urgent). Keep in mind that your goal is not to mark off the most items; rather you want to mark off the highest priority items. Having a prioritized 'to do' list allows you to say 'no' to activities that may be interesting or provide a sense of achievement but do not fit your basic priorities.

4.8.2 Use a Planning Tool

Time management experts recommend using a personal planning tool to improve your productivity. Writing down your tasks, schedules, and memory joggers can free your mind to focus on your priorities. Some reminders when using a planning tool are:

Always record your information on the tool itself. Jotting notes elsewhere that have to be transferred later is inefficient.

- Review your planning tool daily.

- Carry your planning tool with you.

- Remember to keep a list of your priorities in your planning tool and refer to it often.

- Synchronise electronic planners with your computer and recharge the batteries in your planner on a regular basis.

- Keep a back-up system.

4.8.3 Get Organised

Professional organisers recommend that you first get rid of the clutter. Basically you have 5 options for handling information:

- Throw it away, delete it, or otherwise get rid of it.

- Delegate it; give it to someone else to do, file, or respond.

- Act on it yourself. Then throw it away or file it.

- File it temporarily until it needs action or until additional information is received. Follow-up: a 'tickler' file can be useful for holding temporary information.

- File it permanently where you can easily find it later.

4.8.4 Schedule Your Time Appropriately

Good scheduling requires that you know yourself. Using your time log, you should have determined those times during the day when you are most productive and alert. Plan your most challenging tasks for when you have the most energy. Block out time for your high priority activities first and protect that time from interruptions. Try to limit scheduled time to about 3/4ths of your day, leaving time for creative activities such as planning, dreaming, thinking, and reading.

4.8.5 Delegate: Get Help from Others

Delegation means assigning responsibility for a task to someone else, freeing up some of your time for tasks that require your expertise. Delegation begins by identifying tasks that others can do and then selecting the appropriate person(s) to do them. You need to select someone with the appropriate skills, experience, interest, and authority needed to accomplish the task. Be as specific as possible in defining the task and your expectations, but allow the person some freedom to personalise the task. Occasionally check to determine how well the person is progressing and to provide any assistance, being careful not to take over the responsibility. Finally, don't forget to reward the person for a job well done or make suggestions for improvements if needed.

4.8.6 Stop Procrastinating

You may be putting off tasks for a variety of reasons. Perhaps the task seems overwhelming or unpleasant. Try breaking down the task into smaller segments that require less time commitment and result in specific, realistic deadlines. If you're having trouble getting started, you may need to complete a preparatory task such as collecting materials or organising your notes. Also, try building in a reward system as you complete each small segment of the task.

4.8.7 Manage External Time Wasters

Your time may be impacted by external factors imposed by other people and things. You can decrease or eliminate time spent in these activities by implementing some simple tips:

- Keep your telephone conversations crisp

- Entertain visitors by scheduling appointments.

- Be on time to meeting and discuss a prepared agenda.

- Get aside specific time for viewing and responding to your mails and e-mails.

- Family obligations should be scheduled according to the available time.

4.8.8 Avoid Multi-tasking

Recent psychological studies have shown that multi-tasking does not actually save time. In fact, the opposite is often true. You lose time when switching from one task to another, resulting in a loss of productivity. Routine multi-tasking may lead to difficulty in concentrating and maintaining focus when needed.

4.8.9 Stay Healthy

The care and attention you give yourself is an important investment of time. Scheduling time to relax, or do nothing, can help you rejuvenate both physically and mentally, enabling you to accomplish tasks more quickly and easily. Learn to manage time according to your biological clock by scheduling priority tasks during your peak time of day, the time your energy level and concentration are at their best. Poor time management can result in fatigue, moodiness, and more frequent illness. To reduce stress, you should reward yourself for a time management success. Take time to recognise that you have accomplished a major task or challenge before moving on to the next activity.

Regardless of the time management strategies you use, you should take time to evaluate how they have worked for you. Ask yourself a few simple questions: Do you have a healthy balance between work and home life? Are you accomplishing the tasks that are most important in your life? Are you investing enough time in your own personal wellbeing? If the answer is "no" to any of these questions, then reconsider your time management strategies and select ones that work better for you. Remember that successful time management today can result in greater personal happiness; greater accomplishments at home and at work, increased productivity, and a more satisfying future.

4.9   OTHER TRAINING PROGRAMMES

Besides the above mentioned training programmes, the organisation can also offer programmes in leadership training, motivation, change in attitudes, counselling to enhance personality and remove irrational fears and beliefs, Transactional Analysis, conflict management, stress management etc., which can cater to the individual employee's need for optimum adjustment. These aspects are dealt in length and many books are available on the internet. If all of them have to be discussed, this unit would become very lengthy. Therefore some of the ones essentially needed in organisations have been considered and discussed in the following paragraphs.

Interpersonal Skills: Employee's work performance depends on their ability to interact effectively with their coworkers and their boss. Thus, for effective interaction employees should learn to be better listeners, communicate their ideas more clearly and become an effective team player.

Problem solving Skills: When non-routine jobs have to be performed, managers and employees alike have to solve problems on their jobs. This ability is quite scarce in people and they require to participate in the problem solving training. The activities included here are to sharpen the logic, reasoning and problem-defining skills as well as the ability to assess causation, develop alternatives, analyse alternatives and select solutions. Problem solving training has become a basic part of almost every organisational effort to introduce self managed teams or implement quality management programmes.

Ethics Training: The question whether ethics can be taught has been posed by critics because ethics in most of us are established in the early age itself and we carry our value system to the work. But critics have also pointed out that our values are learned and changed after childhood and even if they didn't, ethics training would be effective because it helps employees to recognise ethical dilemmas, become more aware of the ethical issues underlying the actions and reaffirm an organisation's expectations that members will act ethically.

4.9.1   Evaluation of a Training Programme

The specifications of values form a basis for evaluation. The basis of evaluation and the mode of collection of information necessary for evaluation should be determined at the planning stage itself. The process of training evaluation has been defined as "any attempt to obtain information on the effects of training performance and to assess the value of training in the light of that information". Evaluation helps in controlling and correcting the training programme. Hamblin suggested five levels at which evaluation of training can take place, viz., reactions, learning, job behaviour, organisation and ultimate value.

Reactions: Trainee's reactions to the overall usefulness of the training including the coverage of the topics, the method of presentation, and the techniques used to clarify things. Potential questions to trainees might include:

- What were your learning goals for the programme?
- Did you achieve them?
- Did you like this programme?

- Would you recommend it to others who have similar learning goals?
- What suggestions do you have for improving the programme?
- Should the organisation continue to offer it?

Learning: Training programme, trainer's ability and trainee's ability are evaluated on the basis of quantity of content learned and time in which it is learned and learner's ability to use and apply the content learned.

Job behaviour: This evaluation includes the manner and extent to which the trainee has applied his learning to his job.

Organisation: This evaluation measures the use of training, learning and change in the job behaviour of the department/organisation in the form of increased productivity, quality, morale, sales turnover and the like.

Ultimate value: It is the measurement of ultimate result of the contributions of the training programme to the company goals like survival, growth, profitability, etc. and to the individual goals like development of personality and social goals like maximizing social benefit.

4.9.2   Decision Points in Planning Training Evaluation

John Dopyera and Louise Pitone identified eight decision points in planning training evaluation. They are:

Should an evaluation be done? Who should evaluate?

What is the purpose of evaluation? There are mainly two purposes of doing evaluation. They are justification evaluation and determination evaluation .These purposes include training needs assessment, programme improvements and impact evaluation.

What will be measured? The focus of the evaluation will be on training and delivery, programme content, materials, impact of training on individuals through learning.

Behaviour or performance change. Learning can be measured through pre-test and post-test. Evaluate the effects of training after the trainee returns to the work place, using changes in between or the work results as indicators.

How comprehensive will the evaluation be? The scope or the duration and comprehensiveness of the valuation is influenced by the available support, communication and evaluation purpose.

Who has the authority and responsibility? This will be determined by the factors like personnel, credibility of internal staff, communication, objectivity of internal staff to do an evaluation and regardless of results.

What are the sources of data? The most common sources of evaluation data are reactions, opinions and/or test results of the participants, managers, supervisors production records, quality control, financial records, personnel records, safety records, etc.

How will the data be collected and complied? Data can be collected before training for needs analysis or pre-testing purpose, during training programmes to make

improvements along the way and after training for evaluation. Next step is selection of treatment or control group and determination of nature of samples. Data can be complied either m85anually or by computers.

How will the data be analysed and reported? First reporting issue is concerned with audiences like participants or trainees, training staff, managers, customers etc. second and third issues are concerned with analysis and results and accuracy, policies and format respectively.

4.9.3 Methods of Evaluation

Various methods can be used to collect data on the outcomes of training. Some of these are:

Questionnaires: Comprehensive questionnaires could be used to obtain opinions, reactions, views of trainees.

Tests: Standard tests could be used to find out whether trainees have learnt anything during and after the training

Interviews: Interviews could be conducted to find the usefulness of training offered to operatives.

Studies: Comprehensive studies could be carried out eliciting the opinions and judgments of trainers, superiors and peer groups about the training.

Human resource factors: Training can also be evaluated on the basis of employee satisfaction, which in turn can be examined on the basis of decrease in employee turnover, absenteeism, accidents, grievances, discharges, dismissals, etc.

Cost benefit analysis: The costs of training (cost of hiring trainers, tools to learn, training centre wastage, production stoppage, opportunity cost of trainers and trainees) could be compared with its value (in terms of reduced learning time, improved learning, superior performance) in order to evaluate a training programme.

Feedback: After the evaluation, the situation should be examined to identify the probable causes for gaps in performance. The training evaluation information (about costs, time spent, outcomes, etc.) should be provided to the instructors, trainees and other parties concerned for control, correction and improvement of trainee's activities. The training evaluator should follow it up sincerely so as to ensure effective implementation of the feedback report at every stage.

4.10 LET US SUM UP

As you have by now understood that human resource planners are attempting to address the short term needs to fulfill their long term goals. By providing training in various aspects, the organisations are maximizing performance and minimizing dissatisfaction and stress. This way they are attempting to enhance the skills and abilities and retain valuable employees to meet the demands of the business world. There is a growing awareness on the part of the organisation that productivity must be improved, through quality and innovation which would be possible only when the employees are satisfied and involved with the work.

Human resource planners are being challenged to develop packages of practices that fit the unique needs of their organisations and contribute to effectiveness.

4.11 UNIT END QUESTIONS

1) What is short term training? Delineate and explain the various training programmes that can be planned for employees of organisation.

2) What is assertive training?

3) What are six sigma interventions?

4.12 GLOSSARY

Cross-Cultural Training	:	Imparted to expatriates who are delegated on overseas assignments.
Diversity Training	:	Enhancing the skills of dealing with different work groups and shedding away stereo types.
Interim Staff	:	When the organisation has to meet some seasonal demands and wants to avoid over head costs they engage agents to help them in its productions and other activities.
Team	:	A group of people with complementary skill whose output increases above the sum of inputs.
Six Sigma	:	This is a method of coming close to the target produce without much deviation or wastage.

4.13 SUGGESTED READINGS

Bhatia, S.K. (2005) *Training and Development Concepts and Practices*, New Delhi, Deep & Deep Publication.

Rao, V.S.P. (2005) *Human Resource Management, Text and Cases*. 2nd Edition; New Delhi, Excel Books.

UNIT 1   INTRODUCTION TO HUMAN RESOURCE MANAGEMENT, PLANNING AND MANAGEMENT

Structure

1.0 INTRODUCTION

In this unit we will be giving an introduction to human resource management and management as such what is and its importance etc. We start with human resource management within which we discuss building human organisations, essential functions of a HR manager and his roles in an organisation. This is followed by aims of human resource management within which we handle the need for human resource management, reservation about the HRM and the levers for change in human resource management. We then deal with the functions of HR management, its objectives and then go on to discuss human resource planning. Within this we differentiate between human resource planning and business planning and manpower planning etc. Then we take up the incidence and rationale for human resource planning and discuss under the title the organisational context, the labour market context and point out the aim of human resource planning and the process. Then we take up the definition and description of management and differentiate it from administration. Then we discuss the process of management followed by the common activities of management and principles of management. Then we put forth the problems of management in general.

1.1 OBJECTIVES

On completing this unit, you will be able to:

- Define HR management;

- Describe the aims of human resource management;

- Explain the functions of human resource management;

- Elucidate the development of human resource concept and the objectives of human resource management;

- Describe human resource planning;

- Elucidate the incidence and rationale for human resource planning;

- Define management;

- Differentiate between management and administration;

- Elucidate the process of management;

- Delineate the principles of management; and

- Analyse the problems of management.

1.2 HUMAN RESOURCE MANAGEMENT

Organisation require the following to be effective that is, the Physical resources, including the manufacturing facilities and equipment to produce a product or provide a service, Financial Resources including equity, leverage and retained earnings. Marketing capability to connect whatever products or services are created with customers and Human resources, including the experience, skills, knowledge, judgment and creativity belonging to the organisation along with the means of organising, structuring and rewarding these capabilities. Thus Human resource management involves all management decisions and practices that

directly affect or influence the people or the 'human resource' who works for the organisation and this resource in particular needs to be nurtured.

Human Resource planning on the other hand deals with determining how much human resources are required by the organisation to achieve its goals and objectives. It is concerned with the flow of people into, through and out of an organisation. Human resource planning involves anticipating the need for labour and the supply of labour and then planning the programmes necessary to ensure that the organisation will have the right mix of employees and skills when and where they are needed.

Once the human resource has been brought together by the organisation, it needs to manage them effectively. As you know, people are bundle of unconscious motives, feelings, thoughts and complexes. When two or more people come together to obtain a said objective, there are invariable problems. Thus managing human resource turns out to be highly challenging job for a manager. His/her effectiveness lies in how well he/she can take charge of people and realise the objectives and goals of the organisation more efficiently. Therefore with the process of planning, organising, directing and controlling the organisation's resources, the manager can achieve the organisation's goals and objectives.

Man is by far the most critical resource of an organisation. No amount of money, materials and machines can produce results by themselves. Men are needed to manage them. Machines can be programmed to take over routine, repetitive jobs, but only a human brain can design the machines.

1.2.1 Building Human Organisation

"Surround you with the best people you can find, delegate authority, and don't interfere" is the advice given by U.S. President, Ronald Reagan to practicing managers. Certainly useful advice except for the drawback that good people, leave alone the best, are so difficult to find "I just can't seem to find the right people" is an often heard lament from many a manager. It is indeed a paradoxical situation that we have so much unemployment on the one hand and on the other it is genuinely difficult to find the right sort of people. Therefore it is the people's dimension of the organisation that is taken into consideration, and we call it Human Resource Management (HRM).

The emphasis of HRM is on considering the following:

- Employees as assets rather than as costs.

- Adopting a strategic approach to invest in them to achieve higher value.

- To develop and manage the performance.

- Gaining their commitment to achieve the objectives of the organisation.

It is a psychological contract between management and employees. It should offer challenging and meaningful work in return for a loyal, committed and self motivated employee.

Thus, the attempt is to manage employees through proper strategy and develop a proper culture/climate in the organisation.

This only reinforces the fact that a good worker is a valuable asset to any company and, every manager must constantly be on the look out for people with potential and attract them to join his company.

An effective system of Human Resource Management (HRM) is the backbone of any efficient organisation. All business problems stem, directly or indirectly, from people problems. Unlike technology, which is to a very high degree controllable, unused or misused, human resources can turn out to be counterproductive to the organisation. Therefore, human resource functions have to be handled meticulously and efficiently to ensure the smooth working of any system.

The most important job of the HR Department is to create and maintain an atmosphere that facilitates performance and to develop an organisational culture that brings out the best in the people working in it.

When organisations are made up of people it is important

- To acquire their services,
- Develop their skills,
- Motivate them to high levels of performance and also
- To ensure their commitment to the organisation.

This will help in achieving the objectives of the organisation be it government, business, education, health, recreation or social activities.

Recruiting and keeping good people is very essential to the success of every organisation. The organisation which can acquire, develop, stimulate and keep outstanding workers will be both effective and efficient and do not face the risk of stagnating or going out of business.

Competent managers and workers are the basic requirements of any organisation so that they can co-ordinate their efforts toward an ultimate goal of the organisation; they both must work as a team because of the reasons given below:

- Human Resource is the most important asset and only an effective management can keep it successfully.
- The success can be achieved only if the personnel policies and the procedures of the organisation are closely linked to the corporate objectives and strategic plans.
- The corporate culture, the values, the organisation climate and the management behaviour will exert a major influence on the achievement of the excellence of the organisation functioning.
- HR must integrate all the members of the organisation to work with a sense of common purpose towards the organisation's goals.

Thus the HRM function is not restricted to the HR Department alone. It pervades all other functional areas as all the activities in the organisation are linked to people. This increases the responsibility of the HR managers. It is common to make the HR Department responsible for the organisation's failure and a higher degree of commitment are expected from the HR manager than from any other line manager.

1.2.2 The Essential Functions of a HR Manager

The essential features are:

- Human Resource Planning

- Human resource acquisition – recruitment, selection, induction

- Human resource utilisation – direction, leadership, placement, performance planning, performance appraisal.

- Human resource Maintenance/Sustenance – compensation, welfare, benefits.

- Human resource Exiting – Retrenchment, dismissal, retirement.

1.2.3 The Role of a HR Manager

In addition to the regular HR functions, HR manager has to perform the role of a counselor, guide and change agent. Maintaining the psychological balance of the employee by motivating and guiding him towards the goals in the best way possible is the responsibility of the HR manager. The role as a change agent is another sensitive function that the HR manager has to perform. Any change to be effected in the organisation has to be preceded by a change in the attitudes of the employees. The changes should first be made acceptable to the employees and they should be able to adjust to the new environment. The HR manager has to undertake this function to see that necessary help is available to the employees in the form of counselling, re-training, etc., to enable them to adjust to the changed situations.

Human Resource Management (HRM), more than any other area of management, is situational in nature. A lot hinges on the personal efficiency of the practitioner. The personal qualities of the manager play a more important role in HRM than in any other functional area. A HR manager is expected to possess such qualities as sensitivity, empathy, helpfulness, etc. A good understanding of people is essential to a HR person, as he has to deal with the behaviour of people, which has a direct bearing on organisational efficiency

Tom Peter (1985) says 'that trust people, treat them like adults, enthuse them by lively and imaginative leadership, develop and demonstrate an obsession for quality, make them feel they own the business and your work force will respond with total commitment'. Douglas Mc Gregor also made a similar observation much earlier to this in 1960. He says that create the conditions such that the members of the organisation can achieve their own goals best by directing their efforts towards the success of the enterprise.

The roots of HRM can be traced to the work of Peter Ducker and Mc. Gregor 1950's. Drucker was the person who invented Management by Objectives.

He wrote that an effective management must direct the vision and effort of all members towards a common goal. i.e., goal directed leadership. Drucker claimed that the personnel specialist tended to conceive his work as partly a file clerks job, partly a housekeeping job, partly a social worker and partly a person who can settle the union trouble. Actually to him, these are not the only role a HR manager should do. There is more to his role and if he perform it well the organisation can achieve great success.

Mc Gregor advocated "Management by integration and self control, partly as a form of management by objectives but more importantly as a strategy for managing people who affects the whole business.

He believes that management philosophy need to be built up based on attitudes and beliefs about people and the managerial role of achieving integration.

Therefore both Mc Gregor and Drucker paved the way to HRM philosophy that Human Resource policies and programmes must be built into the strategic objectives and plans of the business and must aim to get everyone involved in the achievement of these objectives and plans.

Self Assessment Questions

1) Define HR management.

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2) What are the functions of HR manager?

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3) What is the role of HR managers?

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4) What is management by integration and self control?

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1.3   AIMS OF HUMAN RESOURCE MANAGEMENT

- To utilise people to their full capacity and potentials.

- To integrate human resources policies with business plans and reinforce an appropriate culture and to reshape an inappropriate culture.

- Create an environment to release the latent talents (creativity and energy) of employees.

- Create conditions in which innovation, teamwork and total quality if fostered.

- To be flexible in pursuing excellence.

1.3.1 The Need for Human Resource Management

- Increasing international competition.

- Increasing complexities and size of the organisation need proper management of people.

- The technological revolution.

- To offer proper advancement and opportunities to highly potential employees.

- Address the values of workforce, which now wants to become more involved in the company's affairs.

- Meeting the career needs and life satisfaction of the employees

- Providing quality of work life.

- The changing demography of the work force (workforce diversity).

1.3.2 Reservations about Human Resource Management

How can Human power be treated as a Resource? Whether it is morally correct? It is felt that there is more manipulation of people in organisation and sometimes the organisation may be working against some values and interests of the employees' (maintenance of the machine, and adulteration in producing goods, etc.,). How are these sort of ethical dilemmas addressed?

Opportunities and Threats: Human Resource Management is considered as an opportunity and not a threat.

Opportunity: Means to show one's expertise in furthering the business objectives and also meeting the needs, expectations and values of employees.

It provides an opportunity for HR Manager to be more involved in the formulation of business strategy. HR Managers are the actual organisation culture builders so they have to be creative and provide proper guidance and support to the workers.

Threat: It means that no manager should feel that he cannot handle the affairs of the organisation because of the various responsibilities he has to shoulder. He could consider these responsibilities as challenges and deal with them efficiently.

1.3.3 Levers for Change

With the help of this department a great amount of positive outcomes can be expected. That is an effective manager would attempt at bringing about change in the attitudes, behaviours, process, systems and structure. The personnel specialist along with the line management can make a major contribution to create and maintain an effective HR system. They have powerful levers on which change can be based.

1.3.4 HRM Strategy

This gives clear direction for long term Organisational development. To understand HRM strategy it is important to know some of the terms that we use in HRM.

1) **Organisation:** Restructuring the organisation and redesigning jobs to support strategic plans.

2) **Culture Management:** Practices, policies and styles of the management to develop and maintain the culture.

3) **Change Management**: Bringing in new ideas and devising programmes and methods of managing commitment, through training, counselling and guidance.

4) **Flexibility**: Adapting to new methods and enabling people to learn and use wide range of skills.

5) **Team Working:** Enhancing the ability of people to work with groups/teams by adjusting themselves and removing conflicts.

6) **Quality Management:** Managing the quality of the product through assessing the product frequently and improving the services.

7) **Resourcing:** Matching the human resources to the changing requirements.

8) **Human Resource Development:** Investing in developing the HR through proper training and developmemt at all levels of the workforce.

9) **Performance Management:** This refers to evaluating the performance and checking the progress against the objectives of the organisation.

10) **Reward Management**: It is used to define performance expectation and to reward people for their contribution.

11) **Employee Relation:** to increase the co-operation between employees and to allow direct communication to employees.

Thus Management is a process of efficiently getting the jobs completed with and through other people.

The manager therefore has to plan, organise, lead and control the activities and accomplish the objectives. The efficiency of any manager would be determined by seeing as to how successful he/she is at completing the tasks given within the limited resources and people.

1.4 FUNCTIONS OF HRM

There are two major functions which the Human Resource Manager should perform.

Managerial Functions of HRM

1) **Planning:** Planning is the conscious determination of future course of action to achieve the desired results as to what one wants to achieve, when to achieve and how to achieve. Planning is related to objectives, setting of rules and procedures, determining the projects, setting policies, strategies and budgeting.

2) **Organising:** It is the process of dividing work into convenient tasks or duties. Grouping these to form the positions, then grouping of various positions into departments and sections, assigning duties to individual positions, and delegating authority to each position so that the work is carried out as planned.

3) **Staffing:** It involves manning the various positions created by the organising process. It includes preparing inventory of personnel available and identifying the gap between manpower required and available, sources from where people will be selected, selecting people, training and developing, fixing financial compensation, and appraising them periodically.

4) **Directing:** When people are available in the organisation, they must know what they are expected to do in the organisation. Directing includes communicating, motivating and leadership.

5) **Controlling:** It involves identification of actual results, comparison of actual results with expected results as set by planning process, identification of deviation between the two, if any, and taking of corrective action so that actual results match with expected results.

6) **Operative functions:** These are more specific activities like employment, development, compensation and maintaining relations.

7) **Employment:** It is securing and employing people. This is done with the help of the following:

8) **Job Analyses:** This is a process of analysing the needs of the job, who should be employed, with what qualification etc.

9) **HR Planning:** This process where, the management sees that required number of people and qualified people are available to the organisation whenever the need arises.

10) **Recruitment:** This is a process of attracting suitable candidates to apply for the jobs.

11) **Selection:** It refers to a process of selecting the right kind of people with right qualifications, experience, skill, according to the job demands.

12) **Placement:** In this, the selected candidates are assigned to the most suitable job.

13) **Induction and Orientation:** In this, the new employees are given an orientation on how the organisation functions where they fit in the organisation, the role they should play and they are also told about the practices policies and purposes of the organisation.

1.5   HUMAN RESOUCE DEVELOPMENT

Here the main functions are performance appraisal, training and development, career planning, transfers, promotion etc. It is also a process of enhancing the skills, knowledge and aptitude, attitudes, values and commitment through training.

1) **Compensation:** The distribution of wages depending upon job evaluation, qualification etc.

2) **Human Relation:** This focuses on integrating people into work situation and to motivate them to work productively, co-operatively and with economic, psychological and social satisfaction.

1.6 THE OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

In practice, human resource management achieves its purpose by meeting objectives. Objectives are benchmarks against which actions are evaluated. Sometimes these objectives are carefully thought out and expressed in writing. More often, objectives are not formally stated. In either case, objectives guide the human resources function in practice. To do this, objectives must recognise and balance the challenges presented by society, the organisation, the human resource function, and the people who are affected. Failure to address these challenges can harm the firm's performance, its profits, and even its survival. These challenges are identified in four objectives that are common to human resource management:

1) **Societal objectives:** To be ethically and socially responsible to the needs and challenges of the society, while minimising the negative impact of such demands upon the organisation. The failure of organisations to use their resources for society's benefit in ethical ways may result in restrictions. For example, society may limit human resource decisions through laws that address discrimination, safety, or other areas of societal concern.

2) **Organisational objectives:** To recognise that human resource management exists to contribute to organisational effectiveness. Human resource management is not an end in itself; it is only a means to assist the organisation with its primary objectives. Simply stated, the department exists to serve the rest of the organisation.

3) **Functional objectives:** To maintain the department's contribution at a level appropriate to the organisation's needs. Resources are wasted when human resource management is more or less sophisticated than the organisation demands. The department's level of service must be tailored to the organisation it serves.

4) **Personal objectives:** To assist employees in achieving their personal goals, at least insofar as these goals enhance the individual's contribution to the organisation. Personal objectives of employees must be met if workers are to be maintained, retained, and motivated. Otherwise, employee performance and satisfaction may decline, and employees may leave the organisation.

1.7 HUMAN RESOURCE PLANNING

When the strategic goals of an organisation have to be achieved, human resource planning helps in determining how much human resource is required to achieve them. Bulla & Scott(1994) have defined Human Resource as a process of ensuring that the human resource requirements of an organisation are identified and plans are made for satisfying those requirements. Organisations believe that their most strategic resource is 'people' and human resource planning activities is concerned with matching these resources to business needs in the longer term. Further it addresses the human resource needs in both quantitative and qualitative terms. Besides it also looks at broader issues relating to the ways in which people are employed and developed in order to improve organisational effectiveness. Thus it plays an important role in strategic human resource management.

1.7.1   Human Resource Planning and Business Planning

Generally, the human resource planning is an integral part of business planning i.e., The Strategic planning process should define projected changes in the scale and types of activities carried out by the organisation. The core competencies and skills needed by the organisation should also be identified.

However to make such kind of clear predictions for a long range plan is slightly difficult and these may restrict the feasibility of making such plan.

Besides, to a certain extent it is possible to predict the number of people required to achieve the strategic business plans, but it is difficult to interpret about the ways in which people could be developed and deployed more effectively to further the achievements of business goals. Moreover, focusing on any problems that might have to be resolved in order to ensure that the people required will be available and will be capable of making necessary contribution to the achievement of the goals is also difficult. According to Quinn Mills (1983) human resource planning is a "decision making process that combines three important activities.

- Identifying and organising the right number of people with proper skills.

- Motivating them to achieve high performance.

- Creating interactive links between business objectives and people planning activities.

Thus, in situations where a clear business strategy does not exist, human resource planning will have to rely more on making broad assumptions about the need for people in the future, or the planning process could focus on specific areas of activity within the organisation where it is possible to forecast likely future people requirement.

Hard and Soft Human Resource Planning: The former is based on quantitative analysis i.e., to see that the right number and sort of people are available whenever and wherever needed. Soft human resource planning is concerned with ensuring that people with right attitudes and motivation who are committed to the organisation and engaged in their work and behave accordingly are available when the organisation wants them. This planning is based on the assessments of the requirements for these qualities and also on the measurements of the extent to which they exist. Staff surveys, the analysis of the outcomes of performance, management reviews and opinions generated by the focus groups will help in obtaining these data.

The above information helps in planning for improving the work environment, providing opportunities to develop skills and careers and adopting a total reward approach which focuses on non-financial, 'relational' rewards as well as the financial 'transactional' rewards. They also lead to the creation of a high commitment management strategy which includes approaches such as creating functional flexibility, designing jobs to provide intrinsic motivation emphasising team work, doing away with hierarchies and status difference, increasing employment security, rewarding people on the basis of organisational performance and enacting organisational-specific values and a culture that bind the organisation together and gives it a focus. Soft human resource planning creates and shapes the culture, so that there is a clear integration between corporate goals and employee values, beliefs and behaviours.

1.7.2   Human Resource Planning and Man Power Planning

In comparison to the traditional quantitative approaches of manpower planning, human resource planning is concerned with broader issues about the employment of people. Such approaches derive from a rational top-down view of planning in which well tested quantitative techniques are applied to long term assessments of supply and demand. Today, there has been a shift from reconciling to the number of employees available with predictable stable jobs, towards a greater concern with skills, their development and deployment.

1.7.3   Limitations of Human Resource Planning

Human Resource Planning consists of three steps:

- Forecasting future people needs.

- Forecasting the future availability of people.

- Drawing up plans to match supply to demand.

Casson(1978) suggests that human resource planning should be regarded as firstly a regular monitoring activity through which human resource stocks and flows and their relationship to business needs can be understood, assessed and controlled, problems highlighted and a base established from which to respond to unforeseen events.

Secondly, it should be regarded as an investigatory activity by which the human resource implications of particular problems and change situations can be explored and the effects of alternative policies and actions investigated.

According to him, there is no great need for making estimations for the staff, because the ability to make these estimations become severely limited by the difficulty of predicting the influence of the external events.

Further Heller (1972) says that there is a risk in the estimation of the staff because sensible anticipation gets converted into foolish numbers, and their validity depends on large, loose assumption.

Thus Human Resource Planning should concentrate more on what skill will be needed in the future and provide a broad indication of the numbers required in the longer term, and sometimes it is also good to make short term forecasts keeping the activity level and skills requirements with a reasonable degree of accuracy. These kinds of predictions will generally be based on broad scenarios rather than on specific supply and demand forecasts.

Self Assessment Questions

1) Delineate the objectives of human resource planning.

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2) Discuss Human resource planning.

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3) Differentiate between human resource planning and business planning.

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4) What is meant by hard and soft human resource planning?

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5) What is the difference between Human Resource Planning and Man Power Planning?

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6) What are the limitations of Human Resource Planning?

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1.8 THE INCIDENCE AND RATIONALE FOR HUMAN RESOURCE PLANNING

Rothwell (1997) has pointed out that there is no research evidence which has pointed to the success of human resource planning, except in a few cases. She say's that there is a gap between the theory and practice and this is because of the following reasons:

- The impact of change would make it difficult to predict the future – the need for planning may be in inverse proportion to its feasibility.

- The shifting of policy priorities and strategies within organisations.

- The distrust displayed by the managers – they prefer pragmatic adaptation to conceptualisation.

- The lack of evidence that human resource planning actually works.

Whatever, may be the disagreements, it is not possible not to make some forecasts of human resource requirements as a basis for planning and action. A sensible anticipation can be made bearing in mind the major changes in the operation of an organisation because these can be usually foreseen. Thus, by keeping track of developments in the organisation, it is to some extent worthwhile to make Human Resource Planning, so that the organisation is in a better position to deal with resourcing problems in good time.

On the basis of research conducted by the Institute for Employment studies Reilly (1999) has suggested some reasons to why organisations should conduct some form of Human Resource Planning. They are categorised under three groups.

i) **Planning for Substantiative reasons:** The resource acquired earlier than needed can always be optimised by making them more flexible, by nurturing skills that take time to develop, identify potential problems and minimise the chance of making a bad decision.

ii) **Planning because of the process benefits':** This involves understanding the present in order to confront the future, challenging assumptions and liberating thinking, making explicit decisions, which can be later challenged, and ensuring that long term thinking is not driven out by short term focus.

iii) **Planning for Organisational reasons':** This is linking Human Resource Plans to business plans so as to influence the organisation, gain control over operating units and coordinating and integration organisational decision making and actions.

1.8.1 The Organisational Context of Human Resource Planning

The extent to which Human Resource Planning is used, and the approaches adopted, will be contingent on the extent to which the management recognises that success depends on forecasting future people requirements and implementing plans to satisfy those requirements. This will also be affected by the degree to which it is possible to make accurate forecasts. Thus organisations which work under turbulent conditions may rely on ad hoc and short term measures to recruit and keep people, but even here the organisation will benefit only when the Human Resource Planning policies are concerned with attracting and retaining the key staff.

1.8.2 The Labour Market Context

The markets in which the organisations are operating will be the actual internal labour market – the stocks and flows of people within the organisation who can be promoted, trained or redeployed to meet future needs – and then comes external labour markets. The external- local, regional, national and international markets from which different kinds of people can be recruited. There are usually a number of markets and the labour supply in these can vary considerably. Likely shortages will have to be identified so that steps can be taken to deal with them.

In these kinds of situations the organisations have to formulate 'make or buy' policy decisions.

- A 'make' policy means that the organisations prefers to recruit people at a junior level and train them to take promotions and meet the future needs.

- A 'Buy' policy means, the recruitment is done from outside – i.e., bring in fresh blood into the organisation.

However, the organisations tend to mix the two choices in varying degrees, depending upon the situation of the firm and the type of people involved. A highly entrepreneurial company operating in turbulent conditions, or one which has just started up, will rely totally on external recruitment. When dealing with knowledge workers, there will be a problem in obtaining them because they are highly mobile, and thus they are usually recruited from external source only. For example, Management consultants. Generally firms which can predict their people requirements accurately usually rely on developing their own staff once they have been recruited.

1.8.3 Aims of Human Resource Planning

The aims in any organisation will depend largely on the context. However, they will also be some typical aims for each organisation such as the following:

- Attract and retain the number of people required with the appropriate skills, expertise and competencies.

- Anticipate the problems of potential surpluses or deficits of people.

- Develop a well trained and flexible workforce, which contribute to the organisation's ability to adapt to uncertain and changing environments.

- Reduces dependence on external recruitment particularly when there is shortage of key skills by formulating retention, as well as employee development strategies. Improve the utilisation of people by introducing more flexible systems of work.)

1.8.4 The Process of Human Resource Planning

The Process of Human Resource Planning need not necessarily be a linear one i.e starting from a business strategy and flowing logically through to resourcing flexibility and retention plans. It can be a circular one i.e. the process can start anywhere in the circle. For example, Scenario planning may impact on resource strategy which may in turn influence business strategy. Alternatively, the starting point would be demand and supply forecasts which form the basis for the resourcing strategy. The analysis of the labour turnover may feed into the supply forecast, but it could also lead directly to the development of retention plans.

Moreover, it cannot be always assumed that there will be a well articulated business plan as a basis of the Human Resource Plans. The Business strategy may be evolutionary more than deliberate; it may be fragmented, intuitive and sometimes incremental. So, resourcing decision may only be assumptions which may not be correct or cannot be tested, Further, there will also be certain reservations about the extent to which the process can be formalised. However, with the help of these assumptions certain broad statements of intent could emerge which may be sufficient to guide resourcing practice and would be better than nothing at all. The degree to which human resource planning can be carried out systematically will depend on the nature of the organisation i.e., If the future is predictably then, formal planning will be useful and if it is not then the organisation has to rely on broad scenarios rather than precise forecasts.

These processes are summarised below:

i) **Business strategic plans:** This refers to defining future activity levels and initiatives demanding new skills.

ii) **Resourcing strategy:** This refers to planning to achieve competitive advantage by developing intellectual capital - employing more capable people than rivals, ensuring that they develop organisation specific knowledge and skills, and taking steps to become an 'employer of choice'.

iii) **Scenario planning:** This means assessing in broad terms where the organisation is going in its environment and the implications for human resource requirements.

iv) **Demand/supply forecasting:** This means estimating the future demand for people (numbers and skills), and assessing the number of people likely to be available from within and outside the organisation.

v) **Labour turnover analysis:** This refers to analysing actual labour turnover figures and trends as an input to supply forecasts.

vi) **Work environment analysis:** analysing the environment in which people work in terms of the scope it provides for them to use and develop their skills and achieve job satisfaction.
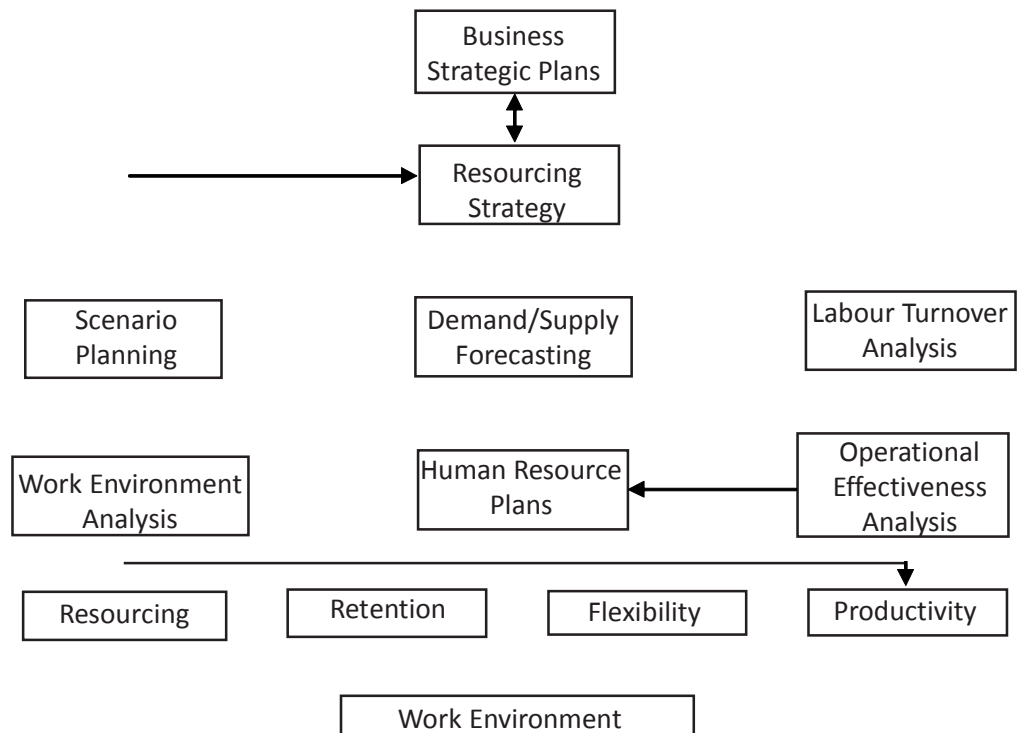
Self Assessment Questions

1) What is the rationale for human resource planning?

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2) What is the organisational context of human resource planning?

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3) Discuss labour market context of Human Resource Planning.

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4) What are the aims of Human Resource Planning?

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5) Discuss resourcing practice.

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1.9 MANAGEMENT

Management is an integrating force in all organised activities. Whenever two or more people work together to attain a common objectives, they have to coordinate their activities. They also have to organise and utilise their resources in such a way as to optimise the results.

Thus management is a generic term and can be subjected to many definitions. However we are basically concerned with management as being responsible for the attainment of objectives taking place within a structural organisation and with prescribed roles. So this involves people working beyond themselves and exercising formal authority over the activities and performance of other people.

1.9.1 Management and Administration

There is often confusion over different interpretations of the two terms 'management' and 'administration'. One of the main reasons for this confusion is because of the translation taken from Fayol's book which was written in French. In the original book there was a direct English translation of administration but in later publications, the term management has been replaced with administration. Urwick says Fayol's meaning of the word 'administration' indicates a specific function which enters all tasks involving supervision of the work of others. It is not concerned with the status of those who exercise this function.

Dictionary definition also tends to see the two words as synonymous. Management is sometimes referred to as 'administration as business concerns' and administration as 'management of public affairs'. There is a clear overlap between the two terms and individual writers use these terms accordingly to their convenience.

Administration is skills used to refer to the highest level of management and to the functions of establishing the overall aims and formulating policy for the organisation as a whole particularly in public sectors. However for our purpose, administration is interpreted as part of the management process.

1.9.2 The Process of Management

Management is not a separate discrete function. It is undertaken at all levels of the organisation and relates to all the activities of the organisation. It is a process which is common to all other functions carried out within the organisation i.e. it is essentially on integrating activity. The overall responsibility of the management is to attain the given objectives of the organisation and within the framework of objectives; policy provides the guidelines for the operations and activities of the organisation.

Policy determines the manner in which the affairs of the organisation are to be conducted and it is the job of the Board of directors to establish the objectives and formulate the policy. It is their responsibility for determining the direction of the organisation as a whole and for its survival, development and profitability. Clarification of the objectives and policy is a prerequisite if the process of management is to be effective. Now we come to the point where we want to know what does the process of management actually involve and what activities does it encompass?

Management is a complex and discursive subject and it is not easy to find agreement on a simple yet comprehensive definition of management. Further, it is not homogeneous. It takes place in different ways and at different levels of the organisation. One approach favoured by classical writers is to analyse the nature of management and to search for common activities applicable to managers in all organisations.

1.9.3 Common Activities of Management

Fayol analysed the activities of industrial undertakings into six groups, "technical" (production manufacture and adaptation); "commercial"(buying, selling, exchange and market information);"financial" (obtaining capital and making optimum use of available funds); "security" (safeguarding property and persons); "accounting" (information on the economic position, stock taking, balance sheets, costs, statistics); and "managerial" (management as in administration)

The managerial activity is divided into five elements of management, which are defined as; to forecast and plan, to organise, to command, to coordinate and to control; Fayol's description of these are:

1) **Planning:** To foresee; i.e., examining the future, deciding what needs to be achieved and developing a plan of action.

2) **Organising:** Providing the material and human resources and building the structure to carry out the activities of the organisation.

3) **Command:** Maintaining activity among personnel, getting the optimum return from all employees in the interests of the whole organisation.

4) **Coordination:** Unifying and harmonising all activities and effort of the organisation to facilitate its working and success.

5) **Control:** Verifying that everything occurs in accordance with plans, instructions, established principles and expressed command.

1.9.4 Principles of Management

Therefore Fayol suggests that a set of well established principles would help concentrate general discussion on management. He also emphasises that these principles must be flexible and adaptable to changing circumstances. Fayol has advocated fourteen principles of management though he feels that there is no limit to management principles. They are:

1) **Division of Work:** To produce more and better work from same efforts and also gain advantages of the specilisation, Fayol feels that there should be division of work. However there are certain limits one should not exceed in division of work which will be known to us when we obtain sufficient experience and a sense of proportion.

2) **Authority and Responsibility:** Responsibility invariably follows authority. The application of sanctions is essential to good management and is needed to encourage useful actions and to discourage their opposite. The best safeguard of abuse of authority is the personal integrity of the manager.

3) **Discipline:** This is essential for the efficient operation of the organisation. It is in essence the outward mark of respect for agreements between the organisation and its members. The manager must decide on the most appropriate form of sanction in cases of offences against discipline.

4) **Unity of Command:** In any action an employee should receive orders from one superior only, if not authority is undermined and discipline, order and stability are threatened. There would be perpetual conflict when there is dual command.

5) **Unity of Direction:** There should always be one head and one plan for any group of activities with the same objective, only then the organisation can provide unity of action, co-ordination and focusing of effort.

6) **Subordination of Individual interest to general interest:** The interest of the organisation should be the foremost, instead of the individual or group interest.

7) **Remuneration of Personnel:** The remuneration should as far as possible satisfy both employee and employer because methods of payment can influence organisational performance. Besides the method should be fair, encourage keenness by rewarding well directed effort, but not lead to over payment.

8) **Centralisation:** This is always present to some extent in any organisation. The degree of centralisation is question of proportion and will vary in particular organisations.

9) **Scalar Chain:** The chain of superior from the ultimate authority to the lowest ranks. Respect for line authority must be reconciled with activities which require urgent action and with the need to provide for some measure of initiative at all levels of authority.

10) **Order:** This includes material order and social order. The object of material order is avoidance of loss i.e., there should be an appointed place for each thing, and each thing in its appointed place, whereas social order involves an appointed place for each employee and each employee in his/her appointed place. Social order requires good organisation and good selection.

11) **Equity:** The desire for equity and for equality of treatment is aspirational to be taken into account in dealing with employees throughout all levels of scalar chain.

12) **Stability of tenure of personnel:** Generally, prosperous organisation has stable managerial personnel. But changes of personnel are inevitable and stability of tenure is a question of proportion.

13) **Initiative:** This represents a source of strength for the organisation and should be encouraged and developed. Tact and integrity are required to promote initiative and to retain respect for authority and discipline.

14) **Espril-de-Corps:** This should be fostered as harmony and unity among members of the organisation is great strength n the organisation. The principle of unity of command should be observed. It is necessary to avoid the dangers of divide and rule of one's own team; and the abuse of written communication. Wherever possible verbal contacts should be used.

A number of these principles are directly influenced by the organisation structure in which process of management takes place.

1.9.5 Management as a Social Process

Brech was another person who defines management as: "A social process entailing responsibility for the effective and economical planning and regulation of the operations of an enterprise, in fulfillment of given purposes on tasks". The responsibility involves:

1) Judgment and decision in determining plans and in using data to control performance and progress against plan;

2) The guidance, integration, motivation and supervision of the personnel composing the enterprise and carrying out its operations.

Thus Brech identifies *four main elements* of management:

a) **Planning:** determining the broad lines for carrying out operations, preparing methods by which they are carried out and setting standards of performance.

b) **Control:** checking actual performance against standards to ensure satisfactory progress and performance, and recording as a guide to possible future operations.

c) **Co-ordination:** balancing and maintaining the team by ensuring a suitable division of work and seeing that tasks are performed in harmony.

d) **Motivation or Inspiring Morale**: getting members of the team to work effectively, to give loyalty to the group and to the task, to carry out properly their tasks and to play an effective part in the activities of the organisation. Thus with this general inspiration, it is the process of supervision or leadership to ensure the teams are carrying out their activities properly.

Drucker's Definition

While describing management Drucker identified three tasks which are equally important but essentially different, but they have to be performed:

• Fulfilling the specific purpose and mission of the institution, whether business enterprise, hospital or university.

• Making work productive and the worker achieving.

• Managing social impact and social responsibilities.

Moreover, Drucker has also identified five basic operations in the work of the manager:

1) **Sets objectives:** determines objectives and the goals of each area of objectives and describes what needs to be done to achieve these objectives

2) **Organises:** analyses the activities, decision and relations required, classifies and divides work, creates organisation structure and selects staff.

3) **Motivates and communicates:** creates a team out of people responsible for various jobs

4) **Measures:** establishes targets and measurements of performance which focus on both the individual and the organisation as a whole.

5) **Develops people:** directs, encourages, and trains; how well subordinates develop themselves depends on the way a manager manages them.

These categories require a combination of analytical ability, synthesising ability, integrity, human perception and insight and social skills.

Drucker argues that the traditional definition of management based on the responsibility for the work of other people is unsatisfactory and too narrow, and emphasises a secondary rather than a primary characteristics. There are people, who are in responsible positions – who are clearly 'management' but do not have responsibility for the work of other people. According to Drucker who is a manager can be defined only by that person's function and by the contribution he/she is expected to make. The one contribution a manager is expected to make is to give others vision and ability to perform; only if he/she can do this, we can call them managers.

Self Assessment Questions

1) Define management.

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2) Discuss the relationship between management and administration.

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3) Describe the process of management.

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4) Elucidate the common activities of management.

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5) What are the principles of management?

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6) Discuss management as a social process.

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7) Who according to Drucker is a manager?

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1.9.6　Other Definitions

There are numerous other definitions and most of them reflect the influence of a particular approach to management thinking. Simon for instance – sees management as synonymous with decision making, others feel that management is delegation or the tasks of management are to create teams out of individuals.

There as other definition such as the responsibility of management is to achieve results or management is the ordering and co-ordination of functions to achieve a given purpose. These definitions may all be correct as far as they go, but on their own they are too narrow or too vague to provide an adequate description of management.

1.9.7　A Popular view of Management

Whatever, Drucker expressed about management, one of the most popular ways of defining management is that it involves getting work done through the efforts of other people. Managers are judged, not just on their own performance but on the results achieved by subordinate staff. Therefore, there are many ways of looking at the meaning of management. The basic criteria established are by compromising between the ideas of some of the writers on the subject.

Steward attempts to integrate the various definition of management and summarises the manager's jobs, like the following definition.

"Deciding what should be done and then getting other people to do it". A longer definition would be concerned with how these two tasks are to be accomplished.

The first task would be of setting objectives planning (including decision making) and setting up formal organisation.

The second consists of motivation, communication, control (including measurement) and the development of people.

So, the definition of management as "getting work done through the efforts of other people" may not perhaps meet all criteria, or satisfy everyone's perception of the nature of management work. It does, however, have the advantage of simplicity and focuses on what is at the heart of management.

1.9.8   The Importance of 'Management'

Drucker emphases that "The responsibility of management in our society is decisive not only for the enterprise itself but for management's public standing, its success and status, for the future of our economic and social system and the survival of the enterprise as an autonomous institution.

1.9.9   Management in Private Enterprise and Public Sector Organisations

There are differences between management in the private and public sectors. These differences arise due to particular features of the public sector organisation such as:

*   The aims are concerned with providing a service for and for the well being of, the community rather than with just a commercial nature;

*   The scale, variety and complexity of their operations;

*   The political environment in which they operate and in the case of local government, the relationship between elected members and permanent officers.

*   The high level involvement of the trade union.

*   The difficulties in measuring standards of performance of services provided compared with profitability.

*   The demand for uniformity of treatment and public accountability for their operations.

*   The tendency of more rigid personnel policies.

A number of these features combine to result in increasing bureaucracy within public sector organisations.

Self Assessment Questions

1)   Discuss the importance of management.

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2) What is the popular view of management?

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3) Differentiate between management in private and public sector organisaations.

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1.10 GENERAL PROBLEM OF MANAGEMENT

Both private enterprise and public sector organisation face the same general problems like both are concerned with the efficiency and effectiveness of their operations, with clarification of aims and objectives, with the design of suitable structure, and with carrying out essential administrative functions. Basic principles of management apply in all activities of any organisation. However, the common activities apply to a greater or lesser extent in both private enterprise and public sector organisation.

Based on an anlaysis of management development in central and local government, Bourn suggests management as a set of interrelated activities:

- Forecasting, setting objectives and planning;

- The definition of problem that need to be solved to achieve these objectives;

- The search for various solutions that might be offered to these problems;

- The determination of the best or most acceptable solutions;

- The securing of agreement that such solution should be implemented;

- The preparation and issue of instructions for carrying out the agreed solutions;

- The execution of the solutions;

- The devising of an auditing process for checking whether such solutions are properly carried out and if they are, they should solve the problems for which they are devised;

- The design, introduction and maintenance of the organisational structures which are most appropriate for these activities;

- The selection, training, development and management of the appropriate staff.

These sets of activities are of equal relevance to management be it business sectors or government sectors. Although greater emphasis might be placed on certain activities this analysis helps to demonstrate that there is a greater degree of commonality between the basic process of management in both private and public sector organisations.

1.11 LET US SUM UP

Human Resource Management is defined as an activity of manager to see that the functions of the organisation are completed efficiently with and through other people, because when two or more people are involved, the management functions become more complicated because the organisation has to develop employees' skills, motivate them to high level of performance and ensure that they continue to serve the organisation with the same commitment to achieve the organisation's objectives. Thus to obtain such committed workers and attain the objectives of the organisation, human resource departments have to plan their resources. This can be done either by estimating the skill, knowledge, and experience of the internal resource or by checking out from where these virtues and qualities can be found in the external market. For this purpose the HR planners have to conduct extensive analysis and guide the organisation to procure the right kind and number of people to meet either the short term goals or the long term goals. Once they are procured, they must be managed. Thus let us examine what is management.

Management is a generic term and the subject to many interpretations. Our main concern is with management taking place within a structured organisation and with prescribed roles. It involves the exercise of formal authority over the work of other people. The nature of management is variable and is seen best as a process which permeates all other aspects of the organisation. Management can be distinguished from administration and it is not easy to find an agreement on the definition of management and since it is not homogeneous, it takes place in different ways in different levels of the organisations. One approach is to analyse the nature of management and to identity common activities. However the most popular definition of management is, getting work done through the efforts of other people. Although there are differences in management of the private & public sectors, both face the same general problems of management and apply the same basic principles.

1.12 UNIT END QUESTIONS

1) What is Human Resource Management?

2) What is the need for Human Resource Planning?

3) State the meanings of Management and delineate the principle of management.

1.13 GLOSSARY

Human Resource Management : This is the people dimension of the organisation which has to be properly nurtured if organisation wants to see success and survive in a turbulent environment.

Human Resource Planning	:	This is one activity of an organisation for procuring the right kind of people, in right numbers and at the right places so that the organisation can attain its objectives.
Management	:	An act of coordination between the different units and people in an organisation, so that the common objectives can be obtained.

1.14 SUGGESTED READINGS

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UNIT 2   TRAINING AND DEVELOPMENT

Structure

2.0   INTRODUCTION

Human resource and manpower is thought of as the total knowledge, skills, creative abilities, talents and aptitudes of an organisation's workforce, as well as the values, attitudes and benefits of an individual involved. An organisation's performance and productivity are directly related to the quality and quantity of its human resources.

To maintain the quality of human resource i.e. to perform its activities well, every organisation needs to have well trained and experienced people. As the employment in the fast growing present society becomes more complex the importance of training and development also increases. In this unit we will be dealing with training and development which are to enhance the skills and knowledge of the human resources in an organisation. In fact training and development will cover a large number of areas in terms of definitions, need for training and development and functions of such training and development. It also deals with types of training and techniques of training.

2.1 OBJECTIVES

After reading the lesson, you should be able to:

- Understand the importance of training and development in the organisations;

- Appreciate the assessment of training needs;

- Know the various methods of training; and

- Get an idea about training procedure in an organisation.

2.2 MEANING OF TRAINING AND DEVELOPMENT

Training is the act of increasing the knowledge and skills of an employee for performing the job assigned to him. It is a short-term process. After an employee is selected, placed and introduced in an organisation he must be provided with training facilities so that he can perform his job efficiently and effectively.

Development is a long-term educational process utilising an organised and systematic procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose. It covers not only those activities which improve job performance but also those activities which improves the personality of an employee.

Training is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules or changing of attitudes and behaviours to enhance the performance of employees.

2.2.1 Training is Activity Leading to Skilled Behaviour

Training knows how to reach what you want in life. It knows how to get where you want to go. Training is having the knowledge to do what you are dream of doing. It is a vision which one wants to achieve. Training is about knowing where you stand at present and where you will be after some point of time. Training is about the acquisition of knowledge, skills and abilities through professional development.

Training is a process of learning a sequence of programmed behaviour. It is the short term process which refers to instructions in technical and mechanical operations.

Development is a related process which covers not only those activities which improve job performance but also those which bring about personality development, progress and actualisation of their potential capacities. It is a long term educational process through which managerial personnel learn conceptual and theoretical knowledge for general purpose.

2.2.2 Importance of Training and Development

1) **It optimises human resource utilisation:** Training and development helps in optimising the utilisation of human resource that further helps the employee to achieve the organisational goals as well as their individual goals. It also helps to provide an opportunity and broad structure for the

development of human resources technical and behavioural skills in an organisation. It also helps employees attain their personal growth. It also helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horisons of human intellect and an overall personality of the employees.

2) **Productivity:** Training and Development helps in increasing the productivity of the employees that helps the organisation further to achieve its long-term goal.

3) **Team spirit:** Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

4) **Organisation culture:** Training and Development helps to develop and improve the organisational health culture and effectiveness. It helps in creating the learning culture within the organisation.

5) **Organisation climate:** Training and Development helps building the positive perception and feeling about the organisation. The employees get these feelings from leaders, subordinates, and peers.

6) **Quality:** Training and Development helps in improving upon the quality of work and work-life.

7) **Healthy work environment:** Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organisational goal.

8) **Health and safety:** Training and Development helps in improving the health and safety of the organisation thus preventing obsolescence.

9) **Morale:** Training and Development helps in improving the morale of the work force.

10) **Image:** Training and Development helps in creating a better corporate image.

11) **Profitability:** Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

Training and Development aids in organisational development i.e. Organisation gets more effective decision making and problem solving. It helps in understanding and carrying out organisational policies.

Training and development helps in developing leadership skills, motivation, loyalty, better attitudes and other aspects that successful workers and managers usually display.

2.3 NEED FOR TRAINING AND DEVELOPMENT

2.3.1 Advantages of Training and Development

1) **Optimum utilisation of human resources:** Training and Development helps in optimising the utilisation of human resource that further helps the employee to achieve the organisational goals as well as their individual goals.

2) **Development of human resources:** Training and Development helps to provide an opportunity and broad structure for the development of human

resources' technical and behavioural skills in an organisation. It also helps the employees in attaining personal growth.

3) **Development of skills of employees**: Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horisons of human intellect and an overall personality of the employees.

4) **Productivity:** Training and Development helps in increasing the productivity of the employees that helps the organisation further to achieve its long-term goal.

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12) **Image:** Training and Development helps in creating a better corporate image.

13) **Profitability**: Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

2.3.2   Other Advantages of Training and Development

Training and Development aids in organisational development i.e. Organisation gets more effective decision making and problem solving. It helps in understanding and carrying out organisational policies.

Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

Training and Development demonstrates a commitment to keeping employees on the cutting edge of knowledge and practice.

2.3.3   Training, Development and Knowledge Acquisition

Understanding the phenomenon of employee training and development requires understanding of all the changes that take place as a result of learning. As the

generator of new knowledge, employee training and development is placed within a broader strategic context of human resources management, i.e. global organisational management, as a planned staff education and development, both individual and group, with the goal to benefit both the organisation and employees.

Employee Training and Development and the Learning Organisation increase competitive advantage, the organisation needs to be able to create new knowledge, and not only to rely solely on utilisation of the existing. Thus, the continuous employee training and development has a singnificant role in the development of individual and organisational performance. The strategic procedure of employee training and development needs to encourage creativity, ensure inventiveness and shape the entire organisational knowledge that provides the organisation with uniqueness and differentiates it from the others.

Education is no longer the duty and privilege of those in higher positions and skilled labour, but it is becoming the duty and need of everyone. The larger the organisations, the more funds they spend on education and provide their employees with greater and diverse possibilities of education and development. Understanding the tremendous significance of education for the modern organisation and confident that it represents a good and remunerative investment, present day organisations set aside more and more resources for this activity. Most of the organisations invest 3 to 5% of their revenue into adult education. It is estimated that the organisations that desire to keep the pace with changes need to provide their employees with 2% of total annual fund of working hours for training and education. Thus, it is necessary to accept the model of permanent, continuous learning. That truth has been known for more than two centuries. Denis Diderot, a French philosopher and literate of the Age of Enlightment, wrote the following:

'Education shouldn't be finished when an individual leaves school, it should encompass all the ages of life...to provide people in every moment of their life with a possibility to maintain their knowledge or to obtain new knowledge".

The only way for present day organisations to survive is the imperative to innovate or perish. Since this depends on the knowledge the organisation possesses, this imperative could be read as: learn faster than competition. The logical sequence is: knowledge creation – innovation – competitive advantage. If knowledge is good, is it not true that the more knowledge we have, the better we are? Many organisations which consider knowledge as a good thing are trapped into the pitfall of gathering as much knowledge as possible.

Knowledge that is not necessary is exactly what it is: unnecessary. And the efforts to obtain it are wasted efforts. The only important knowldege is the knowledge with strategic importance to the company, knowledge that helps to increase the value of the company, knowledge with significance to the strategy of the company.

It is not about knowledge for the sake of knowledge, but rather knowledge according to the needs, applicable knowledge, knowledge to create innovation and competitive advantage.

Obtaining knowledge, learning, education, all could have a real effect on the quality of labour only if they are harmonised with the needs of a particular organisation, its goals and the goals of its employees. The further choice of

educational contents and educational methods, and the efficiency of educational effectiveness control depend on clearly defined educational goals and needs, answers to the questions of which knowledge is necessary to realise the strategy and the survival of the organisation in general, which employees need to possess this knowledge and will this knowledge solve certain problems.

2.3.4 Training and Development Promote Entrepreneurship

Employee training and development does not imply only obtaining new knowledge, abilities and skills, but also the possibility to promote entrepreneurship, introduce employees to changes, encourage the changes of their attitude, introduce the employees to important business decisions and involve them actively in the process of decision making. To precisely define expectations and attract skilled workforce, more and more employment advertisings offer a certain number of annual hours or days for education. The most wanted resources are the people with particular knowledge, skills and abilities. Managers must learn to manage them, and the organisations to employ and retain them. Knowledge based organisations must preserve their competitive advantage by retaining skilled workforce, workers of knowledge, strengthening their motivation and improving the reward and compensation systems according to the workers' performances.

Within the context of learning organisation, it is not sufficient for the worker only to add value to the organisation based on his knowledge, but he also has to receive knowledge. He gives as much knowledge as he receives. For the present day employees the wage by itself is not a sufficient incentive, but they also need investment into themselves in a sense of investing in their knowledge. Employees no longer do not work for money alone, nor can they be influenced by traditional attractive financial packages.

2.3.5 Training, Development and Advanced Technology

The need for training and development is because of the following reasons An increased use of new technology: in the present modern organisations advanced technology has come into use such as computers and equipment which need technological knowledge. To be familiar with this kind of advanced technology employees need to be trained.

1) **To give refresher training for old employees:** Employees are given refresher course which consists of issues of current scenario. By updating old employees about latest technology or present situations helps the organisations a great deal.

2) **To make the employees work in an effective way:** An employee can work effectively if his/her skills are matching with the requirements of the organisations. When a gap is found between employee skills and organisational needs training can help to remove it.

3) **Organisational viability and transformation process:** The capability of the organisation is influenced by the external pressures and the external environment is continuously changing. Therefore the organisation should train its employees to adapt to the changing external environment.

4) **To increase productivity and quality:** The productivity and quality of the organisation is increased when employees are up to date and skillful.

5) **To improve health and safety:** Most of the accidents in an organisation occur because of the deficient skills of the employee. When proper training is given to the employee to handle the equipment and machine in organisation accidents are reduced.

Self Assessment Questions

1) Define and elucidate the meaning of training and development.

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2) Elucidate the need for training and development.

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3) What are the advantages of training and development?

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4) How do training and development promote entreprenership?

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2.4 TECHNIQUES AND METHODS OF TRAINING AND DEVELOPMENT

There are various **methods of training**, which can be divided in to **cognitive and behavioural methods**. Trainers need to understand the pros and cons of each method, also its impact on trainees keeping their background and skills in mind before giving training.

2.4.1 Cognitive Methods

Cognitive methods are more of giving theoretical training to the trainees. The various methods under Cognitive approach provide the rules for how to do something, written or verbal information, demonstrate relationships among concepts, etc. These methods are associated with changes in knowledge and attitude by stimulating learning.

The various methods that come under Cognitive Approach are:

1) **Lectures :** A lecture can be in printed or oral form. **Lecture** is telling someone about something. Lecture is given to enhance the knowledge of listener or to give him the theoretical aspect of a topic. Training is basically incomplete without lecture. When the trainer begins the training session by telling the aim, goal, agenda, processes, or methods that will be used in training that means the trainer is using the lecture method. It is difficult to imagine training without lecture format. There are some variations in Lecture method. The variation here means that some forms of lectures are interactive while some are not.

   *Straight Lecture***:** Straight lecture method consists of presenting information, which the trainee attempts to absorb. In this method, the trainer speaks to a group about a topic. However, it does not involve any kind of interaction between the **trainer and the trainees**. A lecture may also take the form of printed text, such as books, notes, etc. The difference between the straight lecture and the printed material is the trainer's intonation, control of speed, body language, and visual image of the trainer. The trainer in case of straight lecture can decide to vary from the training script, based on the signals from the trainees, whereas same material in print is restricted to what is printed.

   A good lecture consists of introduction of the topic, purpose of the lecture, and priorities and preferences of the order in which the topic will be covered.

2) **Demonstration:** This method is a visual display of how something works or how to do something. As an example, trainer shows the trainees how to perform or how to do the tasks of the job. In order to be more effective, demonstration method should be should be accompanied by the discussion or lecture method.

   To carry out an effective demonstration, a trainer first prepares the lesson plan by breaking the task to be performed into smaller modules, easily learned parts. Then, the trainer sequentially organises those modules and prepares an explanation for why that part is required. While performing the demonstration, trainer:

   - Demonstrates the task by describing how to do, while doing

   - Helps the focusing their attention on critical aspects of the task

   - Tells the trainees what you will be doing so they understand what you will be showing them

   - Explains why it should be carried out in that way

   - The difference between the lecture method and the demonstration method is the level of involvement of the trainee. In the lecture method, the more the trainee is involved, the more learning will occur.

The financial costs that occur in the demonstration method are as follows:

- Cost of training facility for the program
- Cost of materials that facilitate training
- Food, travel, lodging for the trainees and the trainers
- Compensation of time spent in training to trainers and trainees
- Cost related to creating content, material
- Cost related to the organisation of the training.

After completing the demonstration the trainer provide feedback, both positive and or negative, give the trainee the opportunity to do the task and describe what he is doing.

3) **Discussions:** This method uses a lecturer to provide the learners with context that is supported, elaborated, explains, or expanded on through interactions both among the trainees and between the *trainer* and the trainees. The interaction and the communication between these two make it much more effective and powerful than the lecture method. If the Discussion method is used with proper sequence i.e. lectures, followed by discussion and questioning, can achieve higher level knowledge objectives, such as problem solving and principle learning.

The Discussion method consists a two-way flow of communication i.e. knowledge in the form of lecture is communicated to trainees, and then understanding is conveyed back by trainees to trainer.

Understanding is conveyed in the form of verbal and non-verbal feedback that enables the trainer to determine whether the material is understood. If yes, then definitely it would help out the trainees to implement it at their workplaces and if not, the trainer may need to spend more time on that particular area by presenting the information again in a different manner.

Questioning can be done by both ways i.e. the trainees and the trainer. When the trainees ask questions, they explain their thinking about the content of the lecture. A trainer who asks questions stimulates thinking about the content of the lecture. Asking and responding questions are beneficial to trainees because it enhance understanding and keep the trainees focused on the content. Besides that, discussions, and interactions allow the trainee to be actively engaged in the material of the trainer. This activity helps in improving recall.

4) **Computer Based Training (CBT):** With the worldwide expansion of companies and changing technologies, the demands for knowledge and skilled employees have increased more than ever, which in turn, is putting pressure on HR department to provide training at lower costs. Many organisations are now implementing CBT as an alternative to classroom based training to accomplish those goals.

Some of the benefits of Computer Based Training are:

- Provides instructional consistency
- Reduces trainee learning time

- Increases access to training
- Affords privacy of learning
- Allows learning at individual pace
- Allows the trainee to master the learning
- Reduces the cost of training

5) **Intelligent Tutorial System:** This Intelligent Tutorial system uses artificial intelligence to assist in training or tutoring the participants. This system learns through trainee responses.

Features of Intelligent Tutorial Systems (ITS)

- It selects the appropriate level of instructions for the participants
- It guides the trainees
- It is a text-based system
- It also evaluates the training program
- It also improves the methodology for teaching the trainee based on the information
- It is an interactive system
- It determines the trainee's level of understanding

Intelligent Tutorial System (ITS) comprises of five components:

i)   A domain expert also called the expert knowledge base

ii) A trainee model – stores the information on how the trainee is performing during the training program

iii) A scenario generator

iv) A training session manager – interprets trainees responses and responds either with tutoring, more content or information

v)   A user interface – allows the trainee to communicate with the Intelligent tutorial System

6) **Programmed Instruction (PI):** Programmed instruction is a Computer-based training that comprises of graphics, multimedia, text that is connected to one another and is stored in memory.

Programmed instruction is the procedure of guiding the participants strategically through the information in a way that facilitates the most effective and efficient learning. It provides the participant with content, information, asks questions, and based on the answer goes to the next level of information i.e. if the trainee gives the correct answer; one branch moves the trainee forward to the new information. And if the trainee gives the wrong answer then different branch is activated, taking the trainee back to the review relevant information in more elaborate manner.

This method allows the trainees to go through the content according to the individual speed, and capability. Those trainees, who respond better, move through the content rapidly.

Programmed Instruction also comes in

- Printed form i.e. books
- Tape
- Interactive Video
- Other formats

In programmed instruction, trainees receive information in substantial amount and then tested on their retention of information. If the trainees are not able to retain the information, they are referred back to the original information. If the trainees retain the information, they are referred to the next log of information.

Some of the features of programmed instructions are:

- It provides immediate feedback to trainee response
- It frequently reviews the content
- It programs small learning steps that results in fewer response errors
- It allows trainees to move through the content at their own speed, or capability
- It requires frequent active responses by the trainees

7) **Virtual Reality :** Virtual Reality is a training method that puts the participant in 3-D environment. The three dimensional environment stimulates situations and events that are experienced in the job. The participant interacts with 3-D images to accomplish the training objectives. This type of environment is created to give trainee the impression of physical involvement in an environment. To experience virtual reality, the trainee wears devices, like headset, gloves, treadmills, etc.

Virtual Reality provides trainees with an understanding of the consequences of their actions in the work environment by interpreting and responding to the trainees' actions through its accessories:

Headset – provides audio and visual information

Gloves – provides tactile information

Treadmills – is used for creating the sense of movement

Sensory devices – transmits how the trainees are responding in the virtual workplace to the computer

This allows the virtual reality (VR) system to respond by changing the environment appropriately.

8) **Features of Virtual Reality (VR) System**

Some of the features of Virtual Reality System are:

- It is poorly understood – requires technical understanding
- It is expensive
- It is time consuming
- It is flexible in nature

- It does not incur traveling, lodging, or food cost

- It requires excellent infrastructure

2.4.2 Behavioural Methods

Behavioural methods are more of giving practical training to the trainees. The various methods under Behavioural approach allow the trainee to behaviour in a real fashion. These methods are best used for skill development.

The various methods that come under Behavioural Approach are:

1) **Games and Simulations:** Games and Simulations are structured and sometimes unstructured, that are usually played for enjoyment sometimes are used for training purposes as an educational tool. Training games and simulations are different from work as they are designed to reproduce or simulate events, circumstances, processes that take place in trainees' job.

    A Training Game is defined as spirited activity or exercise in which trainees compete with each other according to the defined set of rules.

    Simulation is creating computer versions of real-life games. Simulation is about imitating or making judgment or opining how events might occur in a real situation.

    It can entail intricate numerical modeling, role playing without the support of technology, or combinations.

    Training games and simulations are now seen as an effective tool for training because its key components are:

    - Challenge

    - Rules

    - Interactivity

    These three components are quite essential when it comes to learning.

    Some of the examples of this technique are:

    Business games, role plays, in basket technique, equipment stimulators and case studies.

    Trainees can therefore experience these events, processes, games in a controlled setting where they can develop knowledge, skills, and attitudes or can find out concepts that will improve their performance.

    The various methods that come under Games and Simulations are:

2) **Behaviour Modeling:** Behaviour Modeling uses the innate inclination for people to observe others to discover how to do something new. It is more often used in combination with some other techniques.

    Procedure of Behaviour Modeling Technique

    In this method, some kind of process or behaviour is videotaped and then is watched by the trainees. Games and simulation section is also included because once the trainees see the videotape, they practice the behaviour through role plays or other kind of simulation techniques. The trainee first

observes the behaviour modeled in the video and then reproduces the behaviour on the job.

The skills that are required to build up are defined:

- A brief overview of the theory is then provided to the trainers

- Then, trainees are given instructions that what specific learning points or critical behaviour they have to watch

- Then the expert is used to model the suitable behaviours

- Then, the trainees are encouraged to practice the suitable behaviour in a role play or through any other method of simulation

- Trainees are then provided with some opportunities to give reinforcement for appropriate imitation of the model's behaviour

In the end, trainer ensures that trainees appropriately reinforces the behaviour on the work place

Behaviour modeling focuses on developing behavioural and interpersonal skills. This type of method can be used for training in

- Sales training

- Interviewee training

- Interviewer training

- Safety training

- Interpersonal skills training

3) **Business Games:** With the increase in globalisation and changing technologies, many organisations are now moving from board games to computer based simulations, using interactive multimedia (IM) and virtual reality (VR).

Business games are the type of simulators that try to present the way an industry, company, organisation, consultancy, or subunit of a company functions. Basically, they are based on the set of rules, procedures, plans, relationships, principles derived from the research. In the business games, trainees are given some information that describes a particular situation and are then asked to make decisions that will best suit in the favour of the company. And then the system provides the feedback about the impact of their decisions.

Again, on the basis of the feedback they are asked to make the decisions again. This process continues until some meaningful results do not came out or some predefined state of the organisation exists or a specified number of trails are completed.

As an example, if the focus is on organisation's financial state, the game may end when the organisation reach at desirable or defined profitability level.

Some of the benefits of the business games are:

- It develops leadership skills

- It improves application of total quality principles

- It develops skills in using quality tools

- It strengthen management skills

- It demonstrates principles and concepts

- It explores and solves complex problem

Benefits of business games

- Leadership skills

- Management skills

- Quality tools

- Principles and concepts

- Total quality principles

- Solves complex problems

Many games and simulations examine the total organisation but only some focus on the functional responsibilities of specific positions in an organisation.

Business games simulate whole organisation and provide much better perspective than any other training methods. They allow trainees to see how their decisions and actions impact on the related areas.

4) **Case Studies:** Case Studies try to simulate decision making situation that trainees may find at their work place. It reflects the situations and complex problems faced by managers, staff, HR, CEO, etc. The objective of the case study method is to get trainees to apply known concepts and ideologies and ascertain new ones. The case study method emphasise on approach to see a particular problem rather than a solution. Their solutions are not as important as the understanding of advantages and disadvantages.

Procedure of the Case Study Method

The trainee is given with some written material, and the some complex situations of a real or imaginary organisation. A case study may range from 50 to 200 pages depending upon the problem of the organisation

Focus of case study method

Case Study method focuses on:

- Building decision making skills

- Assessing and developing Knowledge, Skills and Attitudes (KSAs)

- Developing communication and interpersonal skills

- Developing management skills

- Developing procedural and strategic knowledge

5) **In Basket Technique:** It provides trainees with a log of written text or information and requests, such as memos, messages, and reports, which would be handled by manger, engineer, reporting officer, or administrator. In this technique, trainee is given some information about the role to be played such as, description, responsibilities, general context about the role.

The trainee is then given the log of materials that make up the in-basket and asked to respond to materials within a particular time period.

After all the trainees complete in-basket, a discussion with the trainer takes place.

In this discussion the trainee describes the justification for the decisions.

The trainer then provides feedback, reinforcing decisions made suitably or encouraging the trainee to increase alternatives for those made unsuitably.

A variation on the technique is to run multiple, simultaneous in baskets in which each trainee receives a different but organised set of information. It is important that trainees must communicate with each other to accumulate the entire information required to make a suitable decision.

This technique focuses on:

- Building decision making skills

- Assess and develops Knowledge, Skills and Attitudes (KSAs)

- Develops of communication and interpersonal skills

- Develops procedural knowledge

- Develops strategic knowledge

Benefits of this In Basket Technique

- Decision making skills

- Knowledge, skills and Attitudes

- Communication and interpersonal

- Strategic knowledge

- Procedural knowledge

6) **Role Plays** : Role play is a simulation in which each participant is given a role to play. Trainees are given with some information related to description of the role, concerns, objectives, responsibilities, emotions, etc. Then, a general description of the situation, and the problem that each one of them faces, is given. For instance, situation could be strike in factory, managing conflict, two parties in conflict, scheduling vacation days, etc. Once the participants read their role descriptions, they act out their roles by interacting with one another.

Role Plays helps in

- Developing interpersonal skills and communication skills

- Conflict resolution

- Group decision making

- Developing insight into one's own behaviour and its impact on others

Benefits of Role Plays

- Interpersonal skills

- Communication skills
- Conflict resolution
- Developing insights
- Group decision making

There are various types of role plays, such as:

a) **Multiple Role Play:** In this type of role play, all trainees are in groups, with each group acting out the role play simultaneously. After the role play, each group analyses the interactions and identifies the learning points.

b) **Single Role Play:** One group of participants plays the role for the rest, providing demonstrations of situation. Other participants observe the role play, analyse their interactions with one another and learn from the play.

c) **Role Rotation:** It starts as a single role play. After the interaction of participants, the trainer will stop the role play and discuss what happened so far. Then the participants are asked to exchange characters. This method allows a variety of ways to approach the roles.

d) **Spontaneous Role Play:** In this kind of role play, one of the trainees plays herself while the other trainees play people with whom the first participant interacted before.

2.4.3 Management Development Method

The more future oriented method and more concerned with education of the employees. To become a better performer by education implies that management development activities attempt to instill sound reasoning processes.

Management development method is further divided into two parts:

i) On the job training and

ii) Off the job training.

i) **On the Job Training**

The development of a manager's abilities can take place on the job. The four techniques for on the job development are:

- Coaching
- Mentoring
- Job Rotation
- Job Instruction Technique (JIT)

ii) **Off the Job Training**

There are many management development techniques that an employee can take in off the job. The few popular methods are:

- sensitivity training
- transactional analysis
- straight lectures/ lectures
- simulation exercises

Self Assessment Questions

1) Discuss the cognitive methods of training.

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2) Elucidate and describe the behavioural methods of training.

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3) What are the important characteristics of management method of training.

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   ....
   ....

2.5 THE ASSESSMENT OF TRAINING NEEDS

The success of training depends on the systematic needs assessment programme. Needs assessment finds out which employee needs to be trained and for what purpose they are trained. Therefore assessment phase sets the objectives for the purpose of training and the competencies required in trainees after completion of the training program.

2.5.1 Methods of Needs Assessment

The basis for needs assessment and source for gathering information and depend mainly on purpose of training.

1) **Performance deficiency:** When the purpose of training is to develop employees' performance in their present job, then the trainer looks at the present performance and identifies the performance deficiency or the areas where there can be a development. Sources of information here are supervisors, client's complaints, performance appraisal data objective measures of output or quality and special tests given to find out the present knowledge and skill of the employee.

2) **Individual or Group interviews:** These interviews are used to understand performance discrepancies and perceived training needs. They are helpful for anticipating future training needs, for prioritising training demands, or for ambiguous situations. The sources to gather information here includes supervisors, the trainees themselves and clients.

3) **Assessment centers:** This method is used when training is planned for current employees who are going for a promotion or transfer. The trainer will measure the demands of the future job and also assess if the ability of the employees to meet those demands. This is done by tests or supervisory ratings of relevant abilities.

4) **Trainings for new employees:** For new entrées training is designed based on analysis of job content and assumed characteristics of employees. The sources of collecting information here is scores on a job knowledge selection test given to applicants for the job.

2.5.2 Levels of Need Assessment

The success of training depends on the systematic needs assessment programme. Needs assessment finds out which employee needs to be trained and for what purpose they are trained. Therefore assessment phase sets the objectives for the purpose of training and the competencies required in trainees after completion of the training program.

2.5.3 The Basis for Needs Assessment

The basis and source for gathering information depend mainly on purpose of training.

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4) **Trainings for new employees:** For new entrées training is designed based on analysis of job content and assumed characteristics of employees. The sources of collecting information here is scores on a job knowledge selection test given to applicants for the job.

5) **Individual analysis:** The individual analysis attempts to determine which employees should receive training and what their current levels of skills and knowledge are. This can be done on an individual basis or on the entire work group with a specific job title. The trainer should keep in mind that that training should not be too simple or too complex. Attention must be focused on the prerequisites of basic skills as well as on existing job related skills and knowledge. Further, if individual analysis indicates a wide range of trainee skills and knowledge, the trainer can group employees into remedial groups and advanced groups and choose a training method that allows for self paced training or individualised instruction. This kind of variance should be recognised and planned before the training begins so that all trainees can have an appropriate and satisfying learning experience.

2.6 TRAINING AND DEVELOPMENT METHODS

Training and development techniques fall into three categories

1) **Content techniques:** to provide knowledge or information at cognitive level i.e. information processing techniques

2) **Process techniques:** to change attitudes, develop self-awareness and improve interpersonal skills. These are based on theoretical models of learning and behaviour change. e.g.; roles play behavioural modification and transactional analysis.

3) **Mixed techniques:** to provide both information-transmitting function and an attitude change function e.g.: conference, discussion, simulation and on the job training.

Another simple classification of training method is into two categories:

i)   On -the -job training methods and

ii)   Off -the –job training methods

i)   **On- the–Job Training Methods**

These methods are more popular and most commonly used method used both in basic skills training and in management training and development. Under this method, the individual is placed on a regular job and taught the skills necessary for that job. The trainee learns under the supervision and guidance of a qualified worker or instructor. This method includes the following:

Job Rotation: In this type of training the trainees will shift from one job to another. It enables the employees to gain knowledge and experience from the trainers of the different job assignments. This method is common for training managers for general management positions. It facilitates the trainee to understand the problems of employees on the other jobs.

Coaching: The trainee employee will undergo training under a particular coach or supervisor. This coach provides feedback for the trainees on their performance and also gives suggestion for improvement. A major

disadvantage of this method is the trainee may not have the freedom or opportunity to express his own ideas.

Job instruction: This is also known as step by step. Here the trainer explains the trainee the way of doing the jobs and provides feedback to improve the performance of the trainee.

Team assignments: In this method a group of trainees are given and asked to solve an actual organisational problem. The problem is solved jointly by the team of trainees. This method helps to develop team work.

ii) **Off-the-Job Training Methods**

In this method trainee is separated from the job and is made to learn the information that is related to the job. Here the trainees are not disturbed by the job requirements as in on the job training methods. Therefore they can concentrate on the learning and get trained before starting the job. The following methods are part of off-the-job training:

Vestibule training: In this method the real work setting is simulated .the files and equipment used in actual work situation are also used here. Later the skills learned in the simulated setup are used in actual job.

The case method: Here the job situation is presented on the paper, and the group of trainees identifies the problems and offer solutions. Here trainees learn from each other and receive feedback on one another's performances.

The incident method: This is similar to the case method. In this method trainees only get know the outline of a particular incident. The trainees have an interaction with the trainer and seek information on the incident by asking questions. After seeking adequate information trainees attempt to solve the problem. Later at the end of the session the trainer gives all the information and trainees compare their solution based on the complete information.

Role playing: This method is the human interaction that involves realistic behaviour in imaginary situations. The members play a role of certain characters such as manager, supervisor, workers etc. this method is mostly used for developing inter-personal interactions and relations.

Experiential exercises: This technique incorporates elements of both case study and role playing. Trainees examine their responses first as individuals, then with the members of their own groups or teams, and finally with larger group and with the trainer.

Conference or Discussions: This involves a group of people who give ideas, examine and share information which help the trainee to improve his job performance.

Programmed Instruction: This is a popular method of recent times. In this the subject matter which has to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to complex levels of instruction. The trainee goes through these units by answering questions or filling the blanks.

2.7 COMPUTER BASED TRAINING

In the present advanced technological society the medium of training is shifting from classroom training towards learner centered, technology mediated training that is Computer Based Training.

Computer Based Training is presentation of text, graphics, video, audio via computer for the purpose of building job relevant knowledge and skill. Common forms of CBT includes multimedia learning environments, intranet and web-based instruction, e-learning, virtual reality training etc.

This method consists of two features: 1) Customisation: in which programs can be adapted based on characteristics of the learners, and 2) learner control: in which learners may modify the learning environment to suit their own purposes.

Therefore CBT represents adaptive learning, its flexibility, and its potential cost savings is making this method of training more popular.

2.8 SELECTION OF A TECHNIQUE

A training method is only successful if it is used suitably. For effectiveness of a method it should first define what trainees need to learn and then choose a

particular method that best fits these needs. If the trainers choose the method first and then try to fit in the needs of the employees it will result in wastage of time, money and human resources.

In order to select a particular training method or technique they following checklist can be useful. A technique is adequate to the extent that it provides the minimal conditions for effective learning to take place. To do this, a technique should

- Motivate a trainee to improve his or her performance.

- Clearly illustrate desired skills

- Provide for learner's active participation

- Provide an opportunity to practice

- Provide feedback on performance while the trainee learns

- Provide some means to reinforce the trainee while learning

- Be structured from simple to complex tasks

- Be adaptable to specific problems

- Enable the trainee to transfer what is learned in training to other situations.

The trainers can apply this checklist to all proposed training methods. After selecting the appropriate training method the prior planning, design and actual implementation is an important aspect for the success of the training technique.

After selection of technique the final step is to evaluate the training programme which is discussed in the next section.

2.9 EVALUATION OF TRAINING PROGRAMME

The basis of evaluation and the mode of collection of information necessary for evaluation should be determined at the planning stage. The process o training evaluation has been defined as "any attempt to obtain information on the effects of training performance and to assess the value of training in the light of that information.

The need for evaluation of training programme

There are *four reasons* to evaluate training

- To make decisions about the future use of a training program or technique(e.g.: continue, modify, eliminate)

- To make decisions about individual trainees(e.g.: certify as competent, provide additional training)

- To contribute to a scientific understanding of the training process, and

- To further political or public relations purposes (e.g.: to increase the credibility and visibility of the training function by documenting success)

The above reasons may be summarised as decision making, feedback and marketing, the need for evaluation is also important to know the efficiency or cost effectiveness of the training method.

2.10 LET US SUM UP

Training is a vital part of the organisation. With the changing technology and globalisation training has become imperative. This lesson explains the assessment of training needs. The various methods of training are also discussed and the method of evaluating the training is studied.

2.11 UNIT END QUESTIONS

1) What is the meaning of training and development?

2) How does training lead to skilled behaviour?

3) Elucidate the needs for training and development in an organisation

4) Describe the various methods of training and development.

5) What methods do we use to assess the training needs?

6) Describe computer based training.

7) What criteria will use for selection of a technique of training?

8) Discuss evaluation of a training programme.

2.12 SUGGESTED READINGS

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UNIT 3 WORKFORCE DIVERSITY AND MULTICULTURAL FACTORS

Structure

3.0 INTRODUCTION

Organisations are becoming increasingly global and diverse, as a result of which the composition of the workforce is changing. It is the responsibility of the management to deal with the increasingly diverse workforce and develop ways to manage the issues that come with it. In this unit we will discuss the nature of diversity, the reasons for its emergence, the specific characteristics and dimensions of diversity and its value in organisations. We will also discuss the management of diversity in a multicultural organisation and how diversity can be used for competitive advantage in the business world.

3.1 OBJECTIVES

On completing this unit, you will be able to:

* Define and describe diversity in organisations;

* Explain the reasons for the emergence of diversity;

* Elucidate the specific characteristics and dimension of diversity;

* Explain secondary dimension of diversity;

* Analyse the value of diversity;

* Explain how to manage diversity;

* Define and describe multicultural factors;

* Delineate the stages in the creation of multicultural organisation; and

* Analyse multicultural organisations as a competitive advantage.

3.2 DIVERSITY IN ORGANISATIONS

3.2.1 Nature and Definition of Diversity

Workforce Diversity is defined as "*the similarities and differences in such characters as age, gender, ethnic heritage, physical abilities and disabilities, race and sexual orientation among the employees of organisations*".

Workforce diversity is also known as 'cultural diversity' and 'cultural variety'. Diversity in the organisational context refers to the differences in gender, race and ethnicity in the composition of the workforce. In a broader context, it refers to a mixture of items, objects or people that are characterised by differences and similarities i.e. diversity refers to the recognition of the fact that people are essentially different from each other. People may be similar but no two people are the *same*. Therefore, managers have to be able to deal with both similarities and differences among the employees. Diversity influences employees' conceptions of work, expectations of rewards from the organisation and practices in relating to others in the organisation. One of the key challenges for managers in the 21st century will be to manage the opportunities and difficulties that form a part of multicultural organisation.

Two important concepts in the management of diversity in organisations are 'stereotypes' and 'prejudices'. A stereotype is a generalisation about a person based on certain characteristics and traits. Managers could stereotype people on the basis of age, race, gender, ethnic origin, etc. and treat them accordingly. However, stereotyping is dangerous as it causes managers to ignore individual differences between people and to judge them without taking into consideration the current situation. Stereotyping can lead to prejudices, which can be explained as the judgments that people make about others that reinforce beliefs about inferiority and superiority. Prejudices cause managers to make assumptions about the nature of others that may or may not be true. It becomes even more dangerous when managers build job descriptions, reward systems and policies based on the stereotypes and prejudices. Therefore, it is very important to avoid stereotypes and prejudices in a diverse organisation for its effective functioning

3.2.2 Reasons for the Emergence of Diversity

There are broadly five main reasons for the emergence or organisational diversity in recent years.

These include changing workforce, legislation and lawsuit, rapidly growing increase in international business, The recognition and desire for diverse viewpoints, and competitive pressures. These are depicted in the diagram given below.

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                    ┌──────────────────────┐
                    │  Changing Workforce  │
                    │ Demographics (age,   │
                    │ gender, ethnicity,   │
                    │   and education)     │
                    └──────────────────────┘
                              │
┌─────────────────┐          ▼          ┌─────────────┐
│ The Recognition │                     │ Legislation │
│  and Desire for │                     │     and     │
│ Diverse         │      ┌───────────┐  │   Lawsuits  │
│ Viewpoints      │─────▶│Increasing │◀─└─────────────┘
└─────────────────┘      │Diversity  │
                         │in Tody's  │
                         │Organisations│
┌─────────────┐          └───────────┘   ┌────────────────┐
│ Competitive │────────▶      ▲──────────│ Rapidly Growing│
│  Pressues   │                          │   Increase in  │
└─────────────┘                          │ International   │
                                         │   Business     │
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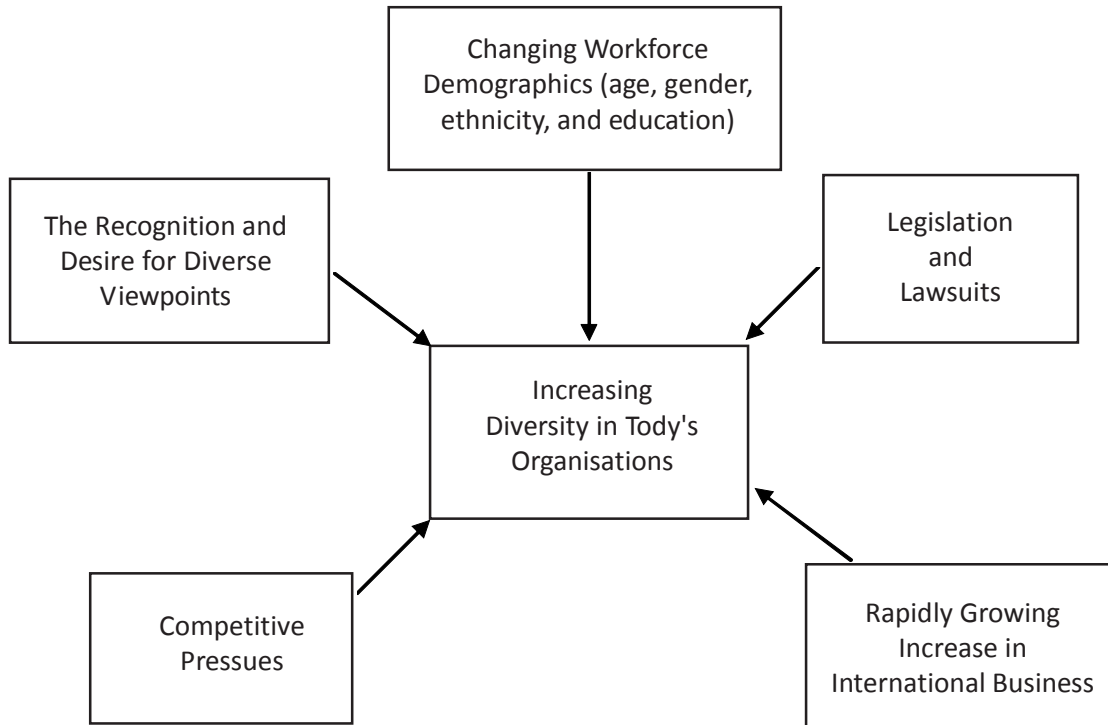
1) **Changing Demographics:** Over the years, the composition of the workforce has changed in the business world. Older workers, women and ethnic minorities have entered the workforce. This causes managers to have to deal with a workforce that is quite different from a traditional workforce of young, male employees. The needs of all these different categories of workers have to be kept in mind in developing policies as work.

2) **Legislation and Lawsuits:** Several laws have been passed in different countries to prevent discrimination between employees, and to provide equal opportunities to all without differentiating on the basis of age, gender or ethnicity. Therefore organisations are legally required to accommodate a diverse workforce.

3) **Growth of International Business:** More and more organisations are entering the international business arena. This results in greater cultural diversity because as companies expand, they have to become accustomed to working with different cultures, customs and social norms.

4) **Competitive Pressures:** Diversity places an important role in giving companies competitive advantage in the market. Companies that hire and work with a diverse workforce have a greater chance of understanding their

markets better because of the availability of diverse view points and therefore, are able to develop products and services that meet market requirements.

5) **Desire for Diverse Viewpoints:** As described in the previous point, companies that actively try to develop a diverse work force gain a competitive advantage in terms of being able to develop better products and services for the market. In addition to this, organisations that have a reputation for 'celebrating diversity' attract better quality of workers. Diverse organisations show that they desire and value of diverse points of view, which allows them to not only develop better products and services but also to develop a richer work culture.

3.3 SPECIFIC CHARACTERISTICS AND DIMENSIONS OF DIVERSITY

Diversity is composed of a number of demographic characteristics, of which the most commonly recognised primary dimensions are age, gender, ethnicity and education. An understanding of these characteristics is necessary for a complete understanding of the nature of diversity.

3.3.1 Age

Workers in organisations have a wide age range. We find workers as young as in their early 20s and also people nearing 60. In private organisations, there may be people working even after they have crossed 60, as many private organisations do not have a mandatory retirement age. This results in a diverse workforce with diverse needs. The way young workers perceive their jobs and rewards is quite different from the way older workers perceive them. Therefore, organisations and managers have to make an effort to ensure that they do not discriminate on the basis of age.

3.3.2 Gender

Gender roles have been changing in society and a large number of women, who as as educated as men have entered the workforce. By a general estimate, women make up about half of the workforce in organisations. Organisations therefore must guard against discriminating on the basis of gender. Two important concepts in gender diversity as Equal Pay for Equal Work and the Glass Ceiling effect. The Equal Pay for Equal Work concept indicates that men and women who do the same work should also be paid the same salary. There should not be a discrimination against women because of their gender. Many developed countries have passed laws to enforce the equal pay for equal work concept. The Glass Ceiling effect is a term used in reference to women's being prevented from receiving promotions into top management positions. Although this is not done openly, it is seen in some sectors that women cannot progress beyond a certain level of seniority within organisations.

3.3.3 Ethnicity

As organisations become more global in nature, there is bound to be a greater mix of people from different races in the workforce. Changing racial patterns of the workforce indicate greater diversity. Managers are challenged to deal with ethnic factors in terms of policies and practices concerning pay and promotions

and ensure that people of given equal opportunities, regardless of their ethnic origin. Managers must also try to create a culture of inclusiveness where people of all races feel supported and comfortable.

3.3.4 Education

The workforce in an organisation consists of people of different qualities and qualifications. On one side are the employees who are highly educated and on the other are the lower rung or blue collared workers. But regardless of the level of education, it is responsibility of organisations to keep all their workers abreast of the latest technology and knowledge requirements. Managers need to identify the skill and competence level of each employee in order to design programmes for the development.

3.3.5 Others

In addition to the basic aspects like age, gender, ethnicity and education, there are other factors associated with diversity. Some of the other factors are language, sexuality and disabilities. An inclusive organisation is one which recognises these differences in people and creates a culture which embraces and promotes diversity to the advantage of all.

3.4 SECONDARY DIMENSIONS OF DIVERSITY

In addition to the above described primary dimensions, there are secondary dimensions. Secondary factors are those aspects that matter to employees as individuals, and to some extent define them to others but which are less permanent than the primary dimensions and can be changed or adapted. These include factors like marital status, geographic location, socio-economic status, religious beliefs, military experience, etc. The impact of secondary experiences varies at various times of our lives. For example, a married person with children may find it difficult to travel frequently on work, while a single person may find the travel exciting. Managers need to keep all these differences between employees in view in trying to design jobs and managerial policies.

Self Assessment Questions

1) Elucidate nature and definition of diversity in organisations

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2) Discuss the reasons for emergence of diversity.

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3) What are the specific characteristics and dimensions of diversity?

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4) What is secondary dimension of diversity?

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3.5 THE VALUE OF DIVERSITY

For several years in the past, organisations have had a fixed culture, and expected all their employees to conform to the existing culture and value system. Uniformity in the workforce was given importance and employees who were different from the majority were expected to change to fit in with the organisational requirements. This is known as 'assimilation'. Assimilation can be defined as a process through which members of a minority group are forced to learn the ways of the dominant group. Within the organisational context, assimilation happens when people of different types and backgrounds are hired and then made to mold themselves into the existing organisational culture. For example, an organisation may enforce an English-only policy, where all employees are expected to speak and use only English in the workplace, regardless of their background.

Many organisations develop performance evaluation and incentive programmes that reinforce the values of the dominant group. The dominant group generally reflects the majority composition of the workforce. For instance, for an organisation in Germany, the dominant group is likely to be composed of Germans. Over time, the dominant group could become representative of the workforce and the needs of the other employees are ignored.

However, since the late 1970 s, organisations have been becoming more diverse as different kinds of people from different kinds of backgrounds have started entering the workforce. Organisations also realised that expecting all employees to commit to a set of predetermined systems was unpractical, as people are essentially different, and what works for one person may not work for another. Besides, employees were usually slow to change and showed a certain amount of resistance to change. Therefore, it became necessary for organisations to not only accept diversity but also to embrace it as a positive factor.

Today, organisations have come to realise that the composition of the workforce affects organisational productivity. Managers can try to improve organisational

performance by taking advantage of the variety of talents, perspectives and backgrounds of their employees. In other words, organisations have started valuing diversity.

Valuing diversity means putting an end to the belief that any person who is not a member of the dominant group must assimilate. Organisations that truly value diversity, not only tolerate differences in the composition of the workforce, but also encourage it. Valuing diversity is an opportunity for an organisation to develop and utilise all the human resources available to the organisation in the best possible way. Valuing diversity allows the organisation to benefit from the richness of ideas and perspectives that give it an advantage over competitors. Fresh perspectives can result in the development of a new product, opening of new markets or improving service to existing customers. Another advantage in valuing diversity is that there is less interpersonal conflict between the employees of the organisation as all employees feel valued and needed. This creates better teamwork and a greater commitment to organisational goals.

3.6 MANAGING DIVERSITY

There are a number of approaches that organisations can take to manage diversity. These can be divided into individual approaches and organisational approaches.

3.6.1 Individual Approaches to Managing Diversity

There are two main aspects that come under the individual approaches to managing diversity. These are 'learning' and 'empathy'.

1) **Learning:** Learning involves gaining real or simulated experience in situations that involve dealing with diversity. Many managers are unprepared to deal with diversity, either because they have had no experience in managing diversity or because they are unsure of how to respond to a situation. In order to meet this challenge managers but make a conscious effort to learn and experience as much as they can about developing appropriate behaviour.

2) **Communication:** One very important factor, which helps managers learn how to deal with diversity, is *communication*. Managers must continuously communicate with people of different ages, racial backgrounds and those with disabilities in order to understand them better. This way they can gain valuable insights into the different personal values of people and thereby understand how different people like to be treated. For example, it has been observed that people with disabilities usually do not like to be treated differently from other employees. They only want to be given equal opportunities as other employees. Communication can help managers understand this better. Another important part of the learning process is *feedback*. Managers should be open to feedback from employees and take the feedback in a positive way. This can go a long way in helping managers learn how to deal with diversity.

3) **Empathy:** Empathy is the ability to put oneself in another person's place and see things from that person's point of view. Empathy goes hand in hand with learning in helping managers deal with diversity. This is all the more important as members of different groups feel that only they can truly understand the problems and challenges they face. Empathy places an

important role in understanding problems that are of a more subtle nature. For example, women in offices often resent being asked to make or fetch coffee for their male colleagues. They say that they do not mind doing it once in a while as long as the male employees also do it for them in equal part. However, just because they are women, they should not be expected to do such things. Similarly, certain minorities may have strong feelings about certain aspects of work, which they may not be comfortable with (like Jews are forbidden to work on Sundays). Managers should be able to understand such problems which may not be obvious at first glance, but could potentially become serious.

3.6.2 Organisational Approaches to Managing Diversity

A variety of techniques form a part of the organisational approaches to managing diversity. The most common ones are testing, training, mentoring and programmes designed to promote work-life balance.

1) **Testing:** Organisations often use tests for selecting and evaluating people during the recruitment process. However, it has been observed that most of the tests used were designed keeping in mind the dominant group (for example, white males). As a result, women and minorities who may be as capable as white males of doing that particular job get low scores on the test, which eliminates their chance of getting the job. Most of the traditionally used evaluation tests are not suited to a diverse workforce. Therefore in recent years a deal of attention has been given to developing tests valid for diverse employees. One way in which tests can be made more relevant to a diverse workforce is to use job specific tests rather than general aptitude or knowledge tests. For example to hire a computer programmer, the company should give a test which tests only programming knowledge. General aptitude tests need not be included. However, if they are included, the management must make sure that they are culturally unbiased and that all types of people will be able to handle them. Another way in which the problem of tests can be dealt with is to give more weightage to personal interviews and role play. This way each candidate can be evaluated individually to determine his/her capabilities. However, if pencil and paper tests are used, then scientific norming should be done. Scientific norming is a process that ensures that tests are equivalent across cultures. This way, all the test questions will have the same meaning regardless of a person's cultural background.

2) **Training:** Many companies now include diversity training as a part of their regular training programmes. There are two parts to diversity training. The first one concerns providing training to employees from diverse backgrounds to help them perform better at their existing jobs or for promotion. The other part of diversity training concerns training managers or employees who deal with other employees from diverse backgrounds to handle diversity more effectively.

Most of the diversity programmes get employees directly involved in the training. One popular method used in diversity training is to divide people into groups based on certain common factors. Then each group is asked to describe other groups and also to listen to other groups describe them. The purpose of this method is to help people of one group gains insights into how they are perceived by other groups. The groups are also asked to describe

the difficulties they face in working with other groups and to identify the reason for these problems. This helps the groups develop a better rapport.

Trainers also use diversity board games in diversity training. The players of diversity board games have to answer a series of questions related to areas such as gender, race, age, sexual orientation, etc. On the basis of the response, the players are either able to advance in the game or forced to backup. Mostly diversity related games are used as supplements to other forms of diversity training. They are used especially during the ice-breaking sessions of training programmes.

One important condition for the success of diversity training programmes is the support of the top management. It is also important to make attendance of diversity training programmes compulsory for all managers and to include suitable organisational rewards for promoting diversity in the organisation.

A major problem with diversity training programmes is the transfer problem. That is to say, during the training programme employees see the value of diversity training, but one the programme has ended they find it difficult to transfer the knowledge gained during the training back to the job. This problem needs to be addressed before diversity training programmes can become truly successful.

3) **Mentoring:** Mentoring is another organisational level diversity initiative, and many companies today use mentoring to meet the challenges of a diverse workforce. A mentor is a trusted counselor, coach or advisor who guides an employee at the workplace. The main purpose of a mentor is to support members of a diverse group in their jobs, socialise them in the cultural values of the organisation and help their chances for development and advancement. Some of the main functions of a mentor are listed below:

3.6.3 Identification of Skills, Interests and Aspirations of the Person

Instruct the person in the specific skills and knowledge critical to job performance

Help the person understand the unwritten rules of the organisation and guide him or how to avoid saying or doing the wrong things.

Answer questions and provide important insights into the working of the organisation

Offer emotional support

Serve as a role model

Create an environment in which the person can make mistakes and learn from them without losing self confidence.

There are several steps to be followed in establishing a mentoring programme. These are as follows:

- Secure the support of the top management

- Identify the mentors and their protégées. Care should be taken at this step to pair people who will benefit in the best possible way through their association with each other

- Provide orientation to both the mentor and the protégée. Mentors should be training in how to conduct themselves and protégées should be given guidance on the types of questions they can ask their mentors in order to benefit from the experience

- Throughout the duration of the mentoring programme, which usually lasts about a year, the mentors and the protégées should meet regularly with the support staff of the programme (diversity trainers and experts) to evaluate their progress.

- At the end of the programme, both mentors and protégées should give their feedback on how the programme went, so as to identify any shortcomings and improve the programmes for the future.

1) **Work/Family Programmes:** Today as a large number of women have entered the workforce, both men and women feel the need to achieve work life balance. With the growth of nuclear families, and families where both parents work, it has become necessary for organisations to implement programmes that support work life balance. Some of the important work life balance initiatives are flextime, the compressed workweek, job sharing and telecommuting.

2) **Flexi time:** This is a system which allows employees greater autonomy by permitting them to choose their daily start and finishing time within a given period. Organisations that follow flexible working hours define the earliest possible starting time and the latest possible quitting time i.e. no one may work before 7 am and in the same way, no one can work beyond 5 pm. This is called 'band-width'. Within the band-width, time is divided into 'core hours' and flexi-hours. Everyone must be at work during the core hours so that the activities which are of an interdependent nature do not get disrupted. The flexi-hours on the other hand give the employee the freedom to choose to be at work or not.

3) **Compressed workweek:** The *compressed work week* is a system where the work week is compressed into a fewer number of working days per week. For example, organisations could choose to have four working days per week instead of five, while keeping the total number of working hours per week constant. This effectively means that people will have to work for fewer days in the week but for longer hours each week. This gives employees more free days with their families.

4) **Job sharing:** This is the splitting of a full time position between two people, each of whom works part-time. The salary is also divided proportionately. This system is generally useful for people who want to work, but need time to fulfill other family obligations (like women with very young children).

5) **Telecommuting**: This involves working partly from home and partly from office. This system works on the premise that what is important is that the job gets done. It does not matter whether the employee works in the office or from home. Sometimes, companies adopt a system where employees come to office certain days of the week (for instance on Monday and Tuesday) and telecommute the rest of the days. However, this cannot be practically applied for all kinds of jobs.

Research has found that work life balance programmes help decrease family conflict, job dissatisfaction and stress-related problems. In addition to alternative work schedules, many companies have initiated other family friendly programmes. The table below gives the details.

Table 3.4: Innovative Work Family Programme

1. Child or elder care benefits	These may include child care facilities at the work site and transportation of aging parents to a senior citizens center
2. Adoption benefits	These include leave policies and reimbursement for legal fees, medical expenses, agency or placement fees, temporary foster care and or travel expenses.
3. Convenience benefits	This refers to onsite services such as dry cleaning, ATM machines, [postal services and video rentals]
4. Life cycle accounts	These are savings accounts designed to pay for specific life events such as a college education. Often employers will match employee contribution.
5. Health promotion benefits	These include such things as fitness centers, health screenings, flu shots and stress management clinics.
6. Education assistance benefits	Examples include tutoring programmes, tuition reimbursement and scholarships
7. Housing assistance	This refers to such items as relocation assistance, seminars and preferred mortgage arrangements
8. Group purchase programme	These include legal and financial planning and discounts with local merchants, group auto and home owners insurance and fleet arrangements for auto purchase
9. Casual day programme	This would be dress down days to have everyone relaxed in an on the job family atmosphere.

(**Source:** *Adapted from Carol Sladek,(1995). A guide to offering work / life benefits. . Compensation and Benefits Review. Jan-Feb PP 43-44.*

3.7 MULTICULTURAL FACTORS

3.7.1 Creating a Multicultural Organisation

The creation of a multicultural organisation is essential for the effective management of diversity. A multicultural organisation is one where employees of mixed backgrounds, experiences and cultures can contribute and achieve their fullest potential to benefit both themselves and the organisation. A multicultural organisation is one which:

- Reflects the contributions and interests of diverse cultural and social groups in its mission, operations and product or service

- Acts on a commitment to eradicate social oppression in all forms within the organisation

- Includes the members of diverse cultural and social groups as full participants especially in decisions that shape the organisation.

- Follows through on broader external social responsibilities including support of other institutional efforts to eliminate all forms of social oppression.

3.7.2 Characteristics of a Multicultural Organisation

There are six main characteristics of a multicultural organisation and these are given below:

1) **Pluralism:** A pluralistic organisation is one that has a mixed membership and takes steps to fully involve all people who differ from the dominant group. Creating pluralism involves developing training and orientation programmes to promote diversity, ensuring minority group input in all general organisational decisions and including diversity in the organisation's mission statement.

2) **Full Structural Integration:** When an organisation has minority group members serving at all levels, performing all functions and participating in all work groups, an organisation can be said to have achieved full structural integration. In order to achieve this, the organisation must ensure an equal distribution of educational specialties and skill differences equally across the organisation. Performance appraisal, rewards systems, benefits and work schedules must also be equally distributed.

3) **Integration of Informal Networks:** Mentoring programmes, conducting special social events and support groups for minorities can foster integration in informal networks. These events give minority group members an opportunity to express themselves and interact with dominant group members with a view to achieving better understanding.

4) **Absence of Prejudice:** In a multicultural organisation, all organisation members work in harmony without prejudices. There is a distinct absence of stereotyping and biases. The organisation promotes this through the conduct of Equal Opportunity Seminars, having in-house focus groups to examine attitudes and biases related to diversity and having a task force to monitor organisational policies and practices for evidence of discrimination

5) **Equal Identification with Goals:** Employees across the organisation develop a sense of identity with the organisation's goals and objectives. Members of different groups share equally in taking ownership of the achievement of organisational goals. This is achieved by taking the input of minority group members in formulating and defining organisational goals, so that all groups of employees can identify with them.

6) **Minimal Intergroup Conflict:** In a multicultural organisation, there is no conflict based on cultural differences. Employees as provided with training in developing positive attitudes as well as given the tools for effective conflict resolution. Managers are also trained in mediation and listening which play an important role in conflict resolution

3.8 STAGES IN THE CREATION OF A MULTICULTURAL ORGANISATION

Several stages have been identified in leading up to the creation of a multicultural organisation and these are presented below.

3.8.1 Exclusionary Organisation

This type of organisation is almost the opposite of a multicultural organisation. In an exclusionary organisation, the dominance of one group (usually the majority) is clearly seen. The organisation also follows exclusionary hiring practices and other forms of discrimination.

3.8.2 Club Organisation

In this type of organisation, the few who have traditionally help power, retain most of the privileges. They may put up an appearance of hiring women and minorities, but they only hire people who are deemed to have the 'right' kind of credentials.

3.8.3 Compliance Organisation

A compliance organisation is better that the exclusionary and club organisations as it hires people from diverse backgrounds. However, the commitment to diversity is not proactive. In other words, diversity exists in these organisations only because it required by law to hire people without discriminating on the basis of background.

3.8.4 Affirmative Action Organisation

This type of organisation is proactively committed to eliminating discriminatory practices and promoting diversity. The organisation actively supports and it committed to hiring women, minorities, older employees and those challenged by a disability. However, there is a perception that employees who benefit from affirmative action are less competent in some way. This can lead to a form of discrimination against affirmative action hires within the organisation. Thus, this organisation falls short of the ideal of a multicultural organisation.

3.8.5 Redefining Organisation

A redefining organisation is characterised by an examination of all activities for the purpose of evaluating their impact on all employees' opportunities for growth and success within the organisation. This organisation goes beyond being just anti-racist and anti-sexist. It questions the core values that form the culture of the organisation. It not only deals effectively with diversity, but understands the value of diversity and takes steps to tap the potential advantages accruing from having a diverse workforce.

3.8.6 Multicultural Organisation

A true multicultural organisation is one which has core cultural values committed to diversity and where there is an ongoing commitment to eliminate all forms of discrimination throughout the organisation. All members of the organisation, regardless of their background, are involved in the decisions that shape the mission, structure and culture of the organisation and are fully committed to organisational goals.

3.9 MULTICULTURAL ORGANISATION AS A COMPETITIVE ADVANTAGE

There are a few general reasons for the emergence and growth of multicultural organisations:

- Some organisations grow very rapidly and hence, are required to hire more and more people, which make it obligatory for them to hire people from different backgrounds and learn to manage them better.

- Some organisations want to recruit the best talent from the market regardless of background or age to give the best quality employees.

- Some organisations need to develop and sell products in diverse markets. In this situation, it makes more sense for them to recruit and manage employees who represent their different markets in order to obtain a better understanding of the market.

- There are six main ways in which a diverse workforce can bestow competitive advantage on an organisation. This is shown in the following table:

Advantage	Contribution
1. Cost	Managing diversity well can trim the sots of integrating diverse workers
2. Resource Acquisition	Companies that have the best reputation for diversity will have the best chance of hiring the most talented workers from the market
3. Marketing	Diverse organisations gain a better insight into their markets and cultural sensitivity will improve the development and marketing of products and services to different segments of the population
4. Creativity	Diversity of perspectives will improve levels of creativity throughout the organisation
5. Problem Solving	Problem solving and decision making will improve through groups with more diverse perspectives
6. System Flexibility	Tolerance and valuing of diverse perspectives throughout the organisation will make the organisation more fluid, flexible and more responsive to environmental changes.

Therefore, developing multicultural organisational practices is essential for any organisation for its long term benefit

3.10 LET US SUM UP

In this chapter we have dealt with the nature and meaning of diversity, the reasons for the emergence of diversity and the specific characteristics of diversity. We have also understood the value of diversity to organisations and the ways in

which organisations manage diversity at an individual and organisational level. In the second part of the chapter we have dealt with the multicultural organisation, its creation and the stages of its development. We have also discussed the competitive advantages of a multicultural organisation.

3.11   UNIT END QUESTIONS

1) What is diversity in organisation context?

2) What are the organisational approaches to managing diversity?

3) What are the competitive advantages with multicultural organisations?

3.12   SUGGESTED READINGS

Luthans. F., *Organisation Behaviour,* 10th edition New Dehli, McGraw-Hill, Inc.

Moorhead, G. & Griffin, R. W *(2004) Organisational Behaviour*, 7th edition New York, Houghton Mifflin Company.

UNIT 4 GLOBALISATION AND CHANGING ECONOMY AND THEIR EFFECTS ON HRM

Structure

4.0 INTRODUCTION

In this unit we are going to deal with globalisation and changing economics. We start with the definition and meaning of globalisation and discuss how it came about and its importance. This is followed by driving factors in human resource which includes cost drivers, competitive drivers and government drivers. This is followed by a discussion of the impact of globalisation on the functions of human resource manager. Then we present how the HR manager's role has been changing due to the changed environment. Then we discuss the competence required of HR managers. We point out the various dilemmas faced by HR managers especially interims of how to align HR to business and how to make the training and development lead to success of Human resource management. Then we discuss all about the factors that are affecting HRM in global market. Then we elucidate the HR function in the international firms and point out the role of HR professionals in the future.

4.1   OBJECTIVES

After completing this unit, you will be able to:

*   Define globalisation;

*   Describe globalisation and elucidate its characteristics;

*   Delineate the driving factors of HR;

*   Explain the impact of globalisation on the functions of HR;

*   Describe HRM in the context of changing environment;

*   Elucidate the competence required of HR managers;

*   Analyse the challenges faced by HR manager;

*   Elucidate the HR functions in the international firms;

*   Explain the new trends in international HRM; and

*   Delineate the future roles of HR Managers.

4.2   GLOBALISATION

When foreign markets are entering the Indian territories and posing a challenge before the domestic firms, many Indian firms are compelled to think globally. Managers who have been all along working in a sheltered markets with minimum or no competition at all either from domestic or foreign firms have to suddenly become alert and address issues such as new methods in hiring practices, training, compensation packages, motivational practices etc. The composition of workforce also changed and managers are expected to address, the different needs of these diversified workforce. Besides these Indian nationals are also going abroad to work with foreign collaborations. Training needs are to be taken care off.

Thus the HR executives need to develop an international orientation. Discharging these and other functions effectively and by helping the best qualified people execute the company's strategy on a global scale the managers can gain a competitive advantage which will have an impact upon our economy.

Managing in a global economy poses many different challenge and opportunities as there is a wild demand for property ownership arrangements and also the availability of natural resources. Besides the components of infrastructure, the role of the government in business also varies. But for our purpose, the very important considerations are how behaviour processes vary widely across cultural and national boundaries and how values, symbols and beliefs differ sharply among cultures. Different work norms and the roles work plays in a person's life influence patterns of both work related behaviour and attitudes towards work. They also affect the nature of supervision relationships, decision-making styles and processes and organisation configuration, group and inter-group processes, responses to stress and the nature of political behaviours also differ from culture to culture.

The term globalisation means integration of business activities across geographical and organisational boundaries. In broader perspective it can also be defined as doing business with a worldwide focus rather than doing business in an

international market with the focus from a home-country viewpoint. Globalisation symbolises the structural making of the world characterised by the free flow of technology and human resources across national boundaries presenting an ever-changing and competitive business environment.

A vital aspect of globalisation is the way diverse challenges are being faced by nations in an increasingly inter dependent world. No country can meaningfully progress today without efficiently responding to demands and pressures generated by international organisations and processes.

Globalisation is not just a recent phenomenon. Some analysts have argued that the world economy was just as globalised 100 years ago as it is today. Yet the term is used since the 1980's, reflecting technological advances that have made it easier and quicker to complete international transactions, both trade and financial flows. The most striking aspect of this has been the integration of financial markets which is made possible by modern electronic communication. At a political and economic level, globalisation is the process of denationalisation of markets, politics and legal systems i.e. the use of the so-called global economy. Globalisation refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity (village markets, urban industries, or financial centers). It means that world trade and financial markets are becoming more integrated.

At a business level, globalisation is when organisation decides to take part in the emerging global economy and establish themselves in foreign markets. First they will adapt their products or services to the customer's linguistic and cultural requirements. Then, they might take advantage of the internet revolution and establish a virtual presence on the international market place with a multilingual corporate website or even as an e-business. When going global, an organisation has to reconsider the following factors:

* Employment Laws
* Culture
* Terminology
* Corporate Social Responsibility
* It is also said that Globalisation is associated with four major aspects. They are:
  – Trade
  – Capital movements
  – Movement of people
  – Spread of knowledge

Self Assessment Questions

1) Define globalisation.

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2) What factors should one consider when going global?

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3) What is the meaning of globalisation at business level?

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4.3 DRIVING FACTORS

Researchers believe that there are few driving factors of globalisation. These Driving factors can be divided into four groups:

1) **Market Drivers**

- Convergence of per capita income
- Convergence of life styles
- Organisations behaviour as global customers

2) **Cost Drivers**

- Push for economics of scale
- Advances in transportation
- Emergence of newly industrialised countries with productive capability and low labour costs

3) **Competitive Drivers**

- Growth of global networks making countries interdependent
- Rise of new competitors intent on becoming global competitors
- Increased formation of global strategies alliances

4) **Government Drivers**

- Reduction on tariffs and other trade barriers
- Privatisation of industry in many parts of the world
- Creation of trading blocks (i.e. EU)

4.3.1 Impact of Globalisation on the Functions

Globalisation has elevated the importance of HRM development in organisation. These changes have led to the notion of the HR system as a strategic asset. Many

of the arguments about processes of globalisation within the HR function rest on the assumption that there has and continues to be longitudinal change in the conduct of HR. In the intervening few years a wide range of contextual changes have led to significant globalisation of activity, including: the transfer of work abroad, either to outsourced providers or on a global in-sourcing basis; the e-enablement of many HR process; greater sophistication in the HR information technology, new structures for international HR functions; greater competition for talented staff at all levels of organisation; more protracted and strategic talent pipelines. In particular, there has been a very strong marketing, corporate communication and IT influence on the HR function. The HR function is realigning itself in response to this process of cross-function globalisation (building new alliances with these functions) creating new activity streams and new roles and skills required of the HR function (Sparrow, Brewster and Harris, 2004).

4.4 HRM: ROLE IN CHANGING ENVIRONMENT

With the advent of globalisation, the face of HRM is expected to transform drastically, like for instance: Workplace flexibility is expected to be on the rise as the future workplace, the 'virtual office' is characterised by creative and flexible work arrangements. As more employees work off-site there will is an increase in emphasis on performance and results as opposed to the number of hours worked. In addition, off-site employees can expect to attend fewer meetings. Specified work will become much more collaborative and management will spend nearly all its time managing cross-functional work teams who enjoy a lot of autonomy. In essence, there will be a movement, a trend towards a decentralised model of HR. HR managers will have to accommodate employees in their virtual work locations and find ways to manage corporate culture, socialisation and employee orientation. In order to obtain and maintain a competent workforce, they must act as organisational performance experts and shape employees behaviour without face to face meetings.

Another expected change in HR is the 'Global Business'. Organisations will be required to develop and manage an international workforce, maintain written and unwritten corporate polices for transportability to other cultures, keep top management informed of the costs of not paying attention to the transnational issues and provide their services to a variety of locations worldwide. Concerning the recruitment in the above mentioned 'global business' it will be important which strategy will be adopted by the management. Globalisation will make HR managers; adopt new skills such as language capabilities, tolerance towards other cultures etc. For example, in order to recruit employees from other cultures, HR managers will either have to learn new languages or else they will certainly have to have foreign language speakers on staff. However in order to facilitate communication among people coming from a wide range of language backgrounds, in most multinationals, it is preferred to speak English. Organisation must take into account cultural differences that shape managerial attitudes, when developing multinational management programs. For e.g., British managers value individual achievement and autonomy, whereas French managers appreciate competent supervision, fringe benefits, ble to access the information on the security and comfortable conditions, while Indian managers gives more importance of their culture and tradition.

HR managers must therefore be familiar with and understand other cultural norms to promote organisation diversity. An organisation that recognises and promotes cultural diversity will benefit because it will be employing the market that it serves. With increasing globalisation and competition within the market, a diverse workforce is conducive to attracting and retaining a strong client base. While competing in an international market, employees from diverse national backgrounds provide language skills and understanding of other cultures. HR professionals will also be responsible for providing cultural sensitivity training for the organisation's employees and for managers throughout the entire organisation. (Czebter, Anamaria, 2002)

4.5 COMPETENCE OF HR MANAGERS

In order to effectively deal with all the changes, HR professionals must develop competencies that will allow them to carry out their roles, competences like:

- Flexibility

- Team work

- Communication

- Decisiveness

- Leadership

- Strategic planning

- Network building

- Client service orientation

- Organisational awareness

- Self confidence

- Sharing of expertise

- Global and cultural understanding

- Multiple language competencies

In addition to increasing and sustaining technological skills relating to communication developments, HR professionals will also be required to increase their numerical and data compilations skills. In addition to delivering specific measurable developments, managers will also need to know what contributed to the results declared. This may mean that HR professionals will be required to be familiar with and administer employee survey and provide for accurate data compilation and regression analysis.

As a result of the increase in technology, innovation and globalisation over the last 20 years, HR professionals around the world are forced to be more efficient, more effective and more competitive. They need to respond to the demands of global competitiveness by becoming more familiar with language skills, cultural awareness and diversity promotion. Additionally, HR professionals must be committed to continuous learning, being familiar with cutting edge communication. If HR managers won't pay enough attention to their changing role, serious consequences could result, including the deterioration or even perhaps the elimination of the HR department. (Halcrow A, 1998).

Self Assessment Questions

1) What are the driving factors? Elucidate the same

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2) Discuss the impact of globalistion on the functions of HRM.

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3) Discuss the role of HRM in changing environment.

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4) What are the expected changes in HRM?

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5) What competences are required for HR Managers?

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4.6   DILEMMAS FACED BY HR HEAD

The coming of the 21st century, globalisation poses distinctive HRM challenges to businesses especially those operating across national boundaries as multinational or global enterprises. Global business is characterised by the free flow of human and financial resources especially in the developed economies of European Union (EU), the North American Free Trade Agreement (NAFTA), other regional groupings such as the Association of South East Asian Nations (ASEAN), the Economic Community of West African States (ECOWAS), the Southern African Development Community, etc. These developments are opening up new markets in a way that has never been seen before. Unlike the other industries where HR is considered as a functional need, there is a need to view HR as a partner or a business enabler in the perspective of globalisation.

4.6.1   Align HR to Business (Recruitment etc.)

One of the constant challenges faced in this area is to align HR to business. The five R's therefore, assume utmost significance in HR strategy. The HR team needs to get in right from the stage of defining the business strategy to Resourcing, Recruiting the right talent, Retaining the talent, Retraining and Restructuring.

However, flexibility appears to be the key for success and survival as many companies have become dynamic field due to the constant developments and up gradation in the area of technology and changing customer requirements. Topping all these reasons is also the trend of globalisation, which tries the HR test of endurance. The ability and the willingness to modify job structure, job classification and the organisational structure as often and as quickly as necessary are important elements in a successful recruitment and retention strategy for workforce. This challenges of managing expectations and change puts constant pressure on the professionals.

The challenge does not stop with recruiting the right person but with how they are going to manage the performance of the employees. The challenge would be to create a performance culture where in opportunities are provided for enhanced performance and where giving out optimum performance becomes a way of life.

The HR Strategy aligned with the business strategy is about the growth of the business, increasing the performance of the employees and keeping the costs under a control. The HR Strategy aligned with the business strategy is not much about the employee satisfaction and benefits provided to the population as they are not the strategic goals, but they are tools to reach the goals important for the whole organisation.

The process of the alignment of the HR Strategy with the business strategy is about going deeper and finding the real root components of the successful human capital management in the organisation. The HR Managers have to identify the real goals of the business, the business way how to reach the goals and the real needs of the business from Human Resources. The HR tends to take care of employees, but it is not what the business asks for usually.

The HR Strategy alignment with the business strategy needs many discussions inside Human Resources about the real goals of the organisation and how the

organisation will utilise its human capital to reach the goals. It is not about the employee satisfaction, it is a side effect. The HR Management has to understand, how the business wants to reach the goals and then the HR Strategy can be developed and fully aligned with the business strategy.

The aligned HR Strategy misses the nice words about the retention, the employee satisfaction and other nice HR initiatives. These are the tools, the real business goals are different. The HR Strategy has to respect it.

4.6.2 Training and Development

Nature of Training and Development

In simple terms, training and development refers to the imparting of specific skills, abilities and knowledge to an employee. A formal definition of training and development is… it is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge.

The need for training and development is determined by the employee's performance deficiency, computed as follows:

> Training and Development Need = Standard Performance – Actual Performance.

We can make a distinction among training, education and development. Such distinction enables us to acquire a better perspective about the meaning of the terms. Training, as was stated earlier, refers to the process of imparting specific skills. Education, on the other hand, is confined to theoretical learning in classrooms.

Table 4.2: Difference between Training and Education

Training	Education
Job experience	Classroom learning
Specific tasks	General concepts
Narrow perspective	Broad perspective
Process of imparting specific skills	Theoretical learning in the classroom
Application	Theoretical orientation

Though training and education differ in nature and orientation, they are complementary. An employee, for example, who undergoes training is presumed to have had some formal education. Furthermore, no training programme is complete without an element of education. In fact, the distinction between training and education is getting increasingly blurred nowadays. As more and more employees are called upon to exercise judgments and to choose alternative solutions to the job problems, training programmes seek to broaden and develop the individual through education. For instance, employees in well paid jobs and/or employees in the service industry may be required to make independent decision regarding their work and their relationship with clients. Hence, organisation must consider elements of both education and training while planning their training programmes.

Development refers to those learning opportunities designed to help employees grow. Development is not primarily skill-oriented. Instead, it provides general knowledge and attitudes which will be helpful to employees in higher positions. Efforts towards development often depend on personal drive and ambition. Development activities, such as those supplied by management developmental programmes, are generally voluntary.

This is another area. In any organisation currently training takes on a new connotation. It is not just about identifying training needs and giving the required training. It is foreseeing and anticipating the requirements and developing suitable training so that the employees are well-equipped to handle the challenges.

Another major challenge is how managers are able to incorporate all the sub-systems in HR and help them in achieving the ultimate goal – exceptional performance. People have to be groomed to get in tune with the performance culture. Creating an environment that stimulates the creation of knowledge and its sustenance throughout the organisation is big challenge. No longer can the HR department carry on with its traditional functions.

However, Human Resource Information Systems (HRIS) is to be put in place – to build and sustain a performance driven culture. The role will shift to that of facilitator. HR will have to involve the whole organisation in this process and act as a counselor and facilitator and that is the most gigantic challenge the HR of any organisation faces.

4.6.3 Factors Affecting HRM in Global Market

A number of factors have been found to affect HRM in global markets. They are identified as:

1) Culture

2) Economic System

3) Political System – the legal framework and

4) Human capital (Noe, et al, 2000: 536). In the case of developing countries, globalisation poses distinct challenges to governments, the private sector and organised labour.

These challenges, which must be addressed through a strategic approach to human resource management, include

1) Partnership in economic recovery especially in South East Asia

2) Dealing with the "big boys", the fund managers

3) Concerns over possibility of fraud in E-commerce (such as issues of confidence and trust) and

4) Implementing prescriptions for recovery and growth taking in to consideration the development agenda and unique circumstances of individual country.

4.6.4 HR Functions in International Firms

Three key conclusions about the role of HR professionals working in the field of international recruitment selection and assessment can be drawn:

The added value of the HR function in an international firm lies in its ability to manage the delicate, balance between globally coordinated systems and sensitivity to local needs, including cultural differences, in a way that align with both business needs and senior management philosophy.

4.6.5   International HRM and Global HRM

There appear to be a classification made between international HRM and global HRM.

In this transition, the old functional divides, between international recruitment, international management development and international reward management, have become increasingly weak.

Human resource management is a process of bringing people and organisations together so that the goals of each other are met. The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent. Personnel directors are the new corporate heroes. The name of the game today in business is personnel. Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order.

Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This calls for future skill mapping through proper HRM initiatives.

Indian organisations are also witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organisations. There is a need for multi skill development. Role of HRM is becoming all the more important.

Some of the recent trends that are being observed are as follows:

- The recent quality management standards **ISO 9001** and **ISO 9004** of 2000 focus more on people centric organisations. Organisations now need to prepare themselves in order to address people centered issues with commitment from the top management, with renewed thrust on HR issues, more particularly on training.

- Charles Handy also advocated future organisational models like **Shamrock**, **Federal** and **Triple I**. Such organisational models also refocus on people centric issues and call for redefining the future role of HR professionals.

- To leapfrog ahead of competition in this world of uncertainty, organisations have introduced **six- sigma practices**. Six- sigma uses rigorous analytical tools with leadership from the top and develops a method for sustainable improvement. These practices improve organisational values and helps in creating defect free product or services at minimum cost.

- **Human resource outsourcing** is a new accession that makes a traditional HR department redundant in an organisation. Exult, the international pioneer in HR BPO already roped in Bank of America, international players BP Amoco & over the years plan to spread their business to most of the Fortune 500 companies.

- With the increase of global job mobility, recruiting competent people is also increasingly becoming difficult, especially in India. Therefore by creating an **enabling culture**, organisations are also required to work out a **retention strategy** for the existing skilled manpower.

4.6.6 New Trends in International HRM

International HRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country.

- Selection of employees requires careful evaluation of the personal characteristics of the candidate and his/her spouse.

- Training and development extends beyond information and orientation training to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Managers need to be protected from career development risks, re-entry problems and culture shock.

- To balance the pros and cons of home country and host country evaluations, performance evaluations should combine the two sources of appraisal information.

- Compensation systems should support the overall strategic intent of the organisation but should be customised for local conditions.

- In many European countries - Germany for one, law establishes representation. Organisations typically negotiate the agreement with the unions at a national level. In Europe it is more likely for salaried employees and managers to be unionised.

4.6.7 Steps to Be Taken By HR Managers

Managers should do the following things to ensure success.

- Use workforce skills and abilities in order to exploit environmental opportunities and neutralise threats.

- Employ innovative reward plans that recognise employee contributions and grant enhancements.

- Indulge in continuous quality improvement through TQM and HR contributions like training, development, counseling, etc.

- Utilise people with distinctive capabilities to create unsurpassed competence in an area, e.g. Xerox in photocopiers, 3M in adhesives, Telco in trucks etc.

- Decentralise operations and rely on self-managed teams to deliver goods in difficult times e.g. Motorola is famous for short product development cycles. It has quickly commercialised ideas from its research labs.

- Lay off workers in a smooth way explaining facts to unions, workers and other affected groups e.g. IBM , Kodak, Xerox, etc.

HR Managers today are focusing attention on the following**:**

i) **Policies**: HR policies based on trust, openness, equity and consensus.

ii) **Motivation:** Create conditions in which people are willing to work with zeal, initiative and enthusiasm; make people feel like winners.

iii) **Relations:** Fair treatment of people and prompt redress of grievances would pave the way for healthy work-place relations.

iv) **Change agent:** Prepare workers to accept technological changes by clarifying doubts.

v) **Quality Consciousness:** Commitment to quality in all aspects of personnel administration will ensure success.

Due to the new trends in HR, in a nutshell the HR manager should treat people as resources, reward them equitably, and integrate their aspirations with corporate goals through suitable HR policies.

The next decade will bring even greater change, impacting all facets of the workplace, including major changes for the HR department and HR managers requiring them to be strategic business partner, supportive of the overall corporate strategy.

4.7 FUTURE ROLE OF HR PROFESSIONALS

The future role of HR professional will change from a less administrative role to more of a strategic role. HR managers will continually be required to prove their effectiveness and their existence. They will be expected to understand international business practices and promote cultural diversity within the organisation. They will need to understand the core business of the organisation and become partners with line managers. They will need to prove that their initiatives and programs are result-oriented, providing specific measurable results in terms of business competitiveness that contribute positively to the bottom-line of the organisation. They will be required to stay current with leading edge as more and more organisations are faced with the demands of globalisation and strategic alliances with other organisations around the world.

Traditionally, the role of the Human Resource professional in many organisations has been to serve as the systematising, policing arm of executive management. In this role, the HR professional served executive agendas well, but was frequently viewed as a road block by much of the rest of the organisation. While some need for this role occasionally remains one does not want every manager to put his own spin on an issue where automatically things are taken care of because HR itself is changing. As for example, sexual harassment policy, much of the HR role is transforming itself.

The role of the HR manager must parallel the needs of his or her changing organisation. Successful organisations are becoming more adaptive, resilient, quick to change direction and customer-centered. Within this environment, the HR professional, who is considered necessary by line managers, is a strategic partner, an employee sponsor or advocate and a change mentor.

4.7.1 HR Manager as Strategic Partner

In today's organisations, to guarantee their viability and ability to contribute, HR managers need to think of themselves as strategic partners. In this role, the HR person contributes to the development of and the accomplishment of the organisation-wide business plan and objectives.

The HR business objectives are established to support the attainment of the overall strategic business plan and objectives. The tactical HR representative is deeply knowledgeable about the design of work systems in which people succeed and contribute. This strategic partnership impacts HR services such as the design of work positions; hiring; reward, recognition and strategic pay; performance development and appraisal systems; career and succession planning; and employee development.

4.7.2 HR Manager as Employee Advocate

As an employee sponsor or advocate, the HR manager plays an integral role in organisational success via his knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy.

HR Manager through fostering effective methods of goal setting, communication and empowerment, builds employee ownership of the organisation. The HR professional helps establish the organisational culture and climate in which people have the competency, concern and commitment to serve customers well.

In this role, the HR manager provides employee development opportunities, employee assistance programs, gain sharing and profit-sharing strategies, organisation development interventions, due process approaches to problem solving and regularly scheduled communication opportunities.

4.7.3 HR Manager as Change Champion

The constant evaluation of the effectiveness of the organisation results in the need for the HR professional to frequently champion change. Both knowledge about and the ability to execute successful change strategies make the HR professional exceptionally valued. Knowing how to link change to the strategic needs of the organisation will minimise employee dissatisfaction and resistance to change.

The HR professional contributes to the organisation by constantly assessing the effectiveness of the HR function. He also sponsors change in other departments and in work practices. To promote the overall success of his organisation, he champions the identification of the organisational mission, vision, values, goals and action plans. Finally, he helps determine the measures that will tell his organisation how well it is succeeding in all of this.

Self Assessment Questions

1) Discuss the dilemmas faced by HR manager.

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2) How do we align HR to business?

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3) What is the role of Training and development in HR challenges?

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4) What factors affect HRM in global market?

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5) What kind of a role would the HR manager play in future due to globalisation?

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4.8   LET US SUM UP

Communication and transportation have advanced dramatically over the past few decades, telephone services have improved the communication network span of the globe and can interact via satellite and once-remote areas have become accessible. Telephone services in some developing countries are now entirely by cellular phone technology, fax machines and electronic mail and allow managers to send documents around the world in seconds. In short it is easy to conduct international business today.

Thus globalisation started after world war-II. Inspite of the war the US economics were strong and intact, only the Europe and Far East were the ones who suffered

the most. However, they hopped back into business very soon and the business was the major source of economic security for most of the citizens of these countries. So these economics grew in strength and each developed competitive advantage and threw themselves open to the world. When business expands internally, they have to understand the many different ways, various countries conduct business, i.e., differences in laws, local customs, tariffs and exchange rates,etc.

The role of the HR manager also changes with the effect of globalisation i.e. he/she now needs to address not only the different type of people but also learn new language, culture, and legal aspect and management skills. The competency levels of the HR managers should go beyond the boundaries of the country and should develop innovative methods of dealing with business and people. However, they are bound to face some dilemmas, which they have to address depending upon the situations that arise at the moment.

4.9   UNIT END QUESTIONS

1) What are the dilemmas faced by HR manager?

2) What is the role of manager in the changing environment?

3) What are the challenges that the HR manager faces due to globalisation?

4) What is the future role of HR professional?

5) What factors affect HRM in global market?

4.10   SUGGESTED READINGS

Stoner, A.F.J., Freeman, R.E., and Gilbert, Jr.D.R. (2000) *Management,* 6th edi, New Delhi, Prentice Hall of India.

Wilson, M. Foina.,(2004) *Organisational Behaviour and Work- A Critical Introduction,* 2nd edi, Oxford, Oxford University Press, Inc.

UNIT 1   INTELLECTUAL PROPERTY RIGHTS

Structure

1.0   INTRODUCTION

Intellectual property (IP) is a term which refers to those creations of individual's mind which are distinct and different and for such creativity the individuals' property rights are recognised. This unit will discuss the term and other related topics in detail. In order to respect and regard the human resource, it is legal and compulsory that the individuals are provided property rights for the originality of their creations, inventions and discoveries as well as innovations. The unit will also discuss the various issues and agenda of the intellectual property rights. The unit starts with intellectual property and intellectual property rights and their definition and description. We then delineate the concept of intellectual property rights. We put for the form for intellectual property and discuss the nature of intellectual property. This is followed by the nature and objective of intellectual property rights and then we analyse the various issues emerging out of the intellectual property rights.

1.1   OBJECTIVES

After completing this unit, you will be able to:
- Define intellectual property rights;
- Delineate the concept of intellectual property and property rights
- Explain the concept and significance of intellectual property rights;
- Discuss the different types of intellectual property rights;
- Describe the issues and agenda of the intellectual property rights; and
- Explain the nature and objectives of the intellectual property rights.

1.2 CONCEPT OF INTELLECTUAL PROPERTY

Intellectual property (IP) refers to creations of the mind which are original in nature and have not been duplicated from any one or any where. Some of the examples of intellectual property can be for example inventions, literary and artistic works, symbols, names, images and designs used in commerce. The term intellectual property has been used since centuries. In one of the court cases in 1845 Justice Charles L. Woodbury wrote that "only in this way can we protect intellectual property, the labours of the mind, productions and interests are as much a man's own...as the wheat he cultivates, or the flocks he rears." (*1 Woodb. & M. 53, 3 West.L.J. 151, 7 F.Cas. 197, No. 3662, 2 Robb.Pat.Cas. 303, Merw.Pat.Inv. 414*). The statement that "discoveries are...property" goes back to an earlier period. Subsequently, the World Intellectual Property Organisation (WIPO) was established in 1967.

The concept of intellectual property can be broadly categorised in to two major categories, viz., (i) Individual property and (ii) Copyright.

Individual property: The properties which are original and intangible in nature and are related to commercial as well as industry related products which includes inventions (patents), trademarks, industrial designs, and geographic indications of source comes under the category of individual property.

Copyright: The creations which are original and intangible in nature, such as the literary and artistic works such as novels, poems and plays, films, musical works, articles as well as artistic works such as drawings, paintings, photographs and sculptures, and architectural designs. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programs.

Like any other tangible property, an individual has the right to own and protect the original creation of its mind. Such a right is called intellectual property. An intellectual property right provides an ownership and others need to take permission from the concerned owners before using it. If such creations are used without taking prior permissions, legal action can be taken against such persons.

1.3 CONCEPT OF INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights is on of the most spoken word in scientific circles and the importance of protecting scientific discoveries, with commercial potential, is one of the most crucial aspects. In this era, when the humans are being treated as valuable resources to the organisations, their knowledge is equally worth which can lead the organisations' progress to immense heights.

Box-A

Form for Intellectual Property Rights (Source: www.recordingmedia.org)
Intellectual Property Rights (IPR) Form
To be submitted with every order.
Rev. 3-14-01
International Recording Media Association
www.recordingmedia.org

APCP-12

- Letters of Indemnity are not adequate.
- LICENSED content requires proof of licensing for replication.
- OWNED content indicates the individual/organisation completing this form is the IPR owner.
- Must be completed by the organisation soliciting replication and not a broker or intermediary.

Album/Project

Title_____

Distribution Within an organisation___ Retail___ Free to public___ Other___

Countries Where Distributed _____

Are you the IPR owner for the entire disc contents? ____ YES ____ NO*

Complete the section(s) below describing the content that is applicable to the media you have ordered.

MP3 or Enhanced Disc content requires completion of both ROM and Audio sections.

1) CD-ROM / DVD-ROM Content

    *If Not IPR owner, list all included non-owned software, freeware, and shareware products.

    Attach necessary distribution licensing documentation from the IPR owner. Some shareware and freeware products require distribution licensing. Consult the software vendor for what is necessary.

    _____

2) CD / DVD Audio Content Check Here if COMPILATION _____

    Artist(s) _____ Content/ Music Type _____

    An attached list of track title, artist, and IPR owner is REQUIRED. Sampling/mixing of additional recordings not owned (regardless of type, quantity, and length) requires licensing of those original recordings.

    *If Not IPR owner, proof of replication licensing from IPR owner for licensed tracks is REQUIRED.

3) CD / DVD Video Content (if Audio is separately licensed, complete Audio section and provide necessary Audio/Video Synchronisation licensing)

    *If Not IPR owner, proof of replication licensing from IPR owner is REQUIRED.

I affirm that all information provided herein is true and that all disc contents indicated as being "licensed" are properly licensed for replication under the terms of the original rights holder(s) with proof of such licensing and/or trademark authorisation attached. I affirm that I am the intellectual property rights owner for all contents indicated as being "owned" and approve of replication. I agree to abide by the current version of the Anti-Piracy Compliance Program procedures and standards of the International

> *Recording Media Association (available at www.recordingmedia.org). The replicator reserves the right to refuse the processing of any order not complying with the Anti-Piracy Compliance Program guidelines.*
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> Print Organisation Name & Telephone # of Party Soliciting Order _____
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> Signature of Representative from Party Soliciting Order _____
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> Print Name, Title, & Date _____

Knowledge is considered to be the product of individual creativity, based on western scientific thought and systems of knowledge creation. In this paradigm the intellectual property rights can be referred as property rights to the products of mind, which are a result of an individuals' knowledge and creativity. Intellectual property rights there by gives legal rights over creations of the mind, including both artistic and commercial creations. Intellectual property law provides owners with certain exclusive rights to a variety of intangible assets, as well the financial incentive of monopoly profits.

1.4 A SAMPLE OF INTELLECTUAL PROPERTY FORM

In order to protect and recognise one's originality and creations, the individual needs to claim the ownership of right over the intellectual property. The individual or the related concerns can claim for such ownership by filling a standard form and submitting it to the concerned person or authority (for example, government of India is the concerned authority who protects such rights in India). One of the sample of such standardised format of the intellectual property rights form is as follows:

The box-A in the previous page gives a sample of intellectual property right form.

Self Assessment Questions

Fill in the blanks

i) Knowledge is considered to be the product of _____

ii) Intellectual property (IP) refers to _____

iii) The World Intellectual Property Organisation (WIPO) was established in 1967.

1.5 NATURE OF INTELLECTUAL PROPERTY RIGHTS

IPR are largely territorial or geographical based rights (that is it may differ from nation to nation) except copyright, which is global in nature in the sense that it is immediately available in all the members of the Berne Convention. These rights are awarded by the State and are monopoly rights meaning there by that no one can use these rights without the consent of the right holder. Except the copy rights and trade secrets, all the other intellectual property rights needs to be regularly renewed. IPR can be assigned, gifted, sold and licensed like any other property. It would however, be possible to utilise geographical indications for protecting some agriculture and traditional products.

1.6 OBJECTIVE OF INTELLECTUAL PROPERTY RIGHTS

The following are the objectives of intellectual property rights:

1) It helps in protecting the ownership and originality of the individuals' creation.

2) It provides recognition to the concerned person or authority.

3) It allows owners of intellectual property to have financial benefits from the property they have created.

4) They are provided financial incentive for the creation of and also to incur the cost of investment in intellectual property.

5) Such rights motivate individuals' creativity and thus also contributes to economic growth.

6) It can also offer some economic aid to the holder of the right, through the monopoly of their creations.

7) It improves the financial status of the individual as well as of the economy of the country.

Intellectual property rights in India

INTELLECTUAL PROPERTY RIGHTS

General

The importance of intellectual property in India is well established at all levels-statutory, administrative and judicial. India ratified the agreement establishing the World Trade Organisation (WTO). This Agreement, inter-alia, contains an Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) which came into force from 1st January 1995. It lays down minimum standards for protection and enforcement of intellectual property rights in member countries which are required to promote effective and adequate protection of intellectual property rights with a view to reducing distortions and impediments to international trade. The obligations under the TRIPS Agreement relate to provision of minimum standard of protection within the member countries legal systems and practices.

The Agreement provides for norms and standards in respect of following areas of intellectual property:

- Copyrights and related rights

- Trade Marks

- Geographical Indications

- Industrial Designs

- Lay out Designs of Integrated Circuits

- Protection of Undisclosed Information (Trade Secrets)

- Patents

- Plant varieties

Transition Period

India, as a developing country, had a transition period of five years (with effect from 01 January, 1995), i.e., till January 01,2000 to apply the provisions of the Agreement. An additional transition period of five years, i.e., till January 01,2005, is also available for extending product patent protection to areas of technology not protected so far. This would be mainly in the areas of pharmaceuticals and agricultural chemicals.

Copyrights

India's copyright law, laid down in the Indian Copyright Act, 1957 as amended by Copyright (Amendment) Act, 1999, fully reflects the Berne Convention on Copyrights, to which India is a party. Additionally, India is party to the Geneva Convention for the Protection of rights of Producers of Phonograms and to the Universal Copyright Convention. India is also an active member of the World Intellectual Property Organisation (WIPO), Geneva and UNESCO.

The copyright law has been amended periodically to keep pace with changing requirements. The recent amendment to the copyright law, which came into force in May 1995, has ushered in comprehensive changes and brought the copyright law in line with the developments in satellite broadcasting, computer software and digital technology. The amended law has made provisions for the first time, to protect performer's rights as envisaged in the Rome Convention.

COPYRIGHTS

- The Indian copyrights law, laid down in the Indian Copyright Act, 1957, fully reflects the Berne Convention on Copyrights, to which India is a party. India is also an active member of the World Intellectual Property Organisation, Geneva.

- The Act protects literary, artistic works and performance rights by making it unlawful to reproduce such works without the owner's permission.

- The author of the work is the first owner of the copyright in the work.

- Registration of the copyright is not compulsory either for acquiring copyright or for enforcing by way of suit against the infringement of the copyright.

- The Copyrights Act protects the following classes of work:

    – Original literary, dramatic, musical and artistic works

    – Cinematography films

    – Sound recording

Infringement of copyright

Illegal use or Violation by way of exploitation within authorisation of the author of the copyright amounts to infringement. The governing principles for deciding the infringement of copyright are as under:

- There can be no copyright in an idea, subject matter, themes, plots or historical or legendary facts and violation in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyrighted work.

Where the same idea is being developed in a different manner it manifests that the source being common, similarities are bound to occur. In such cases, the Courts should determine whether or not the similarities are on fundamental or substantial aspects of the mode of expression adopted in the copyright work. If the defendant's work is nothing but a literal limitation of the copyright variations of the copyrights. In other words, in order to be actionable, the copy must be a substantial and material one, which at once leads to the conclusion that the defendant is guilty of an act of piracy.

- One of the surest and safest tests to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.

- Where the theme is the same but is presented and treated differently so that the subsequent work becomes a completely new work, no question of violation of copyright arises.

- Where, however, apart from the similarities appearing in the two works, there are also material and broad dissimilarities which negate the intention to copy the original and the co-incidences appearing in the two works are clearly incidental, no infringement of the copyright comes into existence.

- Piracy must be proved by clear and cogent evidence after applying the various tests laid down.

Fair dealing with any work has been kept out of the mischief of the Copyright Act.

Court may take the assistance of an expert in complicated and technical aspects of the violation of copyright(s).

- The test to detect piracy is to see whether mistakes and deviations occurring in the original have also been reproduced.

- Law restraining human enterprise should be liberally construed and therefore Copyright Act should not be interpreted so as to shut out research and scholarship.

- The burden lies on the plaintiff to satisfy the court that the defendant has infringed his copyright.

- Innocence is no defence to a charge of infringement.

- An infringement is in the nature of an invasion of a right of property and therefore intention of the infringer is immaterial provided there is infringement.

- For determination of the question of infringement, the result and not the intention is relevant.

- The owner of the literary work could bring action for infringement of copyright even though the literary work was not registered. Non-registration of work does not prevent an action for infringement.

Exceptions to infringement of copyright

The following acts, amongst others, do not constitute infringement:

- Fair dealing with a literary, dramatic, musical or artistic work not being computer programmes for the purposes of private use including research, criticism or review, making copies of computer programmes for certain purposes, reporting current events in newspaper magazines or by broadcasting or in a cinematography film or by means of photographs.

- Reproduction of judicial proceedings and reports thereof, reproduction exclusively for the use of Members of Legislature, reproduction (artistic work excluded) in a certified copy supplied in accordance with law.

- Reading or recitation in public of extracts of literary or dramatic work.

- Publication in a collection for the use in educational institutions in certain circumstances.

- Reproduction by teacher or pupil in the course of instruction or in question papers or answers.

- Performance in the course of the activities of educational institutions in certain circumstances.

- The causing of a sound recording to be heard in public utilising it in an enclosed room or in clubs in certain circumstances.

- Performance in an amateur club given to a non-paying audience or for religious institutions.

- Reproduction in newspapers and magazine of an article or current, economic, political, social or religious topics in certain circumstances.

- The owner of the copyright in an existing work or the prospective owner of the copyright in a future work may assign the copyright to any person either wholly or partially, generally or subject to any limitation and for the whole term of the copyright or any part thereof.

- The owner of the copyright in any existing work or the prospective owner in any future work may grant any interest in the right by license in writing signed by him or by his duly authorised agent.

Several measures have been adopted to strengthen and streamline the enforcement of copyrights. These include the setting up of a Copyright Enforcement Advisory Council, training programs for enforcement officers and setting up special policy cells to deal with cases relating to infringement of copyrights.

Trade Marks

Trade marks have been defined as any sign, or any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such distinguishing marks constitute protectable subject matter under the provisions of the TRIPS Agreement. The Agreement provides that initial registration and each renewal of registration shall be for a term of not less than 7 years and the registration shall be renewable indefinitely. Compulsory licensing of trade marks is not permitted.

Keeping in view the changes in trade and commercial practices, globalisation of trade, need for simplification and harmonisation of trade marks registration systems etc., a comprehensive review of the Trade and Merchandise Marks Act,

1958 was made and a Bill to repeal and replace the 1958 Act has since been passed by Parliament and notified in the Gazette on 30.12.1999. This Act not only makes Trade Marks Law, TRIPS compatibility but also harmonises it with international systems and practices. Work is underway to bring the law into force.

The Trade and Merchandise Marks Act, 1958

An Act to provide for the registration and better protection of Trade Marks and for the prevention of the use of fraudulent marks on merchandise.

1.7   TYPES OF INTELLECTUAL PROPERTY RIGHTS

Intellectual property refers to the right over the intellectual work and not the work itself. Intellectual property rights can be categorised into various types as per the nature of work. The most common types of intellectual property are copyrights, trademarks, patents, industrial design rights and trade secrets which can be explained as follows:

1) **Copyright:** It is a right that is provided to the owner of a literary or artistic work. It is an exclusive right to control the publication, distribution and adaptation of creative works. Copyright laws deal with the intellectual property of creative works like articles, books, music, software, painting, etc.

    The right lies with the owner cum copyright holder for a certain period of time. As time lapses, the work can be republished or reproduced by others. Usually, the timespan of a copyright extends through the entire life of the owner and lasts up to a period of about 50 to100 years after death.

    In case of anonymous works, the right lasts for 95 years after publication or 120 years after the creation.

2) **Trademarks:** Companies, political parties, governmental bodies and several running institutions can be identified or recognised on basis of certain symbols assigned by them. These symbols are nothing but the trademark, which is generally used to identify a particular product, which indicates its source. A trademark can be a combination of words, phrases, symbols, logos, designs, images or devices, used by an individual, legal entity or business organisation to distinguish their products from that of others. For example, one can identify the products of Reebok/LG/Whirlpool/Godrej through their logo, which is embossed on their products. Another example can be the logo of NGO's like WHO, UNICEF and so on which differentiates these institutions with each other.

    The organisations get their trademarks registered and these trademarks are protected legally. If these trademarks are ever misused, then the owners can claim legal actions against those persons who use their trademarks. The right of trade marks defend the products and services of the company or institutions which helps in developing their brand, including pharmaceuticals.

They can be registered nationally or internationally, enabling the use of the symbol ®. An unregistered trade mark is followed by the letters ™. This can also be enforced in court if a competitor or any one else uses the same or similar name to trade in the same or a similar field.

3) **Patents:** Patents are rights related to new discoveries. Patents are used to protect new product, process, apparatus. The right to patent says that the invention is not obvious in light of what has been done before or has not been duplicated and has not been disclosed anywhere in the world at the time of the application. But of course the patent can only be given to those inventions which have a practical purpose. This right is conferred on persons who invent any new machine, process, article of manufacture or composition of matter, biological discoveries, etc.

There are certain set criteria of patent which may differ from country to country and ones' invention should meet the set criteria in order to get their rights protected. In general, the invention must be new, inventive and should be useful or can be applied in industries.

The person needs to get registered in order to receive the patent for his/her invention. Once the individual has been granted the patent for the invention then he or she has an exclusive right to control others from making, using, selling, or distributing the patented invention without permission. Generally, the time limit of a patent is 20 years from the date of filing the application (for the patent).

4) **Industrial design rights:** These rights also come under intellectual property and protect the visual design of objects. These rights are assigned to the products distinguished by their novel shape or pattern. The design may be in form of a shape, colour, pattern or a combination of all these things. It can be an industrial commodity or a handicraft. The design can be either two-dimensional (based on pattern, colours and lines) or three-dimensional (as per shape and surface).

The right is assigned on basis of several factors like, novelty, originality and visual appeal. The person who has an industrial design right has the exclusive right to make or sell any objects in which the design is applicable. The right is conferred for a period of 10 to 25 years. The design is required to be registered either nationally or under an EU (European)-wide single right.

5) **Trade secrets:** Trade secrets are the rights assigned to the designs, practice, formulas, instrument, processes, recipes, patterns or ideas being used or owned by a company to gain economic advantage over its competitors.

The owner of a trade secret does not possess any right over anyone who gains access to that secret independently, but he can prevent the use of trade secret by anyone who has learned it through the owner. For example, an employer can protect trade secrets through contracts with his employees. It differs from other types of intellectual property, because it is the responsibility of the owner to keep the secret and it is not protected through government policies. Once the trade secret is disclosed, it can be applied as well as exploited by any other person.

Self Assessment Questions

State whether the following are true or false-

i) The owner of a trade secret does not possess any right over anyone who gains access to that secret independently ( )

ii) Copyrights are assigned to the products distinguished by their novel shape or pattern. ( )

iii) Intellectual property rights helps in protecting the ownership and originality of the individuals' creation. ( )

iv) Trademark is a right that is provided to the owner of a literary or artistic work. ( )

1.8 EMERGING ISSUES OF INTELLECTUAL PROPERTY RIGHTS

Having a copy right over one's intellectual contribution, no doubt is a significant matter not only for the individual or the organisation, it is a significant contribution as well as a matter of repute to the concerned nation. Yet there are certain unresolved issues or agenda which question the process as well as concept of intellectual property rights. Some of them can be pointed out as follows:

1) **Issue of resource piracy:** In order to build up global economies, the countries adopt as well as take up the biological as well as natural resources of other countries. These resources which may have an origin some where else might be reconised as well as patented somewhere else, just because of negligence or ignorance of the home country. For example, the transfer of basmati varieties of rice from India to build up the rice economy of the US; the free flow of neem seeds from the farms, fields and commons to corporations like W. R. Grace for export. There exist no laws or legal actions against such piracies/ ignorance.

2) **Intellectual and cultural piracy:** With an objective to compete and gain recognition as well as better financial conditions, the unique activities, cultural and intellectual heritage of communities and the country is freely taken. Many a times the nations and communities claim for such intellectual property rights which does not originally belong to them and neither have been taken with prior recognition or permission from the actual place. For instance, the use by US corporations of the trade name 'basmati' for their aromatic rice, or Pepsi's use of the trade name 'Bikaneri Bhujia'. Such activities are debatable and questionable.

3) **Economic piracy:** At several circumstances the domestic and international markets are seized or taken over by using the trade names, thereby demolishing the local economies and national economies where the original innovation took place. This also adversely affects the livelihoods and economic survival of millions. For example, US rice traders usurping European markets; Grace usurping the US market from small scale Indian producers of neem based biopesticides.

4) **Internet piracy:** In this digital world, it is really difficult for nations and organisations to maintain their originalities and trade secrets. Internet and intranet are two basic ways which may lead to leakage of confidential and original information.

5) **Infringement of copyrights:** Many a times, there are severe violations of laws, where the competitors without taking prior permission to the concerned person, uses the domestic and literary work.

1.9 SIGNIFICANCE OF INTELLECTUAL PROPERTY RIGHTS

An intellectual property right is an important right and values the creativity and originality which is a result of an individual's mind and intelligence. Therefore, it has several significance and importance. Some of them include the following:

- Intellectual property rights provides incentives as well as recognition to the concerned persons/ authorities/ nations/institutions/ or organisations.

- Intellectual property rights encourages innovations and ensures a better quality of life. Industrial designs are what make a product attractive and appealing; hence, they add to the commercial value of a product and increase its marketability

- Just like the elements of a good product or service, the elements of a good advertisement are likely to be imitated or copied by others. So, it is hardly surprising that one or more types of IP rights come into play in creating content for an advertisement, or while deploying an advertising campaign.

1.10 THE INDIAN PATENT ACT

The first Indian patent laws were first promulgated in 1856. These were modified from time to time. New patent laws were made after Independence in the form of the Indian Patent Act 1970.

During the process of such amendments, India became a member of the Paris Convention, Patent Cooperation Treaty and Budapest Treaty.

The salient and important features of the amended Act are that an invention may satisfy the conditions of novelty, inventiveness and usefulness, but if you claim a compound without spelling out its utility, you may be denied a patent.

Self Assessment Questions

Fill in the blanks.

i) Intellectual propoerty rights provides incentives as well as _____ _____ to the concerned persons/ authorities/ nations/ institutions/ or organisations.

ii) In this digital world, it is really _____ for nations and organisations to maintain their originalities and trade secrets.

iii) The first Indian patent laws were first promulgated in _____ _____

1.11 LET US SUM UP

It can thus be concluded that there exists an immense significance of originality and creativity of human beings. The intellectual property rights is one of the way by which the worth of human resource is being valued. It also says that no one can duplicate the intellectual property without prior permission from the concerned persons. Such misuses or violations will be considered as a criminal activity and may lead to penalties or imprisonment.

1.12 UNIT END QUESTIONS

1) Define the concept, meaning and significance of intellectual property and intellectual property rights.

2) Discuss the different types of intellectual property rights.

3) Describe the issues and agenda of the intellectual property rights.

4) Explain the nature and objectives of the intellectual property rights.

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UNIT 2   LABOUR LAWS (INDIAN AND INTERNATIONAL)

Structure

2.0   INTRODUCTION

Constitutions of all nations formulate, amend and propagate different acts and laws, in order to have a proper, systematic and well disciplined functioning of all

systems. As a unit of human resource in organisational behaviour, this unit will discuss about the various laws which have been constituted for welfare and protection of labour in organisations. The unit will depict how the government of India as well as other nations tries to prevent the exploitation of labour with the help of certain acts and amendments.

2.1 OBJECTIVES

On completing this unit, you will be able to:

- Define labour laws;

- Elucidate the concept of labour laws;

- Explain the various labour laws of India;

- Delineate the distinctive feature of Indian labour laws;

- Describe the emergence of international labour laws; and

- Delineate the convention of International Labour Organisation.

2.2 CONCEPT OF LABOUR LAW

Law can be defined as a complete system of rules that every individual of a country/ institution/organisation/community/workplace must obey. Violation of laws may lead to a criminal offence. In order to protect the interest and rights of labour work force, the government formulates and keeps on amending the labour laws. Basically, labour law consists of a collection of laws, administrative rules and precedents which reflect or explains the legal rights as well as legal restrictions on the work force and their organisations. It differentiates as well as creates links between the employers, employees as well as trade unions.

In several countries like, Canada, the laws of employment at unionised workplaces are differentiated (that is, they are different) from those related to particular individuals. Whereas, in several countries, no such distinction is made. The labour laws can be broadly classified in to the following two major categories.

2.2.1 Collective Labour Law

The collective labour law contains the laws related to the tripartite relationship between employee, employer and the trade union. It shows all the rules and restrictions which should be followed to resolve any issues or problems which exists, or appears to exist between the three major bodies (employee, employer and the trade union) of the organisation.

2.2.2 Individual Labour Law

The individual labour law is more concerned about the rights of an individual employes at his or her workplace. It also shows the standard conditions for the contract or agreement that will be agreed upon by the employee and the employer.

The laws for protecting the rights of the labour has activly been the result of the labour movements that has occurred in the 19th and the 20th centuries. Labour rights have been integral to the social and economic development since the industrial revolution.

2.3 LABOUR LAW IN INDIA

Since long time, India has also been active in implementing and amending acts and laws for the workforce of the organisations in India. Approximately, there are over fifty national laws and many more state level laws.

Our country, India equally ensures that the rights of workers within the organisations of the country are higly protected. In one of the case, also known as Uttam Nakate case,the Bombay High Court held that dismissing an employee for repeated sleeping on the factory floor was illegal, a decision which was overturned by the Supreme Court of India.

Moreover, it took two decades to complete the legal process (Source: *Wikipedia, the free encyclopedia*).

The labour laws in India also highlights the importance of a better labour ecosystem with the help of better education and training, infrastructure, governance and the legal/regulatory structure and so on.

2.4 CATEGORIES OF INDUSTRY/ORGANISATION UNDER INDIAN LABOUR LAWS

The labour laws of India, has broadly categorised the Indian organisations in to the following two specific categories, viz., (i) Factory and (ii) Shops and commercial establishments. Let us take up these and discuss.

2.4.1 Factory

According to the Indian labour law, factories consists of all such industrial establishments which has employed atleast 10 or more persons and carry manufacturing activities. The factories in India are regulated by the provisions of the Factories Act, 1948 (the said Act). The act deals with the required terms and conditions related to health, safety, welfare, working hours and leave of workers in factories. The Factories Act, 1948 empowers the State Governments to frame rules, so that the local conditions prevailing in the State are appropriately reflected in the enforcement. The act of 1948 emphasises mainly on the welfare, health and safety of workers. The act also provides the do's and don't's against use and handling of hazardous substance by the labours of the factories and also lays down certain emergency standards and measures.

2.4.2 Shops and Commercial Establishments

The second broad category of Indian organisations, according to the Indian labour law is the shops and commercial establishments. It refers to those entire places where the ultimate products or goods are sold to its end users- the customers and consumers. These outlets are regulated by Shops and Commercial Establishments Act which are formulated at state level and differ from state to state. The acts predominantly contains the terms and conditions related to the opening and closing timings, leave, weekly off, time and mode of payment of wages, issuance of appointment letter etc.

2.5 STATUTORY/ LEGISLATIVE REGULATION OF CONDITION OF SERVICE WITHIN INDIAN ORGANISATIONS

The constitution of India provides a legal provision for regulating and codifying conditions of service of the work force within all those industrial establishment which has employed more than 100 workmen under the provisions of Industrial Employment Act, 1946. Under the provisions of this Act every employer of an Industrial Establishment employing 100 or more workmen needs to precisely define and point out the conditions of employment within the work place. Such establishments needs to get those conditions verified and certified by the certifying authorities provided under Section 3 of this Act. It is compulsory for the organisations to follow those conditions throughout the term of contract of employment.

Self Assessment Questions

Fill in the blanks

i)   The labour laws of India, has broadly categorised the Indian organisations in to _____ and _____ category.

ii) Approximately, there are over _____ national laws and many more state-level laws.

iii) _____ refers to those entire places where the ultimate products or goods are sold to its end users – the customers and consumers.

iv) Factories consist of all such industrial establishments which has employed at least _____ persons and carry manufacturing activities.

2.6 DISTINCTIVE FEATURE OF INDIAN LABOUR LAWS

A unique or distinctive feature of Indian labour law and laws of employment are that they categorise the employees in to three main categories:
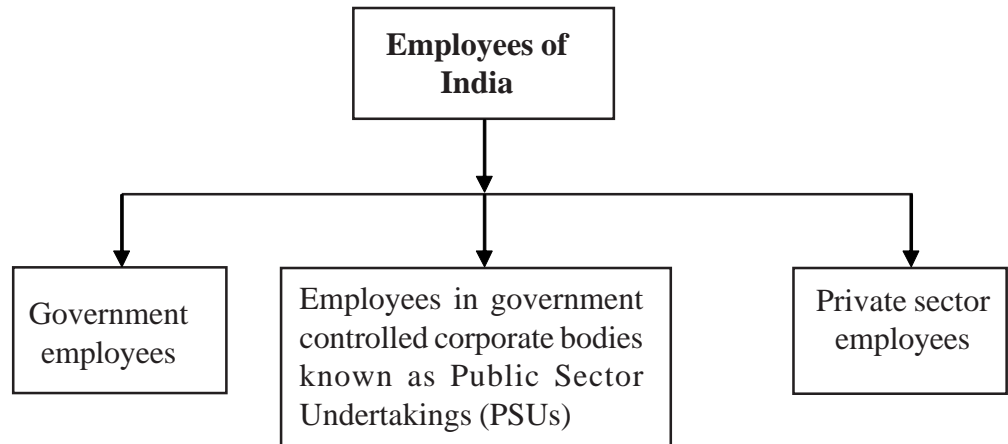
Fig. 2.1:   Categories of employees of India according to the Indian labour law and laws of employment

It is the Constitution of India which governs the rules and regulations of the *government employees*. This gives an opportunity to the government employees to have job security, statutory (that is, legal) service contentions and a regular increment in the salary.

Where in, *the employees of the public sector* are governed by their own service regulations, which either has statutory force, in the case of statutory corporations, or are based on statutory orders.

Distinctively, in *the private sector*, employees can be classified into two broad categories namely management staff and workman. Managerial, administrative or supervisory employees drawing a salary of Rs.1600/- or more per month are considered management staff and there is no statutory provisions relating to their employment and accordingly in case of managerial and supervisory staff/employee the conditions of employment are governed by respective contracts of employment and their services can be discharged in terms of their contract of employment. Workmen category is covered under the provisions of the Industrial Disputes Act.

2.7   THE INDIAN LABOUR LAWS

With an aim to protect the rights of employees, to motivate them, retain them as well as maintain their limits in organisations or at their work place, there have been certain formulations of certain laws. The urgency of making labour laws came from the workers' demand for a suitable work environment, right to organise, and also from the demand of employers to delimit the powers of labour in order to have a disciplined and goal oriented work force. The origin of labour rights began from the era of the industrial revolution. These laws take care of many features of employers, employees and the unions. The labour laws in India has been divided in to two major categories.

2.7.1   List of Indian Labour Acts

Below in the table are given the labour laws related to Indian context. These include laws related to industrial relations, laws related wages, laws related to working hours and conditions of services etc., laws related to equality and empowerment of law.

Laws related to Industrial Relations	
1	The Trade Unions Act, 1926 The Trade Unions (Amendments) Act, 2001
2	The Industrial Employment (Standing Orders) Act, 1946 The Industrial Employment (Standing Orders) Rules, 1946
3	The Industrial Disputes Act, 1947

Laws related to Wages	
1	The Payment of Wages Act, 1936 The Payment of Wages Rules, 1937 The Payment of Wages (AMENDMENT) Act, 2005

2	The Minimum Wages Act, 1948 The Minimum Wages (Central) Rules, 1950
3	The Working Journalist (Fixation of Rates of Wages) Act, 1958 Working Journalist (Conditions of service) and Miscellaneous Provisions Rules, 1957
4	The Payment of Bonus Act, 1965 The Payment of Bonus Rules, 1975

Laws related to Working Hours, Conditions of Services and Employment
1   The Factories Act, 1948
2   The Dock Workers (Regulation of Employment) Act, 1948
3   The Plantation Labour Act, 1951
4   The Mines Act, 1952
5   The Working Journalists and other Newspaper Employees' (Conditions of Service and Misc. Provisions) Act, 1955 The Working Journalists and other Newspaper Employees' (Conditions of   Service and Misc. Provisions) Rules, 1957
6   The Merchant Shipping Act, 1958
7   The Motor Transport Workers Act, 1961
8   The Beedi & Cigar Workers (Conditions of Employment) Act, 1966
9   The Contract Labour (Regulation & Abolition) Act, 1970   The Contract Labour Regulation Rules
10   The Sales Promotion Employees (Conditions of Service) Act, 1976 The Sales Promotion Employees (Conditions of Service) Rules, 1976
11   The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
12   The Shops and Establishments Act
13   The Cinema Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981 The Cinema Workers and Cinema Theatre Workers (Regulation of Employment) Rules, 1984 The Cine Workers' Welfare Fund Act, 1981.
14   The Dock Workers (Safety, Health & Welfare) Act, 1986
15   The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
16   The Dock Workers (Regulation of Employment) (inapplicability to Major Ports) Act, 1997

Laws related to Equality and Empowerment of Women	
1	The Maternity Benefit Act, 1961
2	The Equal Remuneration Act, 1976

Laws related to Deprived and Disadvantaged Sections of the Society	
1	The Bonded Labour System (Abolition) Act, 1976
2	The Child Labour (Prohibition & Regulation) Act, 1986
3	The Children (Pledging of Labour) Act, 1933

Laws related to Social Security	
1	The Workmen's Compensation Act, 1923 The Workmen's Compensation (Amendments) Act, 2000
2	The Employees' State Insurance Act, 1948
3	The Employees' Provident Fund & Miscellaneous Provisions Act, 1952 The Employees' Provident Fund & Miscellaneous Provisions (Amendment) Act, 1996
4	The Payment of Gratuity Act, 1972 The Payment of Gratuity Rules
5	The Unorganised Workers' Social Security Act, 2008 The Unorganised Workers' Social Security Rules 2008

Laws related to Labour Welfare	
1	The Mica Mines Labour Welfare Fund Act, 1946
2	The Limestone & Dolomite Mines Labour Welfare Fund Act, 1972
3	The Beedi Workers Welfare Fund Act, 1976
4	The Beedi Workers Welfare Cess Act, 1976 The Beedi Worker's Welfare Cess Act Rules, 1977
5	The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976
6	The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Cess Act, 1976
7	The Cine Workers Welfare Fund Act, 1981
8	The Cine Workers Welfare Cess Act, 1981
9	The Employment of Manual Scavengers and Construction of Dry latrines Prohibition Act, 1993

	Laws related to Employment and Training
1	The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
	The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1959
2	The Apprentices Act, 1961

	Others
1	The Fatal Accidents Act, 1855
2	The War Injuries Ordinance Act, 1943
3	The Weekly Holiday Act, 1942
4	The National and Festival Holidays Act
5	The War Injuries (Compensation Insurance) Act, 1943
6	The Personal Injuries (Emergency) Provisions Act, 1962
7	The Personal Injuries (Compensation Insurance) Act, 1963
8	The Coal Mines (Conservation and Development) Act, 1974
9	The Labour Laws (Exemption from Furnishing Returns and Maintaining Register by Certain Establishments) Act, 1988
10	The Public Liability Insurance Act, 1991

2.7.2 Collective Labour Law

The laws which maintain the link and relationship between the employers, employees and the union are included under this category. Some of the major collective labour laws are as follows:

2.7.3 The Industrial Disputes Act (1947)

The act of industrial disputes was constituted in 1947 in order to limit/ prevent or restrict the unfair labour practices, by employers, workers or trade unions through imposition of fines and imprisonment. According to the law, workers can form or join unions of their choice. The Act says no company can fire employees or close down without having a government approval from at least 100 workers/ employees.

An industrial dispute may be defined as a conflict or difference of opinion between management and workers on the terms of employment. It is a disagreement between an employer and employees' representative; usually a trade union, over pay and other working conditions and can result in industrial actions. When an industrial dispute occurs, both the parties, that is the management and the workmen, try to pressurise each other. The management may resort to lockouts while the workers may resort to strikes, picketing or gheraos.

As per Section 2(k) of Industrial Disputes Act,1947, an industrial dispute in defined as any dispute or difference between employers and employers, or between employers and workmen, or between workmen and which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person. This definition includes all the aspects of a dispute. It, not only includes the disagreement between employees and employers, but also emphasises the difference of opinion between worker and worker. The disputes generally arise on account of poor wage structure or poor working conditions. This disagreement or difference could be on any matter concerning the workers individually or collectively. It must be connected with employment or non-employment or with the conditions of labour.

From the point of view of the employer, an industrial dispute resulting in stoppage of work means a stoppage of production. This results in increase in the average cost of production since fixed expenses continue to be incurred. It also leads to a fall in sales and the rate of turnover, leading to a fall in profits. The employer may also be liable to compensate his customers with whom he may have contracted for regular supply. Apart from the immediate economic effects, loss of prestige and credit, alienation of the labour force, and other non-economic, psychological and social consequences may also arise. Loss due to destruction of property, personal injury and physical intimidation or inconvenience also arises.

For the employee, an industrial dispute entails loss of income. The regular income by way of wages and allowance ceases, and great hardship may be caused to the worker and his family. Employees also suffer from personal injury if they indulge in strikes, picketing etc. The psychological and physical consequences of forced idleness, the threat of loss of employment in case of failure to settle the dispute advantageously, or the threat of reprisal action by employers also exists. Prolonged stoppages of work have also an adverse effect on the national productivity, national income. They cause wastage of national resources. Hatred may be generated resulting in political unrest and disrupting amicable social/industrial relations or community attitudes.

2.7.4   Trade Union Act (1926)

The act provides an opportunity to the workers to form their own unions and get their unions registered. Further, a registered Trade Union of workmen shall at all times continue to have not less than ten per cent or one hundred of the workmen. **2. Definitions -** In this act the appropriate Government means in relation to Trade Unions whose objects are not confined to one State, the Central Government, and in relation to other Trade Unions State Government, and unless there is anything repugnant in the subject or context,

a)   "Executive" means the body, by whatever name called to which the management of the affairs of a Trade Union is entrusted;

b)   In the case of a Trade Union, the trade union members include any member of the executive thereof, but does not include an auditor;

"Registered Trade Union" means a Trade Union registered under this Act; Trade dispute means any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the

conditions of labour, of any person, and "workmen" means all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises; and

"Trade Union" means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business, and includes any federation of two or more Trade Unions;

2.7.5 Provisions of the Factories Act, (1948)

According to this act, the in order to maintain the interest and effeciency of the employees/ workers, the employers will provide several provisions like – training facility, occupational health center, promotional opportunities, etc., to them within the factories/ industries.

There are three major legislations relating to occupational health and safety in India. They are related to the health and safety of persons employed in factories, mines and Ports.

The Factories Act 1948

For health

Ventilation and temperature	Disposal of wastes
Cleanliness	Dust and fumes
Artificial humidification	Overcrowding
Lightening	Drinking water
Latrines and urinals	Spittoons

For Safety

Fencing of machinery	Work on machines in motion
Cashing of new machines	Protection of eyes
Hoists and lifts	Self acting machinery
Excessive weights	Pressure plant
Precaution against dangerous fumes	Floors, stairs, means of access
Precaution in case of fire	Explosives of inflammable gas
Safety ofbuilding and machinery	Maintenance of buildings

For Welfare

Washing facilities	Facilities for sitting
First Aid Appliances	Canteens
Rest rooms and shelters	Creches
Facilities for storing and drying clothing	

2.7.6   Mines Act (1952)

Persons employed in the coal and oil mines.

It provides the following provisions for health and safety of mine workers

Drinking water	Conservancy
Medical appliances	Working hours
Notice about accidents	Notice of certain diseases

Dock workers (Safety, Health and Welfare) Act, 1986. The following provisions are made

Surfaces	Fencing of dangerous places
Passage to be kept clear	Railings and fences
Staging construction and maintenance	Work on staging
Life saving appliances	Illumination
Fire protection	Excessive noise
Access between deck and hold	Stairs
Floor loading	Construction
Access between deck and vessel	Access between shore and ship

Individual labour law

All India Organisation of Employers points out that there are more than 55 central labour laws and over 100 state labour laws. Some of these laws are as in given below.

2.7.7   Workmen's Compensation Act (1923)

Other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business shall be compensated with salary, bonus, leaves and holidays according to the norms of the organisation. Workmen's Compensation (Amendment) Bill, 2009 has been passed by both the Houses of the Parliament. It is to take form of an Act after getting the President's assent.

The main recommendations of the Bill were –

* Renaming the Workmen's Compensation Act, 1923 as the Employee's Compensation Act to make it gender sensitive.

* Raising the compensation paid to the workers and their family members in case of death to Rs. 1.2 lakh from current Rs. 80,000.

* Raising the compensation for permanent disability to Rs. 1.4 lakh from present Rs. 90,000. Also the funeral expenses were proposed to be raised to Rs. 5,000 from Rs. 2,500.

The Bill also proposed to empower the Central Government to specify monthly wages for the purpose of compensation and timely enhancement of the minimum rates of compensation.

Besides this the Bill even contained a provision for actual reimbursement of medical expenses incurred on account of injury caused during course of employment. There were provisions for disposal of compensation cases by Commission within a time period of 3 months.

2.7.8 Weekly Holidays Act (1942)

An Act which was formulated for the grant of weekly holidays to persons employed in shops, restaurants and theatres. The employees will compulsory be given holiday within every week.

2.7.9 Minimum Wages Act (1948)

The act says that the employees should be given a minimum wage with which they can meet the daily needs of their life.

The Minimum Wages Act, 1948 was enacted to safeguard the interests of workers, mostly in the unorganised sector by providing for the fixation of minimum wages in certain specified employments. It binds the employers to pay their workers the minimum wages fixed under the Act from time to time.

Under the Act, both the Central Government and the State Governments are the appropriate Governments to fix, revise, review and enforce the payment of minimum wages to workers in respect of 'scheduled employments' under their respective jurisdictions. There are 45 scheduled employments in the Central sphere and as many as 1530 in State sphere.

In the Central sphere, the Act is enforced through the Central Industrial Relations Machinery (CIRM). CIRM is an attached office of the Ministry of Labour and is also known as the Chief Labour Commissioner (Central) [CLC(C)] Organisation. The CIRM is headed by the Chief Labour Commissioner (Central). While, the State Industrial Relations Machinery ensures the enforcement of the Act at the State level.

The appropriate Government is required to appoint an Advisory Board for advising it, generally in the matter of fixing and revising minimum rates of wages. The Central Government appoints a Central Advisory Board for the purpose of advising the Central and State Governments in the matters of the fixation and revision of minimum rates of wages as well as for co-ordinating the work of Advisory Boards.

Minimum wage and an allowance linked to the cost of living index and is to be paid in cash, though payment of wages fully in kind or partly in kind may be allowed in certain cases. The minimum rate of wages consists of a basic wage and a special allowance, known as 'Variable Dearness Allowance (VDA)' linked to the Consumer Price Index Number. The allowance is revised twice a year, once in April and then in October.

Under the Minimum Wages Act, there are two methods for fixation/revision of minimum wages, namely:

- Committee method: Under this method, committees and sub-committees are set up by the appropriate Governments to hold enquiries and make recommendations with regard to fixation and revision of minimum wages, as the case may be.

- Notification method: Under this method, Government proposals are published in the Official Gazette for information of the persons likely to be affected thereby and specify a date not less than two months from the date of the notification on which the proposals will be taken into consideration.

2.7.10 The Payment of Bonus Act (1965)

According to this Act, the workers in any industry for any skilled or unskilled labour, including manual, supervisory, managerial, administrative, technical or clerical should receive yearly bonus.

2.7.11 The Contract Labour Act (1970)

The act prohibits companies from hiring temporary workers. Women are not permitted to work night shifts.

2.7.12 Child Labour Act (1979)

The child labour laws got an existence since 1979. The laws made it illegal for a child to work in hazardous industries, like factories with heavy and dangerous machinery.

Self Assessment Questions

State whether the statements are true or false:

i)   The act of industrial disputes was constituted in 1947 in order to delimit the unfair labour practices.   (   )

ii) The minimum wages act says that the employees should be given a minimum wage.   (   )

iii) The employees of the public sector are governed by their own service regulations, which has a statutory force.   (   )

iv) The Contract Labour Act, 1970 encourages companies from hiring temporary workers.   (   )

2.8 EMERGENCE OF THE INTERNATIONAL LABOUR LAWS

In the late 19th century it was realised all over the world that there should be ways to promote international regulation of labour matters. In 1897, an International Association for the Legal Protection of Workers was set up in Basle.

The activity of this private organisation led several governments to bring out changes and protect the rights of workers at international level. This section of the treaties provided for the establishment of an International Labour Organisation in 'Peace conference.

The international labour organisation was proposed to hold meetings and conferences from time to time and would be attended by its member countries. Since then, the International Labour Conference has met regularly in general once a year, except during the Second World War.

The most important entity which takes care of such protection of rights and laws of labour at an international level is – the 'International Labour Organisation' (ILO).

2.9 OBJECTIVES OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)

In order to maintain the values and principles, the ILO has formulated the following objectives:

- It aims at providing full employment and raising of the standards of living of the employees.

- With the help of formulating the laws, the ILO facilitates training policies in regard to wages, hours of work and other conditions of work the effective recognition of the right of collective bargaining.

- It aims at enhancing the cooperation of management and labour in the continuous improvement of productive efficiency, and

- With the help of the collabouration between the workers and employer in the preparation and application of social and economic measures, it aims to provide basic income to all.

- It tries to prevent international competition from taking place to the disadvantage of workers.

- It purports to provide social justice to all labours.

2.10 GLOBAL INSTRUMENTS OF INTERNATIONAL LABOUR LAW

ILO has constituted several objectives, numerous conventions and recommendations in order to maintain the efficiency of workers. While the Constitution of the ILO mainly contains provisions relating to the functioning of the organisation, it also lays down a number of general principles which have come to be regarded in certain respects as a direct source of law.

Such principles are contained in the Preamble of the Constitution and in the Declaration concerning the Aims and Purposes of the Organisation, adopted by the Conference in Philadelphia in 1944 and incorporated in the ILO Constitution in 1946.

2.10.1 ILO Conventions

Conventions are instruments designed to create international obligations for the states. In addition to its Conventions, the ILO has adopted a number of Recommendations, which are different from the point of view of their legal character. Recommendations do not create obligations, but rather provide guidelines for action.

Conventions have a number of specific features

Conventions are *adopted within an institutional framework.*

The conventions of ILO are such that they do not require type of diplomatic negotiation which is usual in the case of treaties. They are rather prepared in discussions in an assembly that has many points in common with parliamentary assemblies.

The International Labour Conference, which adopts Conventions, is constituted by *representatives of governments, employers and workers*, each delegate being entitled to vote individually.

A *two-thirds majority* is sufficient for the adoption of a Convention, and governments of the member nations should submit the Convention to their competent authorities for further approval, i.e. as a rule to their parliaments. Also, the governments have the obligation, when requested, to supply reports on various issues related to Conventions.

Usually the Conventions have *flexibile clauses*, because they are generally directed towards countries with very different economic, social and political conditions, as well as different constitutional and legal systems.

2.10.2   Core Conventions

Some of core Conventions of the International Labour Organisation are as given below:

1) **Freedom of Association and Protection of the Right to Organise Convention, 1948**

   The Convention provides a right to all workers and employers to form and join organisations of their own choosing without prior authorisation, and lays down a series of guarantees for the free functioning of organisations without interference by the public authorities. In December 1997, 121 countries had ratified this convention.

2) **Right to Organise and Collective Bargaining Convention, 1949**

   The Convention protects the workers and employers against acts of interference by each other, and for measures to promote collective bargaining. In December 1997, 137 countries had ratified this convention.

3) **Abolition of Forced Labour Convention, 1957**

   The convention prohibits the use of any form of forced or compulsory labour as a means of political coercion or education, punishment for the expression of political or ideological views, workforce mobilisation, labour discipline, punishment for participation in strikes, or discrimination. In December 1997, 130 countries had ratified this convention.

4) **Discrimination (Employment and Occupation) Convention, 1958**

   This convention calls for a policy which will try to eliminate any kind of discrimination in employment, training and working conditions, on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and to promote equality of opportunity and treatment. In December 1997, 129 countries had ratified this convention.

5) **Equal Remuneration Convention, 1951**

   The convention says that there will be an equal pay for men and women performing the same or similar work. In December 1997, 135 countries had ratified this convention.

6) **Minimum Age Convention, 1973**

This convention aims at the abolition of child labour, stipulating that the minimum age for admission to employment shall not be less than the age of completion of compulsory schooling, and in any case not less than 15 years (14 for developing countries). In December 1997, 59 countries had ratified this convention.

2.11 EXAMPLES OF GLOBAL INSTRUMENTS

The members of the ILO accept the Conventions constituted by the International labour organisation, keeping their economic and several other conditions in view. Following are some of the regional examples which have accepted the Conventions of the ILO accordingly.

2.11.1 United Nations Instruments

While the United Nations does not deal with labour matters as such, and recognises the ILO as the specialised agency responsible for taking appropriate action for the accomplishment of the purposes set out in its Constitution, some UN instrument of more general scope have also covered labour matters. In the America, the North American Free Trade Area (NAFTA) has accepted the North American Agreement on Labor Cooperation, and the Caribbean Community and Common Market (CARICOM) has an Agreement on Social Security. However, the instruments of the Organisation of American States (OAS) are still the main source of international labour law in the region.

The UN General Assembly has adopted also a number of legally binding Conventions concerning labour matters. The most important ones are:

1) The Convention on the elimination of all forms of racial discrimination (1969)

2) The Convention on the elimination of all forms of discrimination against women (1979)

3) The Convention on the rights of the child (1989)

4) The Convention on thethe status of the Refugees (1954)

5) The Convention on the status of the stateless persons (1960)

2.11.2 European Instruments

The most comprehensive instrument adopted by the Council of Europe is the-'European Social Charter' (1961). The Charter stipulates that any State wishing to become a Party must accept at least five basic rights – namely: the right to work, the right to organise, the right to bargain collectively, the right to social security, the right to social and medical assistance, the right to the social, legal and economic protection of the family, and the right to protection and assistance for migrant workers and their families.

The most original feature of the Charter is that it recognises the rights of workers and employers to collective action in case of conflicts of interest, including the right to strike, subject to obligations that might arise out of collective agreements previously entered into and to some further restrictions.

2.11.3 African Instruments

The Organisation of African Unity adopted the African Charter on Human and Peoples' Rights (1981) which includes the right to work under equitable and satisfactory conditions, the right to equal pay for equal work and the right to free association. Later on it also the African Charter on the Rights and Welfare of the Child (1990) according to which each child will be equally protected from any kind of economic exploitation:

Self Assessment Questions

Fill in the blanks

i) With the help of formulating the laws, the _____ facilitates training policies in regard to wages, hours of work and other conditions of work.

ii) Conventions are instruments designed to create _____ obligations for the states.

iii) In the America, the _____ has accepted the North American Agreement on Labor Cooperation.

iv) According to the African Charter on the Rights and Welfare of the Child (1990), _____

2.12 LET US SUM UP

It can be summed up from the above discussion that, for the betterment of employers as well as employees, several acts and amendments have been formulated and constituted both at national and international level. Labour laws try to protect the interest as well as fundamental rights of the employers and employees.

2.13 UNIT END QUESTIONS

1) Keeping the distinctive feature of Indian labour, briefly explain the various labour laws.

2) What do you understand by the terms – 'individual labour law' and 'collective labour law'?

3) What are the basic features of International Labour Organisation?

4) Explain the important Core Conventions of ILO. Illustrate few examples.

2.14 SUGGESTED READINGS

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UNIT 3 LAWS RELATED TO WORK PLACE VIOLENCE AND HARASSMENT

Structure

3.0   INTRODUCTION

Like the previous units of this block, this unit will also be discussing about the various human resource laws. But, primarily the present unit will focus on the

different types of violence and harassment happening at work place and also the different ways to protect the human rights at work places and organisations. This unit will also discuss about the various expectations of the employers as well as the employees and the issues generated from such expectations at work places. In order to get the maximum utilisation from the potentials of employees, but at the same time, prevent the human resource from getting exploited the government has constituted several rules and laws. It is the duty of the employers as well as employees to follow these rules and understand the significance of these laws. Particularly the employers or the organisations have to understand the importance of these laws in order to safe guard the interest of its employees. The present unit will also deal with the different technical jargons or terms that come under the instances of violence and harassment in work place.

3.1   OBJECTIVES

On completing this unit, you will be able to:

- Define work place violence and harassment;

- Explain the meaning of work place violence etc.;

- Describe the various types of work place violence;

- Explain the ways of preventing as well as avoiding violence at work place;

- Analyse the different types of harassment at work place; and

- Describe the role and importance of organisation as well as constitution of India in dealing with work place violence and harassment.

3.2   DEFINITION AND MEANING OF WORK PLACE VIOLENCE

The legal definition of work place violence is as follows:

Incidents where people are abused, threatened or assaulted in circumstances relating to their work, involving an explicit or implicit challenge to their safety, well being or health.

(Source- http://en.wikipedia.org, accessed on 27/12/2010)

Technically speaking, work place violence refers to any kind of an act that involves aggression, physical assault, or threatening behaviour which may take place in between employees or the employer and the employees and vice versa in work place settings. These kinds of acts are of serious concern as they cause physical as well as emotional harms to self and other related persons (like the customers, co workers, boss, manager, as well as the subordinates) at the work place. Broad definitions of work place violence also often include acts of sabotage on work site property.

Work place violence has emerged as a severe alarm, as it ultimately affects the quality and service of employees as well as the out put of organisation as well as country.

Unavoidably, these acts of violence is used by individuals in order to get what they want which may include tangible (which can be touched) e.g., money as well as intangible e.g., respect, recognition (which can not be touched) benefit.

They may want faster or better service, or they may desire attention or alternatively to be left alone or scare people off.

Any how, the Indian constitution has taken several steps and amended several laws in order to avoid people from creating as well as suffering from such types of violence and protect the quality of out put of the organisations as well as the country.

3.3 TYPES OF WORK PLACE VIOLENCE

It is clear from the above sections that, work place violence is a kind of behaviour that is being done within the work environment, with an objective to create harm to the target person or group. This includes shaking fists, throwing objects, or other overt physical acts, as well as any verbal or written threats to cause harm to anyone or anything.

Occupational Health and Safety Administration (OSHA) reports that on average they estimate that 2 million employees are victimised annually while at work. People within and outside of the work place can commit violence in the work place.

Work place violence can take place in different forms and ways. Some of these types of work place violence have been explained in terms of (i) Criminal violence (ii) Service User violence (iii) worker on worker violence. Let us take up each of these and explain.

3.3.1 Criminal Violence

A criminal violence takes place within the context of organisation by a person who is in no way related to any employee or the employer. This may take place in form of snatching away cash, drugs, immortal wealth. In such an act robbery is the main motive of the person.

3.3.2 Service User Violence

Service user violence occurs when the employee is unsatisfied in any aspect with the working conditions or services of the organisation or the employer. It is generated as result of frustration or an emotional conflict being felt by the employee due to the service provided in the work place or by the victim.

3.3.3 Worker on Worker Violence

Whenever violence is generated by the employees against their own colleagues, supervisors, managers within the work place or the organisation, then such an aggressive act is known as worker-on-worker violence. This is often linked to protests against enforced redundancies, grudges against specific members of staff, or in response to disciplinary action that the individual perceives as being unjust.

Depending upon the types of harm done through brutality, violence can also be categorised as follows:

- Non physical violence (intimidation, abuse, threats etc.)

- Physical violence (punching, kicking, pushing etc.)

- Aggravated physical violence (use of weapons, e.g. guns, knives, syringes, pieces of furniture, bottles, glasses, etc.)

3.4   EFFECTS OF WORK PLACE VIOLENCE

Work place violence occurs more often than employees and employers may realise. Such violence can have serious physical and psychological effects. The levels of work place violence can encompass a wide range of severity. Types of violence can include threats, bullying, verbal abuse, physical abuse, sexual harassment and even murder.

3.4.1   Physical Effects

Serious physical trauma, even death, can result from work place violence.

The obvious and potentially most dangerous effect of work place violence is physical trauma. If the violence is of a physical nature, injuries, scarring, pain, hospitalisation and even death may result. Threats of physical violence should not be taken lightly. It is the manager's responsibility to ensure the safety of all employees by eliminating risks due to threats. Investigation, counseling, termination and security might be necessary actions taken with regard to the person making the threats.

3.4.2   Psychological Effects

Long-term psychological problems often occur in victims of work place violence.

Victims of work place violence are more likely to suffer the long-term effects of post traumatic stress disorder (PTSD). PTSD is a common psychological disorder that usually affects veterans, victims of terrorism, rape and other violent crimes. Other long-term psychological effects may include self-doubt, depression, fear, insomnia, irritability, relationship conflicts, lack of motivation and self-blame. If victims do not get the support and psychological help they need when reporting violence in the work place, it will deter them and other witnesses from ever reporting violence again. There are a number of approaches that can help victims of work place violence, including counseling, emotional support, time off, and medication.

3.4.3   Business Effects

Work place violence can permanently close a business.

The damage to the company as a result of work place violence is not nearly as important or severe as the emotional or physical harm done to the victims, but it

is still a matter of concern. Work place violence can damage company morale. Some employees might require extended time off, or may even resign. Other problems that may occur include lower productivity and damage to the company's image. There may also be a loss of funds due to legal costs, compensation, pension payments and providing better insurance premiums.

In no way, violence can yield any positive result to the work or output of the organisation. It is a kind of an act that leads to physical or non physical harm to the person, group or the organisation concerned. Work place violence is an issue of which all businesses should be aware. An average of 16 people per day died while at work during 2004. There are yet several negative outcomes or harmful effects of the work place violence-

An act of violence can lead to poor morale and a poor image for the organisation, making it difficult to recruit and keep staff.

It can also mean extra costs, to the organisation as a result of the after effects of the violence for example – absenteeism, higher insurance premiums and legal fees, fines and compensation payments.

None the less for the victims who may be the employees, violence can cause pain, distress and even disability or death. Physical attacks are obviously dangerous but serious or persistent verbal abuse or threats can also damage employees' health through anxiety or stress.

The non physical violence can also result in domestic violence. The victims may try to get rid of the frustration at the home front (they may be abusive or physically harmful to their family members and other relatives).

3.5 PREVENTING AND STOPPING WORK PLACE VIOLENCE

Experts believe that businesses can take a number of steps to dramatically reduce their likelihood of an employee carrying out an act of work place violence. Many of these are proactive in nature, designed to minimise the business's exposure to violent acts by employees:

3.5.1 Formulate Norms and Policies Regarding Work Place Behaviour

The best method to avoid work place violence is to form and adopt certain rules and norms which would be compulsory to be followed by each and every employee of the organisation. Such a policy should clearly state that threats, intimidation, destruction of company property, and violence in any form will not be tolerated and disciplinary actions may be taken against them.

3.5.2 Training Programmes

The organisations should periodically schedule and organise training programs which would help in generating awareness amongst the employees. They need to be aware of the different types of work place violence, how to raise voice against such violence and the after effects of work place violence.

3.5.3   Recruitment Policies

While recruiting potential candidates for a particular position, the organisation should screen out the biodata of the applicants in advance. Those having a criminal back ground, irregular employment history or violent in nature should be avoided.

3.5.4   Identify Warning Signals

The signs of violence can easily be detected in the vicinity of the organisation. If the management gets a sign of any arguments or unwanted behaviour that might be taking place within a group, between two group or in between two employees it is the responsibility of the management to identify them and give them the warning signals in advance.

3.5.5   Steps for Detecting and Avoiding Work Place Violence

No matter if you are in an office environment, or lab environment the red flags remain the same. The same goes for Principal Investigators at work.

Certain characteristics and behaviour constitute a profile that personify the likely candidates and should trigger a red flag:

- Male between 35 and 55 years old
- Mid life transition, dissatisfied with life!
- Loner without a true! support system
- Low self esteem!
- Generally works in jobs with high! turnover
- History of being disgruntled during employment!
- Tends to! project his shortcomings to others
- History of intimidating coworkers and! supervisors
- Feels persecuted and views efforts to help with suspicion!
- Watches others for violations and may keep records!
- Interested in! weapons, may be a collector or marksman
- Probably does not have a police! record

Take potential warning signs seriously. When a person displays several of these characteristics or behaviour traits, an employer must take such warning signs seriously. Management, at all levels, who lack the necessary experience and expertise to handle this type of potentially explosive situation should rely on appropriate outside resources. For example, these types of situations may call for specialised psychological counseling or extra security measures on a temporary or even permanent basis.

In the health care and research fields it has been noted that nonfatal assaults occur nearly four times more often in health care than in all private sector industries combined.

Ideally, the workplace is free of violence, in terms of threats or actions, either verbal or physical.

A comprehensive organisational violence prevention program begins with a zero tolerance for violence policy and is supported by a data collection mechanism to monitor violence, ongoing prevention initiatives, and a post-event support plan.

Work place violence monitoring tools typically capture the type, mode, and severity of the incident and, like safety monitoring tools, support the identification of trends for ongoing intervention and education.

In the event of a severely violent event, the organisational response should encompass a variety of group and individual efforts to support and stabilise the staff and work environment immediately, and in the many months to follow.

Indicators that an individual has potential work place violence:

- Attendance Problems
- Impacts on Supervisor Time
- Decreased Productivity
- Inconsistent Work Patterns
- Poor On-The-Job Relationships
- Concentration Problems
- Safety Issues
- Poor Health/Hygiene
- Continual Excuses – Blame
- Unusual Behaviour
- Fascination with Guns – Weapons
- Possible Drug Alcohol Abuse
- Stress in Personal Life
- Unshakable Depression
- Warning signs that an individual may become violent
- Verbal Threats
- Physical Actions
- Bizarre Thoughts
- Physical Actions
- Inappropriate - Repeated Boundary Crossing
- Angry Confrontations
- Restlessness and Agitation
- Bizarre thoughts:
- Self-Centered Fantasies
- Irrational Violent Associations or Thoughts
- Delusional Commands to Act Violently
- Workplace violence cycle
- Obsession

- Escalation
- Stated Intentions
- Repeated Statements Multiple Reports

If you or a co worker see any of these signs. Please take appropriate actions to report them. Work place violence is becoming a norm. Education is the Key to stopping it.

3.5.6 Counselling

The organisations should hold employee assistance programs or training programs which can be very valuable to workers who are struggling with stress at home and/or in the office.

Self Assessment Questions

State whether the statements are true or false:

i)   An act of violence can help in boosting the image of the organisation

( )

ii) The work place violence can also result in domestic violence.   ( )

iii) The best method to avoid work place violence is to form and adopt certain rules and norms.   ( )

3.6 WORK PLACE HARASSMENT

Work place harassment refers to any kind of an action towards one employee or a group of targeted employees, which makes them uncomfortable at their work place. Such kind of unwanted actions not only hampers the work performance of employees, it also make the employees feel that they are working in a hostile environment. The harassment may be based on such factors as race, gender, culture, age, sexual orientation, or religious preference.

3.6.1 Determining Factors of Work Place Harassment

There are certain factors which act as signs of work place harassment. If these factors are present or is being felt by the employee, then the employee is said to be undergoing an unwanted and uncomfortable harassment. These factors can be pointed out as follows.

The action or conduct of the supervisor, boss or any one concerned in the organisation should be uncomfortable or offensive to the employee.

The employee feels and tries out ways to raise his voice against the unwanted behaviour or the conduct of the concerned person at the work place

The behaviour or the conduct of the concerned person might be having a significant impact on the work performance of the employee. It should be having a negative effect on the work efficiency of the employee.

3.6.2 Types of Work Place Harassment

Work place harassment can target on the age, sex, religion, belief, culture or many other areas of the employee. There can be many forms or types of work

place harassment. The major types of work place harassment are – *Work place Bullying, Work Place Discrimination and Sexual Harassment.*
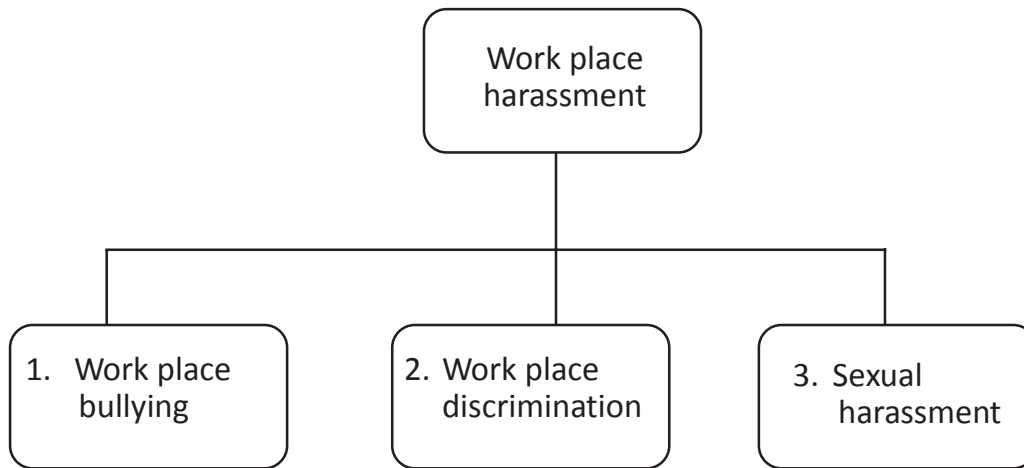
Fig. 3.1: Diagrammatic chart showing different types of work place harassment

3.7 WORK PLACE BULLYING

Work place bullying is an act which can be defined as the behaviour of the boss, supervisor or peer which is harmful for the subordinate or the colleague. Bullying behaviours may differ from humiliation to several other tactics which would in a way try to embarrass or dishonour the target employee or subordinate at the work place. According to certain learned scholars it involves repeated, health-harming mistreatment, verbal abuse, or conduct which is threatening, humiliating, intimidating, or sabotage that interferes with work or some combination of the three. Bullying is characterised by (Einarsen, 1999; Keashly & Harvey 2004; Lutgen-Sandvik, 2006):

- Repetition (occurs regularly)

- Duration (is enduring)

- Escalation (increasing aggression)

- Power disparity (the target lacks the power to successfully defend themself).

- Attributed intent

This distinguishes bullying from isolated behaviours and other forms of job stress and allows the term workplace bullying to be applied in various contexts and to behaviours that meet these characteristics.

3.7.1 Types of Work Place Bullying

On the basis of several researches, the act of bullying at work place can be categorised as:

1) **Pair bullying:** This type of bullying takes place between two people, in which one person is very active and uses all verbal techniques to bully the target person and the other person is silent and just keeps on observing the targeted person.

2) **Sequential bullying:** This is just like the act of a serial killer, in which there is an individual who serially targets one employee after the other and keeps on attacking and destroying them one by one.

3) **Group bullying:** Usually formal or informal groups are formed within organisations. Many a times, these groups act as active gang in mistreating or bullying with employees.

4) **Pressurising or coercive bullying:** Under this type of bullying, the boss or the supervisor forces the subordinates to work, beyond the prescribed time schedule or without appropriate resources.

5) **Cyber bullying:** When the mode of information technology is being used with an intention to harm an individual employee or a group of employee via e mails, short notices, and junk mails and so on, then such an act of bullying is known as cyber bullying.

3.7.2 Acts or Behaviours Involved in Bullying

There are certain typical acts or behaviours which are more or less involved in each and every type of bullying. Evidences show that the following behaviours are typically involved in acts of bullying:

Threat to Professional status: Some of the types of bullying usually involve a kind of humiliation to the target person's efforts or work. It may include claims regarding lack of effort, blame of lower competency skills of the target employee.

Threat to personal standing: Certain acts of bullying try to personally harm the targhet employee. It may involve sarcasm, making inappropriate jokes, teasing or insulting the employee under target.

Seclusion: The persons who try to bully or harm certain employee may completely keep the target individual in an isolated environment. They may withhold necessary information; prevent access of opportunities to the target employee.

Self Assessment Questions

State whether the following statements are true or false:

i)   Under coercive type of work place bullying, the boss or the supervisor forces the subordinates to work, beyond the prescribed time schedule or without appropriate resources.   (   )

ii) Group bullying is a kind of work place bullying which specifically uses the mode of information technology.   (   )

iii) Work place bullying never involves humiliation to the target person's efforts or work.   (   )

3.8   WORK PLACE DISCRIMINATION

Discrimination at work place refers to any kind of conduct, action, behaviour or decision which is taken against an employee on basis of some prejudice or filthy beliefs. The employees may be discriminated on the basis of age, sex, race, culture. Discrimination occurs when an employee suffers unfavourable or unfair treatment

due to their race, religion, national origin, disabled or veteran status, or other legally protected characteristics. This group could also include employees who suffer reprisals for opposing work place discrimination or for reporting violations to the authorities.

3.8.1 Determining Discrimination

The employer or co-workers can be charged and sued on a number of legal theories that cover discrimination on the job. According to Nolo.com, specific acts of work place discrimination include intentional or negligent infliction of emotional distress, harassment, assault, battery, invasion of privacy, defamation, interference with an employment contract, and wrongful termination. In all such case it is the duty or responsibility of the victim employee to resolve such kind of discriminations. They may directly talk to the employer or superior or may also file a complaint against them under the grounds of right to work.

3.8.2 Effects of Discrimination in the Work Place

Work place discrimination has several adverse outcomes. Some of them are:

1) It has a negative effect on the transactions of the organisation and also hampers the company's reputation.

2) It restricts the advancement to certain groups or types of employees.

3) It lowers down the empoloyee commitment and increases the rate of turnovers

4) It categories and creates a strata or group of people which may turn out to be hostile in nature.

3.8.3 Sexual Harassment in Work Place

Sexual harassment is a kind of threat, pressure, coercion or bullying and is totally on basis of the sex of the victim employee or employees. It can also be in form of a promise of rewards in exchange for sexual favors. The act of sexual harassment may also be in form of an unwelcome sexual gesture or behaviour whether directly or indirectly as sexual remarks; physical contact and advances; showing pornography; a demand or request for sexual favours; any other unwelcome physical, verbal/non-verbal conduct being sexual in nature. According to India's constitution, sexual harassment invades the fundamental right of a woman to gender equality under Article 14 of the Constitution of India and her right to life and live with dignity under Article 21 of the Constitution. Although there is no specific law against sexual harassment at workplace in India but many provisions in other legislations protect against sexual harassment at workplace, such as Section 354, Indian Penal Code (IPC) deals with "assault or criminal force to a woman with the intent to outrage her modesty, and Section 509, IPC deals with "word, gesture or act intended to insult the modesty of a woman".

3.8.4 Steps to Prevent Sexual Harassment

No doubts there are certain articles and amendments done in order to protect the act of sexual harassment at work place. But as said, 'prevention is always better than cure'. Then instead of waiting for the incidents to happen, the organisation as well as employees can take care of several factors in advance. Some of the steps which can be followed in order to avoid such unwanted actions can be as follows:

i)   The management may place notices, publish articles as well as circulate notifications against the prohibition of sexual harassment

ii) As regards private employers, steps should be taken to include the aforesaid prohibitions in the standing orders under the Industrial Employment (Standing Orders) Act, 1946.

iii) The work environment as well as the work conditions should be as such that there is no hostile environment towards women at work places and no employee woman should have reasonable grounds to believe that she is disadvantaged in connection with her employment.

iv) The organisations should formulate certain policies norms as well as disciplinary actions against such misconducts.

v)   The organisation should form certain committee which can facilitate victim employees to complain and deal with such kind of harassment.

3.9   LAWS AGAINST WORK PLACE VIOLENCE AND HARASSMENT

The constitution of India has enacted several laws in order to protect the employees against exploitation, violence and harassment at work place. Some of them can be pointed out as follows.

3.9.1   Workers Compensation Act of 1951

The Workers Compensation Act of 1951 act provides reimbursement for time off work as well and medical costs associated with medical conditions arising from injuries which might have occurred due to the incident of work place violence. A claim form must be completed and lodged with the worker's employer. The employer is obligated to forward the claim to their insurer for consideration.

The sections of the IPC have declared the act of sexual harassment at work place to be a criminal offence. Though, no laws have been amended against sexual harassment at work place, yet certain sections of IPC have regulated certain rules and guidelines against it. They can be mentioned as follows:

1)   **Section 294:** This section mentions that a person or a group of person will be punished with imprisonment of either description for a term that may extend to three months, or with fine, or with both to the annoyance of others, if the person (a) does any obscene act in any public place, or (b) sings, recites and utters any obscene songs, ballads or words, in or near any public space'.

2)   **Section 354:** The section mentions that an individual or group of individuals shall be punished with imprisonment for a term which may extend to two years, or with fine, or with both if they assault or use criminal force on any woman, intending to outrage her modesty or knowing it likely that he will thereby outrage her modesty.

3)   **Section 509:** The section holds that who ever intends to insult the modesty of a woman, utters any word, makes any sound or gesture, or exhibits any object, intending that such word or sound shall be heard, or that such gesture is seen by such woman, or intrudes upon the privacy of such woman, shall be punished with simple imprisonment for a term which may extend to one year, or with fine, or with both.'

3.9.2 Indecent Representation of Women (Prohibition) Act (1987)

According to this act, if an individual harasses another with books, photographs, paintings, films, pamphlets, packages, etc. containing the "indecent representation of women", they are liable for a minimum sentence of 2 years. Section 7 (Offenses by Companies) further holds companies where there has been "indecent representation of women" (such as the display of pornography) on the premises, guilty of offenses under this act, with a minimum sentence of 2 years.

3.9.3 Federal Law against Age Discrimination in Employment Act

The ADEA's broad ban against age discrimination prohibits statements or specifications in job notices or advertisements of age preference and limitations. An age limit may only be specified in the rare circumstance where age has been proven to be a bona fide occupational qualification (BFOQ) and also prohibits the denial of benefits to older employees.

3.9.4 Federal Law through Equal Pay Act

The EPA prohibits discrimination on the basis of sex in the payment of wages or benefits, where men and women perform work of similar skill, effort, and responsibility for the same employer under similar working conditions.

Self Assessment Questions

Fill in the blanks

i)   Sexual harassment is a kind of threat, pressure, coercion or bullying and is totally on basis of _____ of the victim employee or employees.

ii) Discrimination at work place refers to any kind of _____ which is taken against an employee on basis of some prejudice or filthy beliefs.

iii) Work place discrimination has a _____ effect on the transactions of the organisation and also hampers the company's reputation.

3.10 LET US SUM UP

The above explanations thereby explain that, no two individuals can have a same kind of thinking. It is because of these individual differences, there happens to be clashes, conflicts, violence and acts of harassment at work place or organisations. Keeping this in mind, the organisation has to take all required steps which can help in minimising as well as preventing such incidences to occur. The constitution of India is also readily amending acts and laws which might help in dealing with such cases.

3.11 UNIT END QUESTIONS

1) What do you understand by the term 'work place violence'? Explain the different types of work place violence.

2) How can you stop the occurrence of work place violence?

3) Describe the different types of harassment at work place.

4) Suggest different ways through which an organisation can try to cope up with the incidences as well as outcomes of work place violence and harassment.

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UNIT 4 LAWS RELATED TO HUMAN RIGHTS VIOLATION

Structure

4.0 INTRODUCTION

On humanitarian grounds, the government bodies have taken the responsibility of providing several rights to human beings (but not necessarily at work place) and these rights are specifically known as 'Human rights'. Each nation provides several rights to human. The present unit will deal with these human rights, its advantages and also the punishments and harms if any one violates or misuses these rights.

4.1 OBJECTIVES

On completing this unit, you will be able to:

- Describe the meaning and concept of human rights;

- Explain the significance of human rights;

- Categorise the different types of human rights in India;

- Discuss some of the types of human right violation; and

- Discuss the strategies and responses against human right violation.

4.2 CONCEPT AND MEANING OF HUMAN RIGHTS

The concept of human rights refers to the basic freedom which a nation provides to its citizen in certain specific areas, regions, spaces and categories. As a human and citizen of a particular nation, the humans are entitled to enjoy freedom in various activities as well. Such entitlements can be in form of norms that are being shared on the grounds of actual human moralities, as justified moral norms or natural rights (for example – right to eat, study, etc.) or they can also be the legal rights either at a national level or international level.

The fundamental rights that humans have by the fact of being human, and that are neither created nor can be abrogated by any government.

Supported by several international conventions and treaties (such as the United Nation's Universal Declaration of Human rights in 1948), these include cultural, economic, and political rights, such as right to life, liberty, education and equality before law, and right of association, belief, free speech, information, religion, movement, and nationality. Promulgation of these rights is not binding on any country, but they serve as a standard of concern for people and form the basis of many modern national constitutions. Although they were defined first by the Scottish philosopher John Locke (1632-1704) as absolute moral claims or entitlements to life, liberty, and property, the best-known expression of human rights is in the Virginia Declaration of Rights in 1776 which proclaims that "All men are by nature equally free and independent and have certain inherent rights, of which, when they enter a state of society, they cannot, by any compact, deprive or divest their posterity." Called also fundamental rights. See also civil rights and natural rights.

The basic idea of human rights is that every person possesses dignity by the fact alone of being a person. Human rights, which are inalienable and indivisible, protect this dignity. The concept of human rights is based on a universal system of values shared by all peoples, which offers a framework for the construction of a human rights system with internationally recognised norms and standards. Human rights norms regulate the relationship between the state and the people living under its responsibility. Governments have the obligation to respect, protect and guarantee the rights and freedoms of people through appropriate legislation and measures.

For example, the state must respect the freedom of opinion or privacy of the individual. Not only is it not allowed to intervene in peaceful demonstrations, but it must also take active steps to protect demonstrators from aggression by

counter-demonstrators. Through preventive measures and the punishment of violence it also safeguards the prohibition on torture and inhuman or cruel treatment. Finally the state has the task of providing schools, hospitals, teachers and doctors so as to guarantee the right to education and health care.

The first comprehensive and universally valid human rights document was the United Nations Universal Declaration of Human Rights, which was adopted in 1948 in the aftermath of the horrors of the Second World War. The Declaration contains all the various categories and principles of the human rights system.

There are civil and political rights; economic, social and cultural rights; and solidarity rights. Certain basic human rights principles apply to all these rights. For example, no one may be discriminated against on the grounds of origins, colour, religion, sex, age, language or assets. Moreover, states must provide every person with effective legal recourse to assert guaranteed rights. Finally, all people should be in a position to determine the way in which their rights are realised. For example, the right to education includes the right of parents to decide whether their children attend a state school or a Montessori school.

The main civil and political rights are:

- right to life, liberty and security of person
- prohibition of slavery
- prohibition of torture
- right to a fair trial
- protection of privacy and family life
- freedom of movement
- freedom of opinion and religion
- freedom of assembly and association
- right to vote

The main economic, social and cultural rights are:

- right to work, reasonable pay and free choice of employment
- right to form trade unions
- right to a reasonable standard of living, right to food
- right to reasonable health care
- right to education
- right to participate in cultural and social life

The main solidarity rights are:

- right of peoples to self-determination
- right to peace
- right to a clean environment
- right to development

Civil and political rights are sometimes called first-generation human rights. They arose during the Enlightenment in the 18th century and reflect the idea of

individual freedom with respect to the state and the democratic idea of participation. Second-generation human rights are the economic, social and cultural rights that developed during the labour movements of the 19th and 20th centuries. The third generation of human rights, solidarity rights, have existed since the mid-1980s. They are contingent on international cooperation and aim at the formation of a community.

With an urge to protect the interests and dignity of human beings the United Nation General Assembly constituted the Universal Declaration of Human Rights in 1948.

4.3 UNIVERSAL DECLARATION OF HUMAN RIGHTS (1948)

The United Nations General Assembly (1948) adopted **Universal Declaration of Human Rights (UDHR)** with a resolution to fight for human rights for the citizen of the member countries. UDHR urges member nations to promote a number of human, civil, economic and social rights, asserting these rights as part of the "foundation of freedom, justice and peace in the world. The UDHR was framed by members of the Human Rights Commission and it was decided that the civil, political, economic, social and cultural rights of human beings will be taken care of and will be protected. UDHR currently has two basic treaties or contracts – one of them is on civil and political rights, known as, International Covenant on Civil and Political Rights (ICCPR) while the other is on social, economic, and cultural rights, Known as, the International, Covenant on Economical, Social and Cultural Rights (ICESCR)

The United Nations (UN) came into being in 1945, shortly after the end of World War II.

The stated purpose of the UN is to bring peace to all nations of the world. After World War II, a committee of persons headed by Mrs. Eleanor Roosevelt, the wife of US President Franklin D. Roosevelt, wrote a special document which "declares" the rights that everyone in the entire world should have—the Universal Declaration of Human Rights. Today there are 192 member states of the UN, all of whom have signed on in agreement with the Universal Declaration of Human Rights.

4.3.1 Where Do Universal Rights Begin?

"In small places, close to home—so close and so small that they cannot be seen on any maps of the world. Yet they are the world of the individual person; the neighbourhood he lives in; the school or college he attends; the factory, farm or office where he works. Such are the places where every man, woman, and child seeks equal justice, equal opportunity, equal dignity without discrimination. Unless these rights have meaning there, they have little meaning anywhere. Without concerted citizen action to uphold them close to home, we shall look in vain for progress in the larger world."

There are in all 30 Articles in this each dealing with certain important rights of the human being.

1) **We Are All Born Free & Equal:** We are all born free. We all have our own thoughts and ideas. We should all be treated in the same way.

2) **Don't Discriminate:** These rights belong to everybody, whatever our differences.

3) **The Right to Life:** We all have the right to life, and to live in freedom and safety.

4) **No Slavery:** Nobody has any right to make us a slave. We cannot make anyone our slave.

5) **No Torture**: Nobody has any right to hurt us or to torture us.

6) **You Have Rights No Matter Where You Go:** I am a person just like you!

7) **We're All Equal Before the Law:** The law is the same for everyone. It must treat us all fairly.

8) **Your Human Rights Are Protected by Law:** We can all ask for the law to help us when we are not treated fairly.

9) **No Unfair Detainment:** Nobody has the right to put us in prison without good reason and keep us there, or to send us away from our country.

10) **The Right to Trial:** If we are put on trial this should be in public. The people who try us should not let anyone tell them what to do.

11) **We're Always Innocent Till Proven Guilty:** Nobody should be blamed for doing something until it is proven. When people say we did a bad thing we have the right to show it is not true.

12) **The Right to Privacy:** Nobody should try to harm our good name. Nobody has the right to come into our home, open our letters, or bother us or our family without a good reason.

13) **Freedom to Move:** We all have the right to go where we want in our own country and to travel as we wish.

14) **The Right to Seek a Safe Place to Live:** If we are frightened of being badly treated in our own country, we all have the right to run away to another country to be safe.

15) **Right to a Nationality:** We all have the right to belong to a country.

16) **Marriage and Family:** Every grown-up has the right to marry and have a family if they want to. Men and women have the same rights when they are married, and when they are separated.

17) **The Right to Your Own Things:** Everyone has the right to own things or share them. Nobody should take our things from us without a good reason.

18) **Freedom of Thought:** We all have the right to believe in what we want to believe, to have a religion, or to change it if we want.

19) **Freedom of Expression:** We all have the right to make up our own minds, to think what we like, to say what we think, and to share our ideas with other people.

20) **The Right to Public Assembly:** We all have the right to meet our friends and to work together in peace to defend our rights. Nobody can make us join a group if we don't want to.

21) **The Right to Democracy:** We all have the right to take part in the government of our country. Every grown-up should be allowed to choose their own leaders.

22) **Social Security:** We all have the right to affordable housing, medicine, education, and childcare, enough money to live on and medical help if we are ill or old.

23) **Workers' Rights:** Every grown-up has the right to do a job, to a fair wage for their work, and to join a trade union.

24) **The Right to Play:** We all have the right to rest from work and to relax.

25) **Food and Shelter for All:** We all have the right to a good life. Mothers and children, people who are old, unemployed or disabled, and all people have the right to be cared for.

26) **The Right to Education:** Education is a right. Primary school should be free. We should learn about the United Nations and how to get on with others. Our parents can choose what we learn.

27) **Copyright:** Copyright is a special law that protects one's own artistic creations and writings; others cannot make copies without permission. We all have the right to our own way of life and to enjoy the good things that art, science and learning bring.

28) **A Fair and Free World:** There must be proper order so we can all enjoy rights and freedoms in our own country and all over the world.

29) **Responsibility:** We have a duty to other people, and we should protect their rights and freedoms.

30) **No One Can Take Away Your Human Rights.**

Self Assessment Questions

Fill in the blanks-

i) The United Nations General Assembly adopted Universal Declaration of Human Rights (UDHR) in _____

ii) The UDHR was framed by _____

iii) The two basic treaties of UDHR are _____

4.4 LAWS RELATED TO HUMAN RIGHTS IN INDIA

In India the Human Right Act, 1993 is the Act which provides for the constitution of 'National Human Rights Commission, the State Human Rights Commission in States and Human Rights Courts' for better protection of Human Rights and for matters connected therewith or incidental thereto. This Act is called the Protection of Human Rights Act, 1993. It extends to the whole of India. and is

deemed to have come into force on the 28th day of September, 1993 where by "human rights" means the rights relating to life, liberty, equality and dignity of the individual guaranteed by the Constitution or embodied in the International Covenants and enforceable by courts in India.

The Human Rights Commission in India consists of:

1)   Chairperson who has been a Chief Justice of the Supreme Court.

2)   One Member who is or has been, a Judge of the Supreme Court.

3)   One Member who is, or has been, the Chief Justice of a High Court.

4)   Two Members appointed from amongst persons having knowledge of, or practical experience in, matters relating to human rights.

The Chairpersons of the National Commission for Minorities, the National Commission for the Scheduled Castes and Scheduled Tribes and the National Commission for Women are deemed to be Members of the Commission for the discharge of functions specified in clauses (b) to (j) of section 12.

Chief Executive Officer of the Commission is a Secretary General and is empowered by law to exercise such powers and discharge such functions of the Commission as it may delegate to him. The headquarters of the Commission are at Delhi and the Commission can, with the previous approval of the Central Government, establish offices at other places in India. It is important for all citizens to know that 'No statement made by a person in the course of giving evidence before the Commission' shall be used against him in, any civil or criminal proceeding except a prosecution for giving false evidence by such statement but one must not forget that this is only applicable if the statement made is in reply to the question, which he is required by the Commission for him to answer, or is relevant to the subject matter of the inquiry. A State Government may constitute a Human Rights Commission to exercise the powers conferred upon, and to perform the functions assigned to by the respective State Commission. The State Commission consists of a Chairperson who has been a Chief Justice of a High Court, A Member who is, or has been, a Judge of a High Court, A Member who is, or has been, a district judge in that State along with two Members appointed from amongst persons having knowledge of, or practical experience in, matters relating to human rights.

There shall be a Secretary who shall be the Chief Executive Officer of the State Commission and shall exercise such powers and discharge such functions of the State Commission, as it may delegate to him. The headquarters of the State Commission shall be at a place deemed fit for the purpose by the State Government. A State Commission may inquire into violation of human rights only in respect of matters related to any of the entries enumerated in List II and List lll in the Seventh Schedule to the Constitution, provided that such matter is not already being inquired into by the Commission or by any other Commission duly constituted under any law. In addition to this the Government may, with the concurrence of the Chief Justice of the High Court, by notification, also specify for each district a Court of Session to be a Human Rights Court to try the said offences.

The picture of human rights in India is a multifaceted one, due to its large size, diversity, secularism, sovereignty, democratic and republic nature. The

constitution of India has provided six basic fundamental rights to the citizens of India. They can be described as follows:

4.4.1 Right to Equality

Right to equality is an important right provided for in Articles 14, 15, 16, 17 and 18 of the constitution. It is the principal foundation of all other rights and liberties.

Article 14 declares irrespective of the caste, creed, colour, sex, religion, all citizens shall be treated equally protected by the laws of the country.

Article 15 declares that no person shall be discriminated on the basis of caste, colour, language etc. in social or public places. Every person shall have equal access to public places like public parks, museums, wells, bathing ghats and temples etc. However, the State may make any special provision for women and children.

Article 16 states that the State cannot discriminate against anyone in the matters of employment. All citizens can apply for government jobs. There are some exceptions. The Parliament may enact a law stating that certain jobs can only be filled by applicants who are domiciled in the area. How ever, according to the *Citizenship (Amendment) Bill*, 2003, this right shall not be conferred to the citizens residing outside the country.

Article 17 eliminates the practice of untouchability and treats it as an offence.

Article 18 of the constitution prohibits the country from conferring any titles. The British government had created an aristocratic class known as *Rai Bahadurs* and *Khan Bahadurs* in India — these titles were also abolished.

4.4.2 Right to Freedom

The articles 19, 20, 21 and 22 of the constitution of India provide a *freedom of speech and expression* in order to enable an individual to participate in public activities. Further it also provides *freedom of press*. Reasonable restrictions can be imposed in the interest of public order, security of State, decency or morality. Further, the citizens of India have been provided a *freedom to assemble peacefully* without arms, freedom to form associations or unions, *freedom to move freely throughout the territory of India, freedom to reside and settle in any part of the territory of India, freedom to practice any profession or to carry on any occupation, trade or business* on which the State can impose reasonable restrictions on this freedom in the interest of public order, morality and the sovereignty and integrity of India.

4.4.3 Right against Exploitation

The rights against exploitation are mentioned in articles 23 and 24. The articles provide an elimination or abolition of trading of human beings as well as forcing them to work. It also abolishes employment of children (that is, child labour) below the age of 14 years in dangerous jobs like factories and mines.

4.4.4 Right to Freedom of Religion

The article 25, 26, 27 and 28 declares that any citizens of India are free to adopt, practice and follow any religion. The constitution believes that all religions are equal before the State and no religion shall be given preference over the other.

4.4.5 Right to Constitutional Remedies

Right to constitutional remedies is a step taken to preserve and safeguard the fundamental rights of its citizens in court and in front of law. It authorises the citizens to move a file a case and fight for justice if in case the fundamental rights of the individual is being denied. For instance, in case of imprisonment, the citizen can ask the court to see if it is according to the provisions of the law of the country. If the court finds that it is not, the person will have to be freed.

4.4.6 Right to Property

The articles 19 and 31of the constitution facilitates the citizens of India to acquire, hold and dispose off property. Article 31 provided that "no person shall be deprived of his property save by authority of law." It also provided that compensation would be paid to a person whose property has been taken for public purposes. How ever, in 1978, the right to property was removed from the list of fundamental rights, due to certain circumstances. Therefore, the right to property is no longer a fundamental right, though it is still a constitutional right.

4.4.7 Right to Education

The right to education came in to action since 2010. The right declares that every child of 6-14yrs age group has a right to get the basic or elementary education. It is the duty of the Central and the local governments to ensure that the children of the mentioned age group including the school drop outs (who have left schooling) as well as the deprived children gets the elementary education.

Self Assessment Questions

State whether the statements are true or false:

1) The right to property says that "the persons can be deprived of his property save by authority of law."   ( )

2) Right to constitutional remedies is a step taken to preserve and safeguard the fundamental rights of its citizens in court and in front of law.( )

3) Any citizens of India are free to adopt, practice and follow any religion.
                                                                                ( )

4) Right to equality is an important right provided for in Articles 14, 15, 16, 17 and 18 of the constitution.   ( )

5) Freedom of speech is one of the human rights of India, which can be misused at times.   ( )

4.5 HUMAN RIGHTS VIOLATION

The state, constitution and governments have declared several rights for humans in order to provide them a secured life. It acts a facilitator as well as privilege for every human or citizen in leading a comfortable life. But what if people start misusing or abusing such fundamental human rights? No doubt there have been instances where such rights have been misused or violated for the purpose of self benefit. Following are some of such instances of human right violations:

4.5.1 Misuse of the Internet

No doubt the freedom of expression is one of the fundamental rights of human being due to which internet has become a unique mode of communication. It is one of the sources that provide an opportunity to the individuals to express their ideas and opinion directly to the world. Internet also provides the advantage of exchanging information between people. But, it has also given a way to cyber crime, terrorist attacks, conflicts and unwanted wars as well. Such misuse of internet has lead to a serious violation of freedom of expression.

4.5.2 Human Trade

The constitution has amended acts which prohibits the action of exploitation of people be it in the form of child labours, female workers and so on. Yet, for the sake of earning profits and several other benefits, the trend of trading (buying and selling) of human beings has remained equally active at several parts of our country.

4.5.3 Custodial Violence

Another example of violation of human rights can be mapped out at the custodies and jails. The major concerns are the custody death, torture in custody and custodial rape. These acts and mishaps question out the laws formulated for the civil rights and safe living of human beings.

4.5.4 Land Alienation

The right to property has been questioned at several places where the tribes and communities are loosing their lands for the sake of several developmental projects like housing schemes, upcoming schools.

4.5.5 Sexual Harassment at Work Place

The right to work has been misused constantly. The complaints of physical and mental harassment have duly increased at the working places. This issue requires a necessary attention as well as action to be taken for the security and democracy of the women power.

4.5.6 Concern of Forest Dwellers

For the sake of conservation of forests, the tribes and people residing in forest have been constantly been forced to leave the forest places. This has ultimately raised questions against the right to own resources.

4.5.7 Homicide

The controversies of the dowry deaths, missing women, abortion of girl child and torture of married women are also the areas which shows how brutally the human rights are being violated at home environment.

4.6 STRATEGIES, LAWS AND RESPONSES AGAINST HUMAN RIGHTS VIOLATION

The state, nation as well as several activists have actively tried to lessen or control these violation of human rights. Some of the strategies are as follows:

4.6.1 Human Rights Act, 1993

With an aim to keep a control or check on violation of human rights, a body called as human rights commission was set up under human rights act, 1993. The Central Government constituted a body known as the National Human Rights Commission to exercise the powers conferred upon, and to perform the functions assigned to it, under this Act. The commission meets at regular times and intervals to discuss any petition submitted by a victim of human right violation as well as intervene the process of any allegation of human right violation which might be pending at courts.

4.6.2 Promoting the Right to Information

Several authors have written articles and novels using the examples of the events of the societies. These literary works have used the past examples as icons and are creating awareness amongst human beings so that they do not fall prey to these violations. The government even has telecasted several promos, advertisements and documentaries in order to catch hold of these activities.

4.6.3 Peace Committees

Several NGO's have formed human right groups which keep on sending some members as peace committee to the areas which have been affected or are about to get affected due to political violation of conflicts. These groups have actively been involved in several areas like West Bengal, Tamil Nadu, and Kashmir.

4.6.4 Legislation

The legislation body is also actively trying to amend the acts and laws according to the current requirement and changing human needs. The acts are amended in order to keep a check over the rights which can prevent the human violation.

4.6.5 Campaigns

Camping and short training programs often accompany other interventional programs, which can create public awareness of the do's and don'ts of human rights. These campaigns also suggest steps that are required to be taken in order to avoid as well as prevent human right violation as well as exploitation.

4.6.6 Help Lines

Government has also provided several help line numbers in order to protect female molestations, farmer suicides and child exploitation. The victims can call and seek help as per their requirement at the help line numbers.

4.6.7 Human Right Courts

Setting up of human right courts have also been proposed under human right act, (1993) at district levels. These courts will deal with the cases of the human right violation and keep a check over such activities.

4.6.8 Compensation

Government has decided to pay some amount as a compensation (also known as ex gratia payments) to the victims or the sufferers. Such payments are made to those sufferers who has fallen victim of some conflict, terrorist activity or other related mishaps.

4.6.9 National Commission for Women

In order to protect the women section from deprivations, tortures and harassments a body of national commission for women was set up by a statute in 1990. It was opened in order to safeguard the interest and protect the women section from any kind of mishaps.

Self Assessment Questions

State whether the statements are true or false:

i)   The legislation body is also actively trying to amend the acts and laws according to the current requirement and changing human needs(   )

ii) The right to work has never been misused.   (   )

iii) Several NGO's have formed human right groups which keep on sending some members as peace committee.   (   )

iv) National commission for women was set up by a statute in 2011.(   )

4.7 LET US SUM UP

No doubt the government at its level is trying hard to make all individuals at an equal level or at par at every circumstance. It is our duty to maintain the dignity of the laws and acts formulated for us. Human rights are so far good until it is being utilised for the betterment of the society. It can thus be concluded from the above section, that human rights violation is totally unethical and the state tries its best to fight against these violations. It keeps on amending acts, formulating bodies and takes several measures in order to control these unwanted activities. Yet, one should be aware at their own part also regarding their rights and also avoid themselves from being a part of human rights violation.

4.8 UNIT END QUESTIONS

1) Describe the meaning and concept and significance of human rights.

2) Categorise the different types of human rights in India.

3) Discuss some of the types of human right violation.

4) Discuss the measures taken to prevent the human rights violation.

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UNIT 1   GOALS AND OBJECTIVES OF HUMAN RESOURCE PLANNING, CORPORATE SOCIAL RESPONSIBILITY

Structure

1.0   Introduction

1.1   Objectives

1.2   Principles of Human Resource Planning

1.3   Goals and Objectives of Human Resource Planning

1.4   Factors Affecting Human Resource Planning

1.5   Significance of Human Resource Planning

1.6   Concept of Corporate Social Responsibility (CSR)

1.7   Definition of Corporate Social Responsibility

1.8   Types of Corporate Social Responsibility

1.9   Significance of Corporate Social Responsibility

1.0   INTRODUCTION

Human resource planning is a very crucial as well as sensitive matter for organisations and the corporate world. It is the back bone which is ultimately going to support and meet the targets and values of organisations. It is essential that, before any human resource activity is taken up by the human resource department, suitable planning is carried out in order to ensure smooth implementation and successful outcome of that activity. Thus the human resource manager and the concerned personnel have to put in an effort in planning each and every human resource activity taking in to consideration the organisational goal and objectives. The present unit will basically focus on the goals and objectives of the human resource planning. While talking about the human resource planning, it will be unfair if the responsibilities of the corporate world (also known as 'corporate social responsibility') will not be discussed. There by, the present unit also intends to introduce the concept of corporate social responsibility and its significance.

1.1   OBJECTIVES

With the help of this unit, you will be able to:

*   Discuss the basic principles of human resource planning;

*   Explain the goals and objectives of human resource planning;

*   Describe the concept of the corporate social responsibility; and

*   Highlight the significance of the corporate social responsibility.

1.2   PRINCIPLES OF HUMAN RESOURCE PLANNING

Just to add on to the previous discussions on human resource planning in the earlier block (refer Block1, Unit 1 on 'human resource planning'); it becomes essential to recollect and revise the basic principle of human resource planning. Based on the following principles an effective organisation can utilise the potentials of the human resource in the best possible ways:

1.2.1   Setting Up of a Human Resource Planning Unit

Organisations, more preferably having a larger work force should set up a cell or a unit which should be totally dedicated to the roles and responsibilities of human resource planning. The basic objective of this unit should be to coordinate and settle the requirements of the human resource (that is, the work force) of the organisation. It would also be responsible for updating and standardizing the personnel working in the organisation. The unit should also prepare a frame work or a plan which can help out in upliftment of the members of the organisation as well as the best utilisation of these members for the upliftment of the organisation. Wherein, in smaller organisations, these responsibilities can be tackled by a senior executive.

1.2.2 Planning a Time Span of the Planning of Managing Human Resource

There should be comprehensive plan for the best management of human resource, which should be prepared by the human resource planning unit or division, in advance. Such plans will act as a frame work or guide for the necessary actions that are required to be taken regarding the betterment and upgrade of the human resource of the organisation for a specific time period. This specific time period of the plan can range from one year to any number of years which suits the requisition of the organisation.

1.2.3 Determination of the Scope and Details of the Plan

The plan should have all the details that might be used in the near future. It should have information regarding the required qualifications for each designation, recruitment policies, training strategies and the step by step process of grievance redressal of the employees.

1.2.4 Accurate Information

It is important to note that the details and descriptions of the required plans and strategies should be as clear and accurate as possible. It should have clarity on the upcoming trends that would likely have an effect on the future recruitments, salaries, promotions and jobs. It should also include the correct biographic and other required information of each and every employee in its record.

1.3 GOALS AND OBJECTIVES OF HUMAN RESOURCE PLANNING

It should be kept in mind that human resource planning is an activity which can not be done in isolation. It is a more kind of pro-active attitude rather than being a reactive attitude, which means that, the unit of human resource planning should be active in taking all precautions in advance which would help out the employees and it should not be active after the occurrence of any repercussions. The human resource planning unit also recognizes that there must be a link between the planning function and other functions of the organisation, such as, the strategic planning and market demands. It helps out in developing and maintaining the following strategies within the organisation which can be pointed out as the following objectives of human resource planning:

1.3.1 The Planning Aims to Assess the Strategies of Human Resource Management

The plans and actions of the human resource help in managing the human resource of the organisation. It acts as a guide and helps out in assessing the work and contribution of the present employees in the organisational output.

1.3.2 The Planning Aims to Predict Future Requirements

The function of human resource planning helps in determining the future needs. Thus, with the help of the present records of persons and events, the human resource planning tries to predict the future needs and requirements of the organisation.

1.3.3 It Helps in Assessing Training Needs of the Human Asset

With the help of the records of the employees, human resource planning can also help in assessing and identifying those persons who needs to be trained in in order to meet the requirements of the organisation.

1.3.4 It Aims to Determine the Cost Cutting Strategies of the Organisation

Organisations can minimize the cost or expenditure by deciding the strategies of the utilisation of the human resource in the best possible way. It can plan out the ways in which the present employees can be managed and motivated to achieve the organisational goal. With the help of actions of planning the organisation can also identify the ways in which minimum cost can be incurred on compensation, training, recruitment and other related organisational activities.

1.3.5 The Human Resource Planning also Helps in Meeting the Professional Competencies

The action of human resource planning helps in updating the present employees and recruiting employees which can help the organisation to be at par with the competitors. This therefore helps the employees to excel their performance and be perfect in their profession.

1.3.6 It Helps in Meeting the Demands of the Customers

In this day to day changing life, where nothing is stable, there is a rapid change in the taste preferences and demands of customers. With the help of future based action plans, the organisation can also predict the upcoming requirements of the customer or client's side. The organisation tries its best to meet the maximum needs of the market or the customer with the help of using its trained human resource in the best possible way.

1.3.7 It aims to Manage Organisational Change

Organisational development and organisational change are two sides of the same coin. Organisation has to bring changes for its continuous development and these changes can not happen without proper planning. There by, the division of human resource planning also aims to help the organisation in change management with the help of its professionally skilled employees.

1.3.8 It Helps in Managing the Diverse Work Force

Undoubtedly, organisations have a diverse and heterogeneous work force. The employees differ from each other on the basis of several criteria like – education, experience, competencies, age, gender and so on. The human resource planning helps in maintaining each and every minute detail of the employees which makes it easy for the authorities and management to locate and find out the personal details of any employee with the help of these personal records.

Self Assessment Questions

Fill in the blanks

i) Organisations can minimize the cost or expenditure by deciding the strategies of the utilisation of the _____ in the best possible way.

ii) Human resource planning can help out in upliftment of the _____ of the organisation.

iii) The human resource planning also helps in meeting the _____ competencies.

iv) There should be _____ for the best management of human resource which should be prepared by the human resource planning division.

1.4 FACTORS AFFECTING HUMAN RESOURCE PLANNING

Human resource planning is the primary activity of human resource management and which basically identifying the number of people required in terms of quality and quantity. It is the foundation upon which all related activities and functions of organisation are dependent. Therefore, there are several factors which influence the activity of human resource planning. Some of them can be pointed out as follows:

1.4.1 Trend of Employment Opportunity

There are certain economic factors of the nation which can equally affect the human resource planning of the organisations of that country. For example, if a country has high population, then the government can pressurize the organisations to employ as much as people as possible in order to maintain the earnings of the citizens. In such a case, the planning should divide the tasks to a larger work force.

1.4.2 Demographic Factors

The function of human resource planning is equally affected by the demographic factors of the people of the society. It is difficult and complex for the organisations to keep a control on the age, composition and population of work force. The total number of people who get retire every year may not be equivalent to the number of people joining the same organisation every year. This creates a situation of challenge for the human resource planning division, as their plans are based on the nature, kind, age and composition of the work force.

1.4.3 Organisational Change

Mergers and acquisitions of organisations have led several organisations to work in a united way. When organisations of different nature and culture unite, the human resource planning is duly affected. No doubt people of different organisations have their own culture, where their own societal norms might also be totally different. In such a case it is challenging for the human resource planning to manipulate their attitude according to the needs of the organisation.

1.4.4 Diverse Work Force

The activities of human resource planning are also affected due to the heterogeneous nature and diverse work force of the organisations. Each organisation has employees different in age, caste sex, educational qualification, designation, experience and so on. In such a case it becomes difficult for the planning division to cater the needs of the employees as well as organisation.

1.4.5 Turn over Rate of Organisations

The human resource planning division takes in to account the details of the organisation before hand and then implements the changes accordingly. Since, the commitment of employees is questionable and also unpredictable to an extent, the trend of people leaving and joining other organisations, affects the activity of the planning division of the organisation.

1.5 SIGNIFICANCE OF HUMAN RESOURCE PLANNING

As discussed earlier, the human resource planning division is the actual part of human resource management where actions are planned and executed. It is the back bone of the organisation. Some of the important implications of this division can be pointed out as follows:

1.5.1 It Helps in Determining the Recruitment and Selection Procedure of the Organisation

No organisations can afford a surplus amount of employee, as it will be sheer wastage of money and underutilised work force for them. Also, they can not manage with the employees lesser than the actual required work force. It is the human resource planning division which investigates and then decides the number of employees that are required for a particular job within organisation.

1.5.2 It Helps in Retaining the Human Resource of the Organisation

The division tries to find out the ways by which the organisation can retain its skilled employees. It tries to find out the different needs and requirements of the staff personnel who are equally important for the organisation and then tries to motivate them to retain their job within the organisation.

1.5.3 It Helps in Identifying the Future Needs

With the help of the present and past scenario of the organisation, the human resource planning division tries to identify the upcoming trends and provisions for development of the organisation. It also tries to predict the future changes that are required to be done in terms of selection and retention of employees.

1.5.4 It also Helps in Down Sizing the Employees

For increasing the efficiency of work force, the human resource planning division, tries to sort out the under utilised and unwanted employees of the organisation. It tries to increase the efficiency of the organisation by reducing the number of underutilised employees.

Self Assessment Questions

State whether the statements are *true* or *false-*

i)   The human resource planning helps in determining the   (   )
     recruitment and selection procedure of the organisation

ii) Human resource planning is the secondary activity of   (   )
     human resource management

iii) The human resource planning division can help in   (   )
     identifying the upcoming trends and provisions for
     development of the organisation

iv) The function of human resource planning can never be   (   )
     affected by the demographic factors of the people of the society

v)   The trend of people leaving and joining other organisations (   )
     affects the activity of the planning division of the organisation

1.6 CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Today, the scenario of organisations has changed. The organisations are not only planning for developing the human resource within their premises, they are equally providing a helping hand to the development of people and society outside their organisations. The corporate world has turned out more to be socialistic and is trying to improve the conditions of community. Such kind of activities which are being done by the organisations for the development of society (which can be inform of imparting education, developing schools, helping out NGO's, building hospitals, investing money for betterment of women, children, old ones as well as disabled persons and many other related social activities) are known as 'Corporate Social Responsibility'.

The corporate social responsibility has turned out to be a magic stick not only to the society but also for the corporate itself. With help of such social work, the organisations are gaining customers, employees, and stake holders as well as making out more consumers for their product, giving a good impact or impression. In short corporate social responsibility is one of the approaches of the organisation towards development of society and in turn getting their own brand name as well as following the standards of taxation policies (as with the help of such investments, they can also prevent themselves from paying excess tax to the government).

1.7 DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is a boon for the welfare and growth of the society. Organisations perform such responsibilities as their obligation towards the society as well as to fulfill certain self motives or purpose. Any how, the act of corporate social responsibility has been defined in various manners. On similar grounds, different organisations have framed different. Some of the definitions of the process of corporate social responsibility is as follows:

According to the World Business Council for Sustainable Development Corporate Social Responsibility can be defined as *"a commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"* (Published in "Making Good Business Sense" authored by Lord Holme and Richard Watts).

In terms of business standards, the process of corporate social responsibility is: ***"Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.***

Different nations have also come up to explore the meaning of the corporate social responsibility on basis of their work culture and economical conditions. In the *United States*, CSR has been defined as a social service being done on humanitarian grounds. It is an act which is done by the organisations to share of the profits with the society to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

Wherein, the perspective of t*he European model* is slightly different. They define the process of corporate social responsibility as a process of operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons.

The government of Ghana defines the process of corporate social responsibility as *"a capacity to build sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government"*

The Philippines explains corporate social responsibility as a *"business given back to the society"*.

 Since each nation has its own culture, they are also different in terms of the economical conditions, demographic conditions, social norms and environmental conditions; each nation formulates its own business strategies on basis of their own priorities and values which also keeps on changing according to time. Therefore, it is difficult to come up with a single definition which can be generalised through out the global world market.

But the ground of performing the act of corporate social responsibility remains the same through out the world. It basically focuses on managing business, gaining customers, recognition and societal benefits. It can also be said to be a process initiated by the organisations to make a contribution to the achievement of broader societal goals.

In one of the model of Mallen baker (source- www.mallenbaker.net/csr/definition.php, accessed on 17/08/11) the process of corporate social responsibility has been tried to explain in a diagrammatic manner. According to Baker, corporate social responsibility "is about how companies manage the business processes to produce an overall positive impact on society". Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.

Source: http://www.mallenbaker.net/csr/definition.php

In a nut shell, with the help of a diagrammatic representation, author has defined that all the activities of the society are inter related and they try to create a positive effect of the business in society. With the help of corporate social responsibility, the organisations try to enhance their quality of management both in terms of people and processes (the inner circle of the above diagram) and it also tries to create a good impact on society in the various areas (the outer circle of the above diagram).

The diagram explains that with the changing time the stakeholders are taking an increasing interest in the activity of the company. The stakeholders try to analyse the achievements of the organisation in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce, which is basically the outer circle of the above diagram. The stake holders have a significant role in the development of the organisation, because they provide various helps like the investors provide financial assistance, government body provide favourable rules and regulations and so on. All stake holders help an organisation only after studying its present as well as past financial performance and quality management. Due to these reasons and also to provide a share of their profit for charity purpose, their organisations perform the corporate social responsibility.

1.8 TYPES OF CORPORATE SOCIAL RESPONSIBILITY

With an urge to have financial transparency as well as helping the society to develop, the organisations through out the global market are adapting and implementing several corporate social responsibilities. As discussed earlier, these

responsibilities vary from child care to arrangements for care of the old aged people of the society. These different types of corporate social responsibilities can be broadly categorized as the following:

1) **Responsibility towards the human beings of the society:** No doubt an organisation has to run within a society. It gets its man power, customers as well as the consumers (the ones who will actually consume the product which may be bought by any customer) from the society. Therefore, many companies target the development of the human beings of the society which can be in form of running schools, colleges, hospitals, charitable organisations. Targeting the people of the society not only helps them to follow save their tax, it also helps them in getting more educated employees as well as recognition within the society.

2) **Responsibility towards the environment:** An organisation is an open system and its dependent on the external environment for its goods and services. The excess use of natural wealth and resources leads to several environmental like global warming, sustainable resources and pollution. These environmental issues ultimately have an adverse effect on the business. Due to these reasons, organisations have also started providing a helping hand in making the environment pollution free. Businesses are being urged by environmental groups and governments to reduce the pollutions that they provide to the external environment and make the society a better place to live in.

3) **Responsibility towards non profit organisations:** Many organisations provide financial assistance to the charitable organisations that run with an aim of providing social service to the organisations. In this way they try to indirectly aid the society.

4) **Responsibility towards business environment:** Sometimes, an industry group can give awards to companies to promote a cause within a field of business. Corporate social responsibility awards can be given by industry leaders to draw attention to or raise standards in a certain area of social responsibility. For example, an award given by a public relations news organisation that is promoting environmentally friendly causes might highlight the best public relations campaign promoting environmentally friendly or green behaviour. Dairy organisations might use awards to promote humane practices in corporate dairy operations. These awards motivates the activities which helps the society to grow ultimately.

With the change in time and requirements of the society, the organisations are trying out several other modes which can benefit the society and is equally helping them.

1.9 SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY

As discussed earlier, with the help of corporate social responsibility, an organisation tries to maintain its moral and ethical standards. No doubt it is a boon for the society; it is also significant for the corporate world. Some of the significance of the corporate social responsibility can be pointed out as follows:

1.9.1   Fulfillment of Responsibilities Towards Customers

The relationship between the organisation and its customer can prevail only if there is a proper give and take relationship between both of them. With the help of social activities, the organisations also try to show their obligation towards the existing customers of the society. This is the reason why the organisations with the help of CSR initiatives, not only to maintain its relationship with the existing customers, they also try to gain newer customers.

1.9.2   Formation of Safe and Healthy Environment

With the help of CSR activities, the corporate world also helps in making the world a better place to live in. The organisation tries to impart good education which might help them in getting skilled and qualified employees in the upcoming future. Also other initiatives helps the society to have a comfort living.

1.9.3   Provision of Vocational Training

Several organisations conduct workshops of short duration and try to impart certain vocational/professional skills to the target groups. This not only helps the people to gain some skills, it also helps the organisation in getting employees from the trained people as per their requirement.

1.9.4   Helps in Managing Risks

If an organisation wants to strive in this ever changing world, then it has to meet the required conditions of stake holders as well as government. It is answerable to the government regarding the investments done and profit achieved. CSR is a way out that helps the organisation to invest their money to prevent them self from any scandals, issues or taxation norms. It is also responsible to the stake holders, vendors, customers and every concerned person. As any scandal or issues can create a bad name for the organisation (with the word of mouth of all concerned persons), the societal activities of CSR helps in managing or overcoming through such risks.

1.9.5   Promotes Competition in the Market

Any good activities of one organisation may easily drive away more customers as well as employees towards them self. Such a strategy may then turn out to be harmful to other organisations, as they may loose their existing customers as well as employees. In such a situation, in order to survive other organisations are also bound to start up with some or the other CSR activities. This ultimately leads to a healthy environment of competition which ultimately contributes to the growth of society.

1.9.6   Brand Differentiation

CSR helps the organisation in differentiating itself from the other similar or related companies. The unique activity adopted by an organisation leads to more recognition and identification. Therefore, corporate social responsibilities help in creating a brand name for the organisation.

Self Assessment Questions

State whether the statements are true or false-

i) Corporate social responsibility can in no way provide vocational training to the people of the society. ( )

ii) With help of such social work, the organisations are gaining customers, employees, and stake holders as well as making out more consumers for their product. ( )

iii) With the help of corporate social responsibility, the organisations wants to maximize their profits only. ( )

iv) Imparting education to the members of the society is one of the examples of corporate social responsibility. ( )

v) The corporate world gets its man power, customers as well as the consumers from the society. ( )

1.10   LET US SUM UP

No doubt organisations are the ultimate source of development of society, but it is the human resource which determines the ultimate existence of the organisations in the society. In that case, it is responsibility of the organisations to work out a frame which would act as a back bone for the growth as well as optimum utilisation of the human resources within the organisation. It can also be summarized that, corporate social responsibility is a significant initiative which is helping out both the organisations as well as the society. What ever be the type of the responsibility that an organisation adopts and implements, it should have a positive impact on both of them. It can be summed up that the organisation platys an important role on both- the human resource planning and corporate social responsibility.

1.11   UNIT END QUESTIONS

1) Briefly explain the basic principles of human resource planning.

2) What are the goals and objectives of human resource planning?

3) Point out the significance of human resource planning.

4) Explain the concept and significance of the corporate social responsibility.

5) Explain the major types of corporate social responsibility.

6) What are the other types of social responsibilities that you can suggest to the business world?

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UNIT 2 BUSINESS STRATEGY AND OPERATIONAL STRATEGIES (TECHNOLOGY AND INNOVATION IN HRS)

Structure

2.0 INTRODUCTION

As discussed in the previous unit of this block (Refer Unit1), human resource planning is a procedure which tries to identify the current and future human resources needs for an organisation to achieve it goals. This necessitates the urgency of the human resources planning to act as a link between human resources management and the overall strategic plan of an organisation. The planning processes of most best practice organisations not only define what will be accomplished within a given timeframe, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.). All these plans are based on certain strategies or ways which are regularly monitored and evaluated for the organisations to run smoothly. This unit will help you in understanding those business and operational strategies which act as a route map for the organisations to manage human resource.

2.1 OBJECTIVES

With the help of this unit, you will be able to:

* Describe the concept of business strategy and operatinal strategy;

- Discuss the necessity of allignment of business strategy and human resource practices within an organisation;

- Explain the benefits of operational strategy in HR practices; and

- Explain how the operational and business plans are innovative measures within an organisation.

2.2 BUSINESS STRATEGY FOR HR LEADERS

Leaders and managers in the human resource management department play the most important role as they are the ones who initiate various activities related to human resource management and development. Thus they also have an important role to play in business development. Suitable care needs to be taken in an organisation to promote effective participant of leaders and managers involved in human resource management in business development. They also should be well aware about various business strategies. Further these leaders and managers should also be provided with suitable training and information about business strategies.

With the change in time, there are several issues, agendas and processes related to human resource which keeps on making challenges for the work environment of the organisation. In such a case, it is the responsibility of the human resource (HR) department to keep a check on such challenges with the help of strategies. Such strategies should not only be beneficial to the employees, it should also be fruitful for the customers, capital market and other end users. The strategic mode of the human resource department should be proactive (prepared in advance, even before the situation occurs) in nature rather than being reactive (planning out strategies, after the event has already occurred). The human resource department creates a competitive edge by creating a platform at which the business strategies can be aligned with the HR practices. Such alignment is equally profitable for the organisations. The business strategy can be associated with the HR practices by facilitating change management or by creating cultures of creativity and innovation, facilitating mergers and acquisitions, and also by up grading the internal structures of there organisation with the ongoing changes at the market place.

Therefore, business strategies of the organisation are equally significant for the human resource department. The organisation has to be active enough to manage change with the changing environment. It has to face new challenges and in order to face such challenges it has to plan out such business strategies which could positively effect the internal environment (the employees / human resource of the organisation) and the external environment (the market/customers/society/ consumers or end users).

2.3 STEPS FOR THE ALIGNMENT OF BUSINESS STRATEGY WITH HR PRACTICES

As discussed earlier, it is necessary for the organisation to align its business strategies with the human resource practices. With an idea of the strategies or ways of business applications adopted by the organisations the HR leaders or the managers can easily contribute to the decision-making processes of the organisation. But again aligning of two different jobs (that is the business strategy

and HR practices) is unsurprisingly a challenging job. Organisations have to be very careful while trying to do so. Leaders and managers in human resource department play a crucial role in the alignment of business strategies and human resource practices. Business strategies mainly depend on the organisational goals at the same time human resource activities are also based on the organisational goal. However close inspection of business strategy developed in the organisation will provide adequate information about how each human resource activity can be aligned with the business strategy. An alignment between the both will ensure successful accomplishment of organisational goal.

There are certain steps which can be followed in aligning the two different streams together. They can be pointed out as follows:

i) **Identification of the target units:** It is very necessary for the organisations to identify, analyse and examine both the units carefully. Both the units (the business division as well as the HR division) are the most confidential sections of the organisations which is required to be considered foremost.

ii) **Identification of the external driving forces:** An external driving force refers to the changes or the trends that are taking place in the market or outside the organisation. The organisation has to identify those external forces which are forcing the organisation to bring about a change.

iii) **Determination of sources of competition:** Once the external forces leading to changing trends are identified, it is also necessary for the organisation to analyse those sources which are actually responsible for those external driving forces. Examples of such sources can be change in demand, target groups, customers and several other factors. If these sources which are the basic reasons for competitive market are identified, then it becomes easy for the business unit to b ring about changes in their business strategies.

iv) **Identification of the potentials of the organisation:** After analysing the sources of competition, it is necessary for the organisation to do a 'gap analysis', meaning thereby, that they need to understand and examine the technical and cultural capabilities that they have and what are the aspects that they require to have in order to achieve the numbers to a greater extent in the future than they had in the past.

v) **Identification of HR practices:** Once the business strategies have been deeply studied, the organisation now needs to identify those HR practices which will significantly contribute in creating the ideal human organisation with the help of the applied business strategies.

vi) **Preparation of an action plan:** The next step is to work out the actions that will help out in organisational progress. It is necessary to plan out that how and what are the things that would be done so that that alignment of HR practices and business strategies can work out in the best possible way. An action plan should also propose a target date regarding what would be done? Who would be involved? How will the progress be assessed? Who will be assessing the progress? When will the progress be assessed?

vii) **Assessing the results:** Finally, when the action plan has been worked out and has been implemented, it is necessary for the organisation to measure the results. The results can be measured with the help of studying the achievements.

Self Assessment Questions

State whether the statements are *true* or *false-*

i)   The HRD creates a platform at which the business strategies   (   )
      can be aligned with the HR practices.

ii) An internal driving force refers to the changes or the trends   (   )
      that are taking place in the market or outside the organisation.

iii) An action plan should also propose a target date regarding   (   )
      what is supposed to be done

iv) Business strategy is a part of human resource management   (   )

v)   There should be an alignment between the human resource   (   )
      strategy and business strategy.

2.4   BUSINESS STRATEGY AND HR STRATEGY: THE CURRENT SCENARIO

It is obvious that the organisation has to continuously modify the plans and strategies according to the changes taking place in the market. Such change in the business strategies poses several challenges to the HR strategies. Say for example, if the organisation has to cut off its budget due to recession in the economy, then several people may leave the organisation in search of even better opportunity. In such a case the HR strategies and planning would be useless.

It would be worth to add that there are situations where some principles of human resource strategy create challenges for the business strategy. There are situations where members of the organisation do not readily accept the changes in the business strategy, which may be due to lack of clarity or confusion. In such circumstances, it is the transparency and fairness in the policies of the business strategies which can help out in the alignment of both the human resource as well as business strategy. Therefore, in the current scenario, it is very necessary for the organisations to try its best to maintain its good will, win over the commitment of employees and also be aware of the current changes and happenings of the market place.

2.5   ROLE OF HUMAN RESOURCE PROFESSIONALS IN BUSINESS STRATEGIES

For a smooth alignment of business strategy with the strategies of policies of the human resource department, it becomes necessary for the human resource professional to work closely with the top management and business heads. The following can be their contribution in helping out an alignment with the business strategies:

i)   **Human resource professionals must continually update themselves with the changing business environment:** Since, HR planning is totally based on anticipation and prediction of futuristic requirements, the human resource professionals should be capable enough to anticipate the upcoming issues and matters of concern. They should acquaint such issues and concerns in

well advance to the top management, so that they can find out the solutions to such upcoming problems before hand. This can help out the organisation to modify its business strategy as well as human resource policies in accordance to the changing environment.

ii) **Human resource professionals should act as knowledge facilitators at all the levels of organisation:** It is necessary for the organisation to study the changes that are required to be done at its internal environment so that they can face the challenges of the competitive market. In such situations, the documentation prepared and maintained by the human resource professionals can help out in enhancing the knowledge of the top management. The review of performance appraisal process is one of the vital sources of such knowledge which can help the top management in enhancing the efficiency of the organisation.

iii) **Human resource professionals should take keen interest in operational activities of the organisation also:** The human resource department can significantly contribute to the effective business strategies of the organisation. If they are clear with the operational activities of the organisation, then they can play a more useful role in training and development, transcending behavioural training programmes and "leadership". This is particularly important in an era when domain knowledge and technical expertise are becoming more important.

iv) **Human resource professionals need to be more creative in nature:** The human resource department is the most important source of information for the organisation. It is one of the most supportive units of the organisation, as it not only helps in selecting and recruiting members for the organisation, it also helps in upgrading the employees with workshop and training facilities. But it is time now, that this supportive system needs to be more tactful and creative in maintaining the loyalty and interest of the employees within the organisation.

v) **Human resource professionals should be more strategic business partner:** The success of an organisation depends upon how they design and implement a people strategy that is properly aligned with, and supports the business strategy of the organisation. This can happen only if the human resource professionals actively participate as a strategic business partner in implementing plans and achieving budgets. The bottom line: HR is increasingly seen as a strategic linchpin—one that needs to work closely with operations, finance, and other corporate departments to help drive business strategy and success.

Self Assessment Questions

Fill in the blanks

1) The human resource department is the _____ of the organisation.

2) The human resource department can significantly contribute to the effective _____ strategies of the organisation.

3) The _____ professionals should be capable enough to anticipate the upcoming issues and matters of concern.

---

4) The Human resource professionals need to be more _____ in nature.

5) Human resource professionals should act as _____ facilitators at all the levels of organisation.

6) The human resource department should also have a complete knowledge of the _____ strategies or the business plans of the organisation.

2.6 OPERATIONAL STRATEGIES IN MANAGING HUMAN RESOURCE SYSTEM

Operational strategies refer to the implementation of the plans. It talks about the actions that are being taken according to the planned framework. In context to human resource system, it refers to a combination of improved operations, capital investments, and behavioural adjustments that are needed to maintain flow of people and goods, respond to emergencies, correct unsafe conditions, reduce security threats, and preserve human assets within the organisation. Organisations are paying more stress in order to improve the mode of operations. The organisation tries to use the most standard methods for planning, operating and preserving human resource assets efficiently. Comprehensive, accurate, up-to-the-minute data of the employees of the organisation are essential for the human resource managers who anticipate problems and are proactive in resolving those problems, making effective tradeoffs among a wide range of resources and consequences. The HR managers have to be anticipatory, proactive, and systematic in planning out and implementing operational strategies.

2.6.1 Operational Strategies in HR Planning

Human resource planning is most significant at an operational level. At the operational level, good HR planning is in part based on thinking ahead about the organisation. Operational strategy towards human resource management involves putting the HR management practices in place to support management and staff in achieving their day-to-day goals. The operational strategies includes several functions like staffing, monitoring performance and several other HR practices that are taking place and are supposed to take place in the upcoming year. In short, the operational plan for the human resource department provides an answer to the question, "where is our organisation going and how will it go to the desired position?"

At an operational level, organisations also need to be aware of the interdependencies between operational decisions and HR management practices. Decisions made on one aspect of human resources often have an impact on another aspect of HR management.

2.6.2 Benefits of Operational Strategies in HR Planning

An operational strategy in human resource system tries to put the human resource policies in to practice. The operational plans are developed for the following human resources practices and activities:

i) Operational plans are developed and executed in preparing and implementing HR policy.

ii) Operational strategies play an important role in recruiting and staffing employees and therefore, help in getting right people at right place.

iii) It helps in identifying as well as providing training and development needs.

iv) It helps in providing compensation and other related benefits to the employees of the organisation.

v) It provides a ground for deciding and implementing employment standards and legislation.

vi) It helps in increasing the morale of employees.

vii) It plays in determining the available staff and designing a job as per the requirement of the organisation.

Thus, the operational plans have several benefits which tries to maintain the strategiesa of human resource planning at place. If your organisation already has good HR management practices in place they should be reviewed on an ongoing basis, every two to three years, to ensure that they still meet organisational needs and comply with legislation.

2.7 OPERATIONAL STRATEGIES IN A BUSINESS PLAN

In context to the business strategies, the operational strategies section refers to business's operations that are taken according to the business plan. It includes plans for ordering, storing, selling, and producing outputs and likewise offering services within an organisation.

2.7.1 Factors Affecting the Operational Strategies of a Business Plan

A business plan is a blue print of the activities that are supposed to happen within a specified time period within an organisation. Furthermore, the operational strategies are the ways with the help of which the plans would be achieved. Thereby, the operational strategies have a significant role in achieving the predefined plans. Some of the factors which can affect the operational strategies of a business plan are:

i) **The physical set up of the organisation:** Never the less, the internal as well as external environment of the organisation plan plays an important role in implementation of the operational strategies. Therefore, the actions should be decided on basis of the physical surroundings, human resource and other available resources of the organisation.

ii) **Nature of the tasks:** The operations plan should also include the responsibilities for handling specific tasks. The operational strategies are based on the nature of the task, who will handle them and how will it be handled.

iii) **Manufacturing and pricing mechanism:** The operational strategies are equally dependent on the minute details of the process of manufacturing

outputs or providing services as well as the factors that would determine the cost of the goods or services.

iv) **Safety precautions:** As successful implementation of the business plans (that is, the operational strategies) would also depend upon the measures that have been taken in order to ensure the safety and security of the resources of the organisation and also to meet the business risks in the competitive market.

iv) **Nature of the business process outsourcing units:** If the organisation has outsourced the operational activities of the business plans, the implementation of the business plans will also depend upon the nature of the companies or consultancies to whom it has been outsourced.

The operational strategies of a business plan, not only helps in explaining how the transaction or business will be done, it also helps an organisation to understand the strategies that would best facilitate the type of business that has been planned. It is necessary for the organisations to decide upon the ways how the business would be conducted, but is even more important for the organisation to find out logical reasoning behind the operations plan with the help of which the business would be conducted.

2.7.2 Benefits of Operational Strategies of a Business Plan

Almost every business plan has its operational strategy that is followed in order to achieve the planned target. These strategies not only help in understanding other companies, vendors, partners, and distributors that an organisation has to rely upon in order to complete transactions, but it has several other advantages also. Some of them can be listed as follows:

i) The action plans helps an organisations to run its business smoothly.

ii) It ultimately helps in achieving the preplanned targets. Hence, helps in maintaining as well as increasing its customers.

iii) It helps in speeding up the business transactions.

iv) It helps in meeting the competitive advantage over other organisations.

v) It also helps in best utilisation of the available resource within an organisation.

vi) It also helps in anticipating the future trends and cope up in emergency situations.

Over the life of the business, the manner in which a transaction is being done keeps on changing significantly. The organisation needs to continually change its business plan as well as its operational strategies while addressing its competitors, technological changes, economical changes, and marketing trends. In addition, a company's business may grow from a small scale into a larger scale business with the need for additional space and staffers. At times, if business plan has been written several years before, it might become redundant in this computer and technological era. For this reason, the organisations should anticipate include some general expectations in the operational plans of the business to change and grow over time to meet the market challenges.

Self Assessment Questions

State whether the statements are *true* or *false*

i)   A business plan is a blue print of the activities that are   ( )
     supposed to happen within a specified time period within an
     organisation.

ii) The action plans creates hindrance in running business of   ( )
     the organisation smoothly.

iii) The operational strategies of a business plan helps in   ( )
     explaining how the transaction or business will be done.

iv) The organisation needs to continually change its business   ( )
     plan.

v)   The operational strategies depend upon the business plan of   ( )
     the organisation.

vi) The organisations need not anticipate the changes that might   ( )
     face in the coming days.

2.8 BUSINESS PLANS AND OPERATIONAL PLANS AS A TECHNOLOGICAL AND INNOVATIVE STEP IN HUMAN RESOURCE STRATEGY (HRS)

The Human Resources Strategy (HRS) of the organisations starts from its establishment phase. The human resource strategy basically focuses on putting in place the basic policies, procedures and systems needed in a newly independent organisation. Following this, the strategy keeps on changing or getting modified as per the requirement or implementation of a new approach. As a result of implementing these strategies, the division of HR takes a shape. It becomes a section which has a set of HR policies and practices that are being aligned with the direction in the Strategic Business Plan. The Department has selected and is now commissioning a new HR information system. The operational strategy acts as an innovative technique for the progress of the organisation in the long term. The ways in which operational strategy acts as an innovative step in HRS can be pointed out as follows:

i)   With the help of operational plan an organisation can introduce the information system as an advanced technique for managing the human resource system, then the Human Resources Management Information System (HRMIS) can help in assisting the human resource department to identify HR issues and trends, as well as it will also allow it to monitor progress in the implementation of future strategies.

ii) The operational plan helps out in competency mapping with help of relevant techniques. These competencies reveal the HR capability, and helps in developing a supporting qualifications/training/performance management framework. Further work is required to integrate the management development component into a single department-wide framework, linked with wider public service initiatives.

iii) The latest strategies adopted by the organisation helps in recruiting staff with effective interpersonal skills, integrity and the talents to collaborate and be innovative in an environment largely focused on consistency and safety.

iv) The alignment of policy and processes with desired organisational direction focus on getting the right people in the right roles, particularly management roles support managers to increase employee and stakeholder satisfaction.

v) The organisations are able to emphasise the manager and staff training on skills that would support the desired culture of the organisation. The strategies help in reinforcing changed behaviours through leadership modelling, recognition, performance evaluation and internal communications.

vi) The operational plan also helps in alignment of the overall culture of the organisation. The continued alignment of the departmental culture with the organisational culture is essential for three reasons: *Firstly,* culture influences the way frontline people work. *Secondly,* culture determines the way managers support and work with frontline staff and *thirdly,* culture is a key feature in determining how well the organisation can attract and retain the people capability and capacity needed now and in the future.

vii) With the help of business strategies an organisation can develop a work environment which is increasingly safe and healthy for employees, stakeholders and customers as well.

viii) The business plan strategy also helps in enhancing organisational capability and capacity. It helps in identifying the strength of the managers and staff which ultimately helps out in rapid progress of the organisation.

ix) The operational plans act as an effective support for the managers by leveraging the use of technology (internet and intranet) for policies, guidelines, human resources performance measurements and self learning. Now, it is possible for the top level management to get suggestions and clarification from business delegates on appropriate time.

x) The business strategies and operational plans have helped in evolving more user-friendly formats for HR policies and processes.

Self Assessment Questions

Fill in the blanks-

i) The business plan strategy also helps in _____ organisational capability.

ii) The operational plan also helps in alignment of the overall _____ of the organisation.

iii) The alignment of policy and processes with desired organisational direction focus on getting the right _____ in the right roles.

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iv) Business plans and operational plans are a _____ and an innovative step in human resource strategy.

v) With the help of _____ an organisation can introduce the information system as an advanced technique for managing the human resource system.

vi) The operational plans act as an effective support for the managers by leveraging the use of _____.

2.9 LET US SUM UP

It is clear from the above discussion and facts that, the business strategy and operational strategy are one of the basic premises of the continuous improvement of the organisation. The strategies help the organisation to ensure that the systems remain effective, managed and controlled. The use of strategies for business plan as well as operational plans are the beneficial aspects in managing the human resource.

However, it is necessary for the organisation to not to surpass the policies and philosophies of the organisation in the verge of innovation. It is an unavoidable fact that the organisations have to achieve a balance between consistency (rules) and innovation by providing a clear understanding of key principles and limiting the development of rules to situations where they are required for safety, security, therapeutic integrity and consistency. A smooth and successful running of the organisation depends upon the healthy work environment, motivated and committed employees as well as advanced business strategies. Business can prosper effectively only when it is handled with care and updated regularly according to the changes in external environment and global market.

2.10 UNIT END QUESTIONS

1) Explain the steps of allignment of business strategy and human resource practices within an organisation.

2) Explain the benefits of operational strategy in HR practices.

3) Explain how the operational and business plans are innovative measures within an organisation.

4) Discuss the role of human resource professionals in business strategies.

5) As a business manger, what are the different strategies that you would try to implement with the help of human resource practices?

6) What are the benefits of the operational strategies of a business plan?

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UNIT 3 RETENTION OF QUALIFIED AND TECHNICAL PERSONNEL (COMPETENCY MAPPING AND PERFORMANCE APPRAISAL)

Structure

3.0 INTRODUCTION

In the previous units we mainly discussed about human resource planning, corporate social responsibility, business strategy and operational strategies. All the above topics are important aspects of human resource management that helps in the development of not only the human resource but leads to achievement of organisational objectives.

In the present unit we will focus on another relevant topic in human resource management that is retention of qualified and technical personnel. We will also further highlight the concept of competency mapping and discuss about yet another function under human resource management, that is, performance appraisal.

Understanding of the above topics will help you to further better your knowledge about various functions covered under human recourse management and also help you comprehend one of the issues dealt by human resource managers in organisations with regarding to the turnover of qualified and technical personnel.

3.1 OBJECTIVES

After reading this unit, you will be able to:

• Discuss about retention of qualified and technical personnel;

• Explain the concept of competency mapping; and

• Describe the performance appraisal, its benefits, pitfalls and methods.

3.2 RETENTION OF QUALIFIED AND TECHNICAL PERSONNEL

In today's world with globalization and rapid industrialisation retaining qualified and technical persons is truly a challenge. The concept of long term employment is quickly fading with employees jumping jobs. Instances where employees would serve an organisation for years together still exist but are growing rare. In this kind of situation measures are to be taken by the industry and especially the human resource manager in order to avoid this kind of turn over amongst the qualified and technical persons.

There may be various reasons for turnover amongst the employees and accordingly varied measures can be undertaken to retain employees. Though turn over as such can be one of the major problems faced by the human resource managers, in this unit we will mainly focus on how the qualified and technical employees may be retained.

A lot of time energy and finance is involved when a single employee is employed. Right from the recruitment stage when an advertisement is placed in a newspaper or a campus interview is conducted, to organising interviews, group discussions etc. to appointing employees in suitable job position to training them and so on a lot of effort on the part of the human resource department and personnel is invested besides the financial investment. In such a situation when an employee after being appointed and trained leaves the job then it may be considered as a great loss to the organisation. In order to avoid this it is necessary that suitable measures are employed in order to retain such employee. These suitable measures or strategies developed can be discussed under the broad topic of retention management.

There are various reasons why a qualified employee with high technical skills may choose to leave a particular organisation. These reasons are discussed as follows:

1) **Better job opportunity:** The employees may choose to leave because they are getting a better offer in some other organisation that is providing them with better career development, higher pay package and facilities and a positive job environment.

2) **Lack of motivation:** An employee may also leave because he/she does not feel motivated enough in the present organisation. The job might be monotonous and there might not be any challenging task for the employee.

3) **Ineffective leadership:** Ineffective leadership is another reason why employee may leave their jobs. The immediate supervisor may not possess effective leadership skills. As a result he/ she may not be able to motivate the employee or may not be able to set clear and challenging goals for the employee.

4) **Lack of career development opportunities:** Employees may also leave because they do not see any further career development opportunities in the organisation. This may also result from flat hierarchies where promotional opportunities are less.

5) **Negative organisational culture:** A negative organisational climate that does not promote interpersonal relationship, a learning environment, concrete criticism and team work.

6) **Low morale:** An overall low morale amongst the employees and lack of organisational citizenship may also lead to turn over amongst the employees.

7) **High absenteeism and accident rates in the organisation**: An overall high absenteeism and high accident rates may also lead to low morale and a feeling of insecurity amongst the employees that may lead to a high turnover.

These are some of the reasons why employee may not choose to remain in a particular organisation. Further unfair or inadequate performance appraisal may also result in employee turnover. Further we are going to discuss about significance of retaining qualified and technical employees.

3.2.1 Significance of Retaining Qualified and Technical Employees

There are numerous reasons why organisations focus retaining such employees. When a qualified and technical employee leaves an organisation, it is a loss as the organisation has invested in the recruitment, selection and training of such an employee. Also the organisation is well versed with the skills, talents, attitudes, values and performance of such an employee and is sure about the capacity of the employee to achieve the individual and organisational goals. An existing employee is well adjusted to the organisational culture and climate. And thus is able to function at his/her best. Recruiting new employees elevates the costs involved in the whole process and also the newly recruited employee will take some time to adjust to the new organisation and to be fully productive. The expectation, aspirations and weaknesses of an existing employee are known to the superiors of that employee that help them to interact with him/ her in a better manner.

Many organisations even approach their ex-employees and encourage them to rejoin the organisation mainly because adjustment to organisational culture, policies, climate and structure is easier for these employees and further they come with an added experience of working with other organisations. Thus there is this overall trend amongst the organisations to promote long term relationship with their employees. It may not always be possible because as we discussed earlier recent trends show that many employees engage in short term relationship with organisations due to varied reasons discussed above. Thus various strategies need to be planned and implemented by organisations in order to retain their employees. These strategies will also be discussed in this unit.

3.2.2 Strategies for Retention of Employees

1) **Recruitment, selection and placement:** These three extremely important functions are under human resource management. These serve as an entry point for a prospective employee. In case if these processes are not adequately planned and carried out then it might result in turn over amongst employees. Effective recruitment is required in order to generate right and large pool of prospective employees or applicants, who will prove to be effective

employees. In case the recruitment is not effective then a large pool of qualified and technical employees will not be generated. This will in turn interfere with the selection process as the organisation will have to choose from a pool of ineffective applicants or they will have to redo the recruitment process. Also the methods of selection should also be adequately selected in order to select the best suitable employees. Further ineffective placement of employees that is if the employees are not matched as their qualification to their job in the organisation, the employees are going to be dissatisfied and would choose to opt for a job that he/ she find more satisfied in.

2) **Motivation:** Motivation can be described as a drive to achieve a particular goal and the organisations have to ensure that their employees are adequately motivated. Motivation can be intrinsic and extrinsic. Intrinsic motivation is the one where the employee is inwardly motivated or feels that he/ she needs to perform at his/ her best and achieve the goals assigned to them. Extrinsic motivation occurs when there are external stimuli that motivate the employees like rewards or promotion. The human resource department should strive to increase motivation amongst their employees by creating positive stimulus and also by providing suitable training programmes, workshops and interventions. This in turn will retain the employees as they feel motivate to remain in the job and perform effectively. Also creating challenging objectives and thatwhich match the potentialities of the employees will also motivate them.

3) **Training and career planning and development programmes:** The employees today seek development and training opportunities to enhance their skills. Regular training programmes to enhance both technical skill as well as behavior skills will not only make an employee effective performer but also convince him/ her that the organisation is bothered and taking interest in the individual development of the employee. Development is a long term concept compared to training that can span for years. A suitable career planning and development programme will be able to assure the employee that he/ she has a bright future in the organisation.

4) **Focus on succession planning:** This aspect is in a way related to earlier point where we spoke about training and career planning and development. Succession planning in any organisation is an important aspect especially at higher level positions. Under succession planning younger employees are trained and prepared to take over the outgoing employees. This again motivates the employees at the same time ensures their progression in the organisation.

5) **Handle employee grievances:** Employees might experience certain grievances with regard to their supervisors, colleagues or subordinates or with regard to the facilities provided to them or varied aspect of the organisation. There should be an avenue for expression of these grievances. Open communication should be promoted in the organisation so that the employee is able to discuss about his/ her problem freely rather than just choose to quit.

6) **Measures to reduce stress and dissatisfaction:** Various activities and programmes should be organised in order to help employees deal with their

stress. Also the job should be made interesting and challenging enough for the employee to be satisfied in doing it.

7) **Generate Family involvement programmes:** Any employees is to be viewed froma dual dimension, that is, from his work point of view and from him family point of view. Various programmes should be organised that involves the family of the environment. Gettogethers, picnics and other events can be regularly organised. Besides certain welfare activities for the spouses and the children of the employees can also be organised.

8) **Modify organisational culture:** As discussed earlier organisational culture is one important reason why an employee may leave the job. He/ she may not find it comfortable and may not be able to adjust to it. On one hand the employee should be helped to adjust to the new environment and culture and on the other hand the organisational culture must be constantly assessed in order to identify any problems and issues that arise within the organisation. In case any problems are found with regard to the culture, suitable measures should be taken to modify or change it.

9) **Reward System:** The reward system should be improved in order to make it more lucrative in order to increase the motivation of the employees. Rewards can be monitory or non monitory like. Rewards can be given for performance and contribution of the employee to achievement of the goals.

10) **Improving employee morale:** Employee morale can be improved by creating a conducive and comfortable environment in the organisation that encourages a positive feeling amongst the employees. Increased morale will lead to development of organisational citizenship amongst the employees that helps employee identify better with the organisation. This in turn will discourage the employee to leave the job as he/ she feels satisfied in the present job.

11) **Providing effective leadership in the organisation:** Leaders in the organisation should be provided with suitable training with regard to communication, leadership and interpersonal skills. They should be trained to invoke trust of their employees and motivate them. A good leader will help employee develop and contribute his/ her best to the organisation. This will also develop a positive feeling amongst the employees.

12) **Employee Counselling:** Counselling should be made available in organisations in order to help employees deal with their problems both personal and work related. This will help the employees cope with their problems and they will also feel that the organisation vales them.

Self Assessment Questions

1) Explain the relevance of retaining qualified and technical employees.

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2)   Discuss any two strategies for retaining employees.

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3.3   COMPETENCY MAPPING

Competency mapping may be described as a process of identifying the strengths of an individual employee in order to understand his/ her potentialities. Competency mapping is carried out by organisations to understand the strengths of each employee in the organisation so that individual goals can be accordingly assigned so as to make effective use of the competencies of the employees. Competency mapping not only help organisations take stock of the nature of the employees in the organisation but also helps the individual employees understand their own strengths and potentialities.

Under competency mapping an organisation may focus on various aspects of an employee from technical skills to behavioural skills like communication, team work, leadership, interpersonal leadership etc. to adjustment and potentiality of the employee to work under stressful situation. The organisation may also look for creativity and innovations as strengths of an employee. This will also depend on the nature of job and position of the employee. The competency mapping may be carried out for various reasons from performance appraisal, succession planning to develop suitable strategies in order to make optimum use of the strengths of each employee. Competency mapping can be used at the time of recruitment, succession planning, to identify developmental and training needs of the employees and promotions.

Some of the most common steps involved in the process of competency mapping are as follows:

1)   The employees in the organisation may be asked to fill up a questionnaire in order get an idea about their present work activity and abilities and skills required to perform that work activity in much better manner. In short job analysis is conducted in order get an idea about the present activity of the employee.

2)   Once the questionnaires are filled by all the employees then on the basis of job description a competency is created and put forth in front of the human resource department for agreement and additions.

3)   In the final step mapping of an employee's abilities to the benchmarks is carried out and further strategies are accordingly decided.

Critical Incident Analysis and Repertory Grid are two techniques that can be used in competency mapping. Under Critical Incident Analysis, as the name suggests the employees are to report about certain incidents that bring forth the

exemplary behaviour of the employee. The basic assumption is that the employee will display best or worst of his/ her behaviour during the crisis. For example, the behaviour of an employee during an accident or during a conflict between his subordinates. This will give an idea whether the person was able to perform under pressure, about the decisions he/she took and about problem solving skills employed by him/ her.

Under repertory grid, the important attributes of an employee are identified. Then for each attribute a bipolar scale is created with differentiable characteristics and their opposites.

Thus competency mapping can be of great help in understanding the employee and ensuring their individual development at the same time overall development of the organisation.

Self Assessment Questions

1) Explain the concept of competency mapping.

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2) Discuss the steps involved in competency mapping.

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3.4 PERFORMANCE APPRAISAL

Performance appraisal refers to various procedures and methods that may be used in order to evaluate the performance of an employee in an organisation. Performance appraisal may be informal or formal. An informal performance appraisal is one that is carried out on regular basis by the immediate supervisor. This can be very effective as the immediate supervisor can keep track of the performance of the employee on the regular basis and can report any shortcomings. Also such an appraisal is cost effective and the feedback is instantly received by the employee with regard to his performance. On the other hand formal performance appraisal is carried out the organisation once in six months or in a year depending on the policy, size and nature of the organisation. An elaborate procedure may be involved in this along with participant of a number of employees. A considerable financial investment is also required. This kind of appraisal may be conducted by the human resource department in the organisation or by an external consultant or an assessment centre.

3.4.1 The Process of Performance Appraisal

1) **Selection of performance factors and setting of the standards to be achieved:** In order for an employee to perform he/ she should first have clear idea about the goals and objectives that he/ she have to achieve. Thus the employees should not only be aware about the goals he/ she have to achieved but should also be informed about the necessary performance factors and standards to be achieved by them.

2) **Setting the period for performance appraisal:** The period during which the whole process of performance appraisal shall take place has to be notified. This will not only help the appraiser plan ahead of time. But the employees will be prepared for the process of appraisal.

3) **Selecting the method for performance appraisal setting the stage for performance appraisal to be carried out:** we will discuss various methods of performance appraisal later in this unit. One or more of these methods have to be selected based on the size and nature of the organisational and also the financial budget available for carrying out the appraisal.

4) **Measuring the performance of the employees:** With all the above preparation in place, the actual performance of the employee is then assessed and recorded. Suitable instructions and training is also provided to the appraisers

5) **Communication of the results of performance appraisal or giving feedback:** The results obtained are then communicated to the employees in a systematic manner.

6) **Application of the results of performance appraisal:** The results are also further utilised to develop suitable intervention strategies.

3.4.2 Benefits of Performance Appraisal

1) The employee becomes better aware about his/her own self, about his/ her performance, strengths and weaknesses. Necessary steps or measure can then be taken by him/ her in order to enhance the strengths and deal with weaknesses.

2) The employee also develops a better understanding of his/ her role in the organisation and the expectations from him/ her. Thus he/ she can plan about the ways these expectations may be met.

3) Performance appraisal can lead to high motivation, better job satisfaction and self concept.

4) It also provides the employees and their immediate supervisors an opportunity to discuss the work related problems and ways to overcome them.

5) It also provides a platform for the employees to express and discuss their aspiration and career goals.

6) The organisations benefit from performance appraisal as they can identify the strengths and weaknesses of their employees. And on the basis of

performance appraisal results decision may be taken with regard to promotions, demotions and transfers in the organisation.

7) Suitable training and career development programmes can be organised by the human resource department based on the results of the performance appraisal.

8) With suitable feedback conveyed to the employees, the result of performance appraisal can be improved performance in the organisation.

3.4.3 Constraints Experienced During Performance Appraisal

We discussed about the benefits of performance appraisal and realise how it is an important aspect of any organisation. One of the most important functions of training and development may be based on the results of the performance appraisal. However care has to be taken with regard to implementation of performance appraisal as certain constraints may be faced while doing so. The constraints face may be discussed as follows:

1) Negative organisational culture that does not value performance appraisal and does not suitable promote giving and receiving of feedback. A negative attitude towards performance appraisals may be as a result of unfair performance appraisal in the past or due to lack of seriousness about the process on the part of the management.

2) Lack of willingness on the part of the employees may also lead to failure of the performance appraisal process. An employee may worry about negative feedback and criticisms that he/ she may receive as a result of performance appraisal and hence will resist the whole process or will not commit to it thoroughly.

3) Apprehensions about the use of performance appraisal outcomes. Many employees may resist performance appraisal because they are worried about the outcome. They may feel that on the basis of the appraisal they may be demoted or may loose the job.

4) Lack of proper procedure in implementation of performance appraisal will also interfere with whole process. Adequate planning is required at the same time fair means are to be adopted while the appraisal is conducted.

5) Role and goal ambiguity are other aspects that may lead to failure of performance appraisal. In order for an employee to perform, he/she should have clear idea about the role they have to play and about the goals they have to achieve. Only then can the performance appraisal will effectively measure the performance of theemployee.

6) Lack of linkage between performance appraisal and the reward system can also lead to failure of performance appraisal. It is important that there is a link between the performance appraisal and reward system. As per the leval of performance of the employee he/ she should be adequately rewarded. In absence of such a link, performance appraisal is meaning less and will fail to motivate employees to achieve their set goals.

7) Low motivation to perform at the same to participate in the performance appraisal process is another reason that contributes to an unsuccessful performance appraisal.

3.4.4 Methods of Performance Appraisals

Varied methods of performance appraisal can be utilised in an organisational setup depending on the nature, financial status and size of the organisation. Mamoria, Gankar and Pareek (2004) various traditional and modern methods of performance appraisal. These can be discussed as follows:

A) **Traditional Methods**

1) **Straight ranking method:** This is one of the oldest and simplest methods of performance appraisal. Under this method, all the employees are compared with each other and ranked. The performance of an employee is not considered, but the employee is perceived as a whole and is compared to other employees. Numerical ranks are assigned to each employee.

2) **Paired comparison technique:** Under this technique each employee is compared to another employee in pairs on each trait. Rank is then assigned to each employee. Though the judgement in this case is easier than that in the previous method, it is a tedious job when a large number of employees are involved.

3) **Man to Man comparison method:** Under this method, a scale of a man is created for various factors like leadership, communication, honesty, hardworking etc. and then each employee is compared with this scale. Thus the employees are not compared to each other but are compared to a key man with regard to one factor at a time. However designing of such a scale is a challenging job.

4) **Grading:** In this method, certain categories are first established and defined, like dependability, hardworking, cooperativeness etc. and then employees are graded on the basis of these categories as per his/ her performance. Grades in terms of A- Excellent, B- Good, C- Average, D- Poor, E- Very poor may be provided to the employees.

5) **Forced choice description method:** In this method certain phrases in sets are used and then the immediate superior has to choose one of the phrases that closely describes the employee. For example:

   Under pressure:
   a) The person is able to manage pressure and function at his/ her best
   b) Seeks help and support of others
   c) Performance reduces drastically
   d) Experiences stress and tries to avoid work

   The supervisor is then to select from the above phrases that optimally describes the employee. However a lot of personal bias can interfere with this method. Also trained technicians are required to develop the statements for each occupational group.

6) **Check lists:** Under this method, a series of questions or statements are created and the appraiser has to answer either yes or no.

7) **Free form essay method:** This can be termed as an open ended appraisal as the immediate supervisor is free to write about the subordinate in an essay form or in a descriptive manner. This is more of a qualitative approach than quantitative. However a lot of subjectivity may be involved in this method and there is no single criteria for evaluation.

The above were some of the traditional methods. There are various disadvantages of using the traditional methods. Firstly, the manager or the immediate supervisor needs to be provided with adequate training as to appraise the employees. Rater's bias may also interfere with the overall process of the appraisal. The appraiser's personality may also interfere as some appraisers are lenient and some are overly strict in their appraisal. Also most of the traditional methods require a lot of preparation in terms of creating scales and statements that might be time consuming. Further they may not actually give a complete idea about the overall performance of the employee as they focus more on the task of the personality of the employee.

We will now discuss certain modern methods of performance appraisal that better suited for most of the organisations and can be aptly implemented.

B) **Modern Methods**

1) **Assessment centers:** Assessment centres utilise multiple methods of appraisal and multiple appraisers. It may involve an interview, a written test, a group discussion or situational exercises. The appraisers may be the higher level managers in the organisation. They evaluate each employee and then a summary report is submitted. Assessment centers may be a part of the organisation or may be an external agency that is hired for the purpose. Besides performance appraisal the assessment centers can be used to conduct recruitment and selection, develop training programmmes and plan human resource activities. Assessment centers are effective as they provide complete idea about a particular employee as multiple appraisers and multiple methods are used. However it is time consuming especially when managers and superiors from the organisation are involved, their work in the organisation may suffer. Also they will need some training with regard to how the appraisal is to be carried out. In case an external agency is appointed, it might become a very costly affair. In order to successfully use assessment centers for performance appraisal, it is necessary to mainly focus on the goals that are clearly communicated to each employee, ensure commitment of not only top management but employees at all level.

2) **360 Degree Performance Appraisal:** In this method the appraisal of a single person is created by his/ her superiors, subordinates and peers and employee himself/ herself hence the name 360 degree. The data is then collected from all the parties and suitable feedback is provided to the employee. Self assessment also helps employee understand his/ her own strengths and weaknesses in a better manner. However personal bias and rivalry needs to be avoided during such an appraisal. The employees however may not easily accept implementation of such a method in the organisation as they might be worried about the negative feedback especially from their subordinates and peers. Suitable communication, clarification and training with regard to the process of this method may help its smooth and effective implementation.

3) **Management by Objectives:** The method was introduced by Peter Drucker and is one of the most effective methods of performance appraisal. In this method based on the organisational goal, goals are created for each department in the organisation and based on the departmental goals and the potentiality of individual employee in the department; individual goals are created for each employee after a discussion between the employee and the superior. These employees are then supervised for their progress towards the goal and suitable help and support is provided in case any problem or obstacle is faced by the employee so as to help him/ her achieve the goal assigned to him/ her. Suitable feedback is also provided to the employee from time to time. A lot of interaction and discussion is promoted by this method between the employee and the superior that enhances the overall functioning of the department and in turn of the organisation. The superior plays role of a coach, mentor and counselor. The main focus of this method is goal setting besides participant and feedback. The method is termed effective because it motivates the employees to perform better, conflicts are reduced and participation increases, role and goal ambiguity is also reduced considerably. A lot of planning is encouraged. Problems are solved faster and in time that enhances achievement of goals. The performance deficiencies of the employee are identified and measures can be taken to rectify them during the process of goal achievement.

However, the method is time consuming and requires a great deal of involvement and positive attitude on the part of the employees and the superiors. However in long term the effects of this method are positive and long lasting that influences that overall organisational culture and enhances it for smooth functioning of the organisation.

4) **Behaviourally Anchored Rating Scales (BARS):** This again one of the most effective methods of performance appraisal that involves five stages.

a) Firstly it is important to generate critical incidents. The employees working on a particular job are asked to describe specific critical incidents that can take place on the job and that call for effective performance on the part of the employee.

b) These incidences are then categorized in to smaller sets of performance dimensions. Each category is then defined.

c) Then a group of employees are given certain critical incidents and asked to locate them as per the categories.

d) The group is then asked to rate the behaviour described in the incident as to how effectively or ineffectively it represents performance on the performance dimension.

e) The subsets of incidents are then used as behavior anchors.

Though the method is time consuming and expensive it is more accurate as it is done by experts. Clear standards are utilised and suitable feedback is provided

Self Assessment Questions

1) Define performance appraisal.

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2) Explain any one method of performance appraisal.

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3.5 LET US SUM UP

In this unit we discussed three important aspects namely, (i) retaining qualified and technical employees, (ii) competence mapping and (iii) performance appraisal. These are three important functions that enhance the overall development of human resource and lead to effective achievement of organisational objectives. However, we have to remember that suitable planning is required to be carried out before implementation of these strategies and processes. In retaining qualified and technical employees, the reason for turn over in the organisation needs to be identified first and then suitable intervention may be applied. With regard to competency mapping and performance appraisal, it is important to assess the present attitude of employees towards these two processes and then plan accordingly about the method and application.

Thus the human resource managers should not only plan extensively before carrying out these activities but also have a fore sight about possible problems, like resistance from the employees etc. so that he/ she is in better position to successfully implement these activities.

3.6 UNIT END QUESTIONS

1) Write a note on retention of qualified and technical personnel.

2) Define competence mapping and describe the steps involved in its process.

3) Define performance appraisal and discuss its benefits.

4) Discuss any five traditional methods of performance appraisal.

5) Describe any two modern methods of performance appraisal.

3.7   SUGGESTED READINGS

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UNIT 4   PLANNING INVESTMENT IN DEVELOPMENT (INCLUDING CORPORATE COUNSELING)

Structure

4.0   INTRODUCTION

The previous units of this block have highlighted on the various aspects of human resource planning. It is very much clear from the earlier discussions that human resource planning is that back bone which has a significant contribution in the production, progress as well as the achievements of the organisation. The present unit tries to maintain the same decorum and highlights on the strategies of planning investment which would ultimately lead to the development of human resource of the organisation.

4.1   OBJECTIVES

With the help of this unit, you will be able to:

- Discuss the concept of human resource development;

- Explain the strategies of human resource development; and

- Describe the concept of corporate counseling;

- Highlight various concerns and issues of the human resource development process. '

4.2 HUMAN RESOURCE DEVELOPMENT (HRD)

Human resource planning is an important part of human resource management which ultimately helps in human resource development. The field of human resource management is concerned with the human related activities within the organisation which can help in the smooth functioning of the organisation, where as human resource development mainly focuses on promoting learning and development amongst the employees. The main focus here is the overall development and enhancement of the human resource in the organisation. Innovative techniques are developed to improve the work culture, so that the employees are motivated to give in their best to the organisation. Organisations are striving hard to readily accept the changes in this modern world and adopt the latest human resources practices. Those who refuse to change are left behind. So it is imperative to implement the latest human resource practices in the organisation.

Before getting in to further details, you must first be clear with certain concepts:

4.2.1 Human Resource

No doubt we are very clear with this concept. But ever since, we would be discussing aspects related to human resource, it becomes necessary to redefine the concept. Human resources are those people that work for an organisation. They are the people who have been selected according to the needs of the organisation. They are those movable assets whose devotion and loyalty would lead to the ultimate survival of the organisation. That is why organisations work hard for the optimum utilisation of this reource in the best planned way. It is also worth to mention that there are three important aspects of the human resources to work efficiently in the organisation. *First*, it is necessary that the work force is physically fit and is being considered in terms of the number of hours that they devote as well as their health conditions. The *second* aspect refers to the knowledge, dexterity, skills and potentials of the human resource. These qualities should match with the requirements of the job. *Thirdly*, the attitude, behaviour, outlook and mindset of the human resource should be as such they readily accept the trends of organisational changes. Organisation can be successful only if it takes care of all these aspects of its human resource.

4.2.2 Human Resource Management

The section or department of Human Resource Management is concerned with how these people are managed within the organisational environment. However, the term Human Resource Management (HRM) has come to mean more than this because people are different from the other resources that work for an organisation. People have thoughts and feelings, aspirations and needs. Therefore, the human resource management refers to an approach which not only considers the needs of the people or member of the organisation; it is equally concerned with the needs of the organisation. It tries to synergize the demands of the organisation with the supply of appropriate human resource to the organisation. No two individuals are same natured. They have their own needs and aspirations. It is the responsibility of the section of human resource management to find out about the needs and aspirations of individual employees, for example through the appraisal process and then creating the opportunities according to the needs

47

of the organisation (e.g. through job enlargement) as well as skills of the employees and also provide them a platform where the employees can improve their performance as well as skills. Therefore, the human resource management department tries to relate each and every aspect of the way in which the organisation interacts with its people, e.g. by providing training and development opportunities, appraisal to find out about individual needs, training and development needs analysis, etc.

4.2.3 Concept of Human Resource Development

The department of human resource development of the organisation is concerned with the progress of the existing human resource of the organisation. The organisation continuously needs to upgrade its employees with the help of training, counseling, appraising and several other activities in order to be at par in this competitive world market. The human resource development thereby, refers as a method or way out to increase the over all knowledge, values, skills, attitudes and the commitment of employees and also the process of acquiring skills required or expected to do the job.

The human resource development, also known as personnel development aims at the all-around development of the members of the organisation. It is a part of human resource management and is basically concerned with extracting the hidden qualities and skills of the employees and to prepare them to carry out newer jobs. An organisation pays special emphasis on the methods of human resource development as it is the human resource which will ultimate be responsible for the growth and prosperity of the organisation. The organisations are well acquainted with the fact that mere increasing the morale and motivation of the employees will not be sufficient; it is necessary to continuously train and enhance the efficiency as well as potentials of the employees.

Self Assessment Questions

Fill in the blanks

i)   Human resource planning ultimately helps in development of _____ _____ .

ii)   The human resource development, also known as _____ development.

iii) Human resource management refers to _____ _____ .

4.3 STRATEGIES OF HUMAN RESOURCE DEVELOPMENT

Human resource strategies are a plan or frame work which describes how the human resources of the organisation will be utilised with an equal effort on their training and career development in order to meet both the individual as well as organisational objectives.

As discussed earlier also that the human resource development is an organisation's framework or blue print which acts as a guideline in improving and developing

of the human capital. This framework includes any training, career development, evaluation feedback, or tuition assistance that facilitates the continual improvement of employees. The methods of human resource development can vary from the formal method of training of the employees through formal classroom lecture method or as informal as the method of counseling and coaching between supervisor and subordinate.

The strategies of human resource development help the employees to acquire knowledge, develop competencies and skills and also to adapt to the changes taking place at their work environment. These methods also provide feedback to the organisation about the current status of the competencies and knowledge of its employees. There are certain methods which equally emphasise on the organisation. These strategies which are being used by the organisation to develop their human resource can be pointed out as follows:

i) **Training strategy:** This is one of the plans with the help of which the employees of the organisation are educated and trained about the changes taking place within as well as outside the organisation. There are basically two types of training that are given to the employees of the organisation – *on the job training* (a type of training in which the employees are trained within organisational environment e.g.– apprenticeship) and *off the job training* (a type of training program which is not imparted within the real organisational environment, e.g.– training through lecture method).

ii) **Cost reduction strategy:** Organisations may pool or collect small amount of savings or contribution from the employees of the organisation. This helps in protecting the wages of the employees as and when required as well as helps in maintaining the competitive strategy of the organisation.

iii) **Entrepreneurship strategy:** It is a strategy which tries to extract the hidden potentials amongst employees. The organisation provides an opportunity to its members to generate creative ideas and bring them in to reality with the help of existing resource within the organisation. This helps in fostering creativity and innovativeness in the products and services of the organisations.

iv) **Culture developing strategy:** Organisations try hard to increase the commitment and loyalty of its employees and check out that their norms and values are equally shared by the members of the organisation. Their culture can help in creating a brand name and this also leads to development of interpersonal relationship amongst the members and create a healthy working environment for them.

v) **Performance Appraisal System:** As discussed in the previous unit, performance appraisal system is one of the significant ways of assessing the efficiency of the employees of the organisation. On basis of the report of the performance appraisal, persons' qualities, potentials as well as deficiencies can be studied. Later on, organisation can try out ways of overcoming those deficiencies of its human resource with the help of proper training and other facilities.

vi) **Career Planning:** The process of integrating the needs and aspirations of the employees is known as career planning. In order to maintain a long-

term efficiency of the organisation and develop its self renewing capability, the organisation plans interventional programs with the help of organisational consultants. Such interventions help the organisation to come up with innovative solution of existing problems of itself as well as its human resource. Therefore, the organisations plan career and impart training to its members with the help of the organisational consultants for a better work environment and enhanced competencies.

4.4   DESIGNING A HRD STRATEGY

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        ┌─────────────────┐
        │   Need Survey   │
        └─────────────────┘
                 │
                 ▼
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        │  Development    │
        │  of a Mission   │
        │  Statement      │
        └─────────────────┘
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        │  SWOT Analysis  │
        └─────────────────┘
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        ┌─────────────────┐
        │   HR Analysis   │
        └─────────────────┘
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                 ▼
        ┌─────────────────┐
        │ Implementation  │
        │ and Evaluation  │
        │    of Plans     │
        └─────────────────┘
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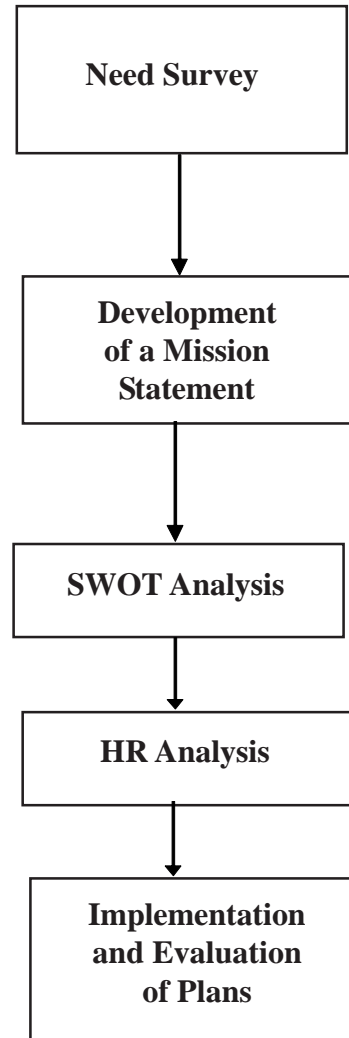
Fig.4.1: Flow chart representation of the process of developing HRD Strategy

It is clear from the above discussion that for a smooth running of the processing of human resource development depends upon several criteria. Human beings are no machines who can be used as and when required. They are alive, emotional and require continuous motivation, inspiration and change in and around their work environment. Also change is an unavoidable aspect of the competitive market. Under such conditions, training and developing the workforce may lead to development of creativity and innovation amongst the members of the organisation. But again such development of human resource requires a preplanned strategy which can help in meeting the required result. Each organisation formulates certain framework on basis of which it decides the best human resource strategy which can help in upgrading and developing its work

force. Some of the common steps followed for planning and designing the best human resource strategy for the work force of the organisation can be pointed out as follows:

i)   **Need Survey:** It is necessary for an organisation to first assess the current position of its employees and also the position which it desires to achieve in the world market. For this purpose may hire a consultant or the top management can itself survey and try to find out the present qualities and the required potentials of the employees of the organisation.

ii) **Developing a mission statement:** On the basis of the need survey conducted by the organisation, the consultant or the top management tries to create a big picture of the current achievements and desired target. They need to be futuristic oriented. On the basis a vision of tomorrow, they decide targets and a mission for the organisation that they need to attain. They decide the key areas which require a quick attention and needs to be modified or changed within the specified time period.

iii) **SWOT Analysis:** Swot analysis refers to a process of analysing the strengths, weakness, opportunities and threat**s** of the planned mission and targets for the organisation. It is necessary to examine whether the desired mission will be useful and helpful in developing and standardizing the employees as well as the organisation.

iv) **HR Analysis:** After having a deep study of the various aspects, the consultant or the top management of the organisation now tries to study the potentials and the deficits of the work force. It tries to assess what are the ways through which the human resource can bring benefits to the organisation. It also tries to examine which strategy can be used for the development of the human resource according to the suitability of the organisation.

v)   **Implementation and Evaluation of plans:** After deciding the suitability of the planned strategy for the development of the human resource of the organisation, the strategy is implemented upon the workforce. The workforce on whom the strategy is being implemented may belong to a single or many departments. Once, the plan is implemented, the planned targets and the current achievements are compared and evaluated after a specific time period. Such comparative evaluation helps the organisation to analyse whether the strategy or the intervention was successful and whether it can be used again within a similar situation or not.

4.5   PLANNED INVESTMENTS AS AN INNOVATIVE TECHNIQUE IN HUMAN RESOURCE DEVELOPMENT

In technical terms 'investment' refers to those entire plan which leads to saving of capital. Savings are important assets both at individual level as well as organisational level which can be used at emergency or required conditions. Human capital is also significant assets or investment for an organisation. It is this resource which helps the organisation to face all the risks (ups and down) of the global market. For this purpose, the organisation tries out ways which can

help in the development of the human resource. These ways are a sort of planned investment which can help in the development of the human resource. Some of the ways which serves as a planned investment in the development of the human resource are:

i) **Employee Leasing Organisation:** Unlike the consultancy agencies, many organisations are now providing their own employees to various organisations according to their technical know how. They are the principal employers and send the required number and kind of employees to various organisations on lease basis. The organisations who utilise such services need to pay some amount to the parent organisation. Such a technique, not only provides financial help to the parent or principal organisation, it also provides an opportunity to the employees to tackle several situations within and outside the organisation. It helps them to understand the nature and technical know how of more than one organisation at a single job. It is the parent or the leasing organisation which provides full salary and other benefits to the employees irrespective of the number of days that the employee is sent to various organisations on lease. Such leasing organisations are also useful to other organisations as well, because they get an opportunity to utilise the expert advice and service of most competent human resources of the leasing organisations.

ii) **Participative Management:** Several organisations have adopted the technique of decentralisation of power and authority. Powers and responsibilities are no more limited at central level; instead, it is shared by the employees at all level within the organisation. The employees actively participate with the management in taking important decisions. Such type of management system is referred as participative management style which helps the organisation to extract the hidden potentials of its human resource in decision making situation. Employee's participation in management was initiated to satisfy workers' psychological needs and this leads to development of a sense of belongingness and loyalty to the organisation.

iii) **Innovative Reward Plans:** Employers have started the scheme of reward and incentives which would be given to the employees for creativity and innovation in their tasks. Organisations provide innovative reward plans that recognize employee contributions and grant enhancements and ultimately help the employees to develop on their skills. It also encourages employees to develop competencies and skills in specific areas.

iv) **Collaboration with Educational Institutions:** With an aim of saving time and resources in training the employees of the organisation, the organisations are now collaborating with certain educational institutes. These institutes train the students according to the needs of corporate world and help them to meet the requirement of the organisation which not only helps the organisation to save its time, money and energy, it also helps the individuals to get trained right at the educational level. These institutes run several degree and diploma program which .trains the individual according to the demands of the job.

v) **Organisational Interventions:** Organisations are bringing changes in their business strategies and human resource strategies in order to cope up with

the changes taking place in the competitive world. Such changes are taking place both at organisational level as well as individual level with the help of training and interventional programs. The interventional program helps the employees to learn, adapt and readily accept the changes taking place at their work environment.

Thereby, it can be said that human resource management is a process of bringing people and organisations together so that the goals of each other are met. For this purpose, the mechanism of developing of the human resource plays a significant role in the growth of the organisation. The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent.

Self Assessment Questions

State whether the statement are *true* or *false*

i) Several organisations have adopted the technique of centralisation of power and authority. ( )

ii) Organisations are bringing changes in their business strategies and human resource strategies in order to cope up with the changes taking place in the competitive world. ( )

iii) The process of integrating the needs and aspirations of the employees is known as career planning. ( )

iv) Human capital is least significant assets or investment for an organisation. ( )

4.6 SIGNIFICANCE OF HUMAN RESOURCE DEVELOPMENT

The basic intentions of the human resource development are to gain a competitive advantage in the marketplace and the world economy through a superior workforce. An organisation's workforce is the most influential and valuable asset toward achieving a company's short-term and long-term goals. Therefore, with the help of the process of human resource development, an organisation can enhance the employees' knowledge, competencies, skills, and abilities. The methods of human resource development also helps in gaining knowledge and technical know how in specific areas. It further helps in enhancing personal and organisational skills that can improve the communication and efficiency of the organisation. The strategies of human resource development also help in career development of the human capital. It is the ultimate source of organisational development. With the development of skills of its employees an organisation can improve team-building activities, the quality of work life, organisational restructuring and reward system as well.

4.7 CONCERNS OF HUMAN RESOURCE DEVELOPMENT

The process of human resource development is a very significant yet crucial issue as it deals with the career and work life of the employees of the organisation.

This is the reason why the human resource development activities and efforts need to be carefully mapped out. Certain issues and concerns of the human resource development process can be listed as follows:

i)   The selected process or the strategy of human resource development should be as such it provides opportunities and courses for individuals to develop skills, knowledge and attitudes that help themselves to achieve personal objectives.

ii) Organisation should actively change the strategies of human resource development according to the changes implemented in their business plan. If such changes are not implemented then this would hinder the alignment of the human resource strategy and the business strategy of the organisation.

iii) It is the responsibility of the organisations that they encourage the employees to widen their knowledge and readily accept the changes as well as training programs as it will be beneficial in their career advancement also.

iv) There are many organisations who continue to manage their people as before. This is to the detriment of the Human Resource function.

v)   Training continues as on-going concerns of organisations. It has become a national issue in many countries. It is a risk for the organisation to choose the best training program which would be effective for the diverse work force of the organisation.

vi) Still another issue that calls for attention in the process of human resource development deals with the behaviour of the employee. It becomes very difficult to terminate or dismiss the complex and under-performing employees.

It is core responsibility of the organisation to effectively deal with the process of human resource development and overcome from all the hurdles which may prevent the organisation in making its position in the competitive market.

4.8   CORPORATE COUNSELING

The concern of human resource development in organisations has led to a new term known as 'people management'. The process of human resource development has generated an increase awareness of people related issues at all levels (for example – marketing, financial and so on) and hierarchies (for example- boss, subordinate, vendors, customers and so on). Managing of people in all circumstances has turned out to be very sensitive and crucial in the current commercial and industrial management situation. This has led to an emergence of counseling at corporate level.

Counseling may be defined as a process of interaction between two persons (the counselor and the client) which guides a person to tackle his/her own emotions and feelings. It helps an individual to gain an insight and understanding of what ought to be his values and aspirations in life. It enables them to tackle stressful situations both at home and work environment as well. The objective of the process of counseling is to make people more self-reliant and -confident, more independent and in control of themselves. It is like a person looking at a mirror to confirm what he must do to improve his image.

Organisations manage people who although work together with a common objective but are heterogeneous in nature, be it age, sex, educational qualifications or experience. Further, in order to be at par with the competitive market, organisations have also started changing their structures. Some companies have already transformed their pyramidal structures into a flat organisation to focus on their front-line staff. If such a radical shift in balance of power and authority must succeed, front-line employees need to be empowered and counseled, so that they may fulfill the revised parameters of performance expected of them. Such conditions have led to the emergence of counseling at the corporate level by the counselors. The counselors are hired or appointed by the organisations who are technical experts in dealing with people and help them in effective people management.

In the corporate context, the process of counseling addresses the basic issue of inspiring confidence and imparting competence to the people in the front of the business field. It helps in resolving the issues and problems of the employees then and there which helps an organisation to save time, effort, money and energy. The counselor can help the employees to recognise opportunities, deal with changes, resolve problems, prioritize agenda, and make decisions. They help the employees in finding out the real cause of the problems or the current situation and then resolve such issues. The problems may be personal (related to family and home) or work environment (difficulties in dealing with boss, subordinate, co-workers or peers).Since such issues are likely to impact upon the effectiveness and productivity of the employee as well as the organisation. Also, the process of counseling at corporate helps to deal employees who are very emotional in nature. The demands of the organisational role may suppress the present feelings and emotions of the employees. Repressed emotions, however, lead to blocks in creativity, productivity, and self-development.

4.8.1 Effective Counseling at the Corporate Level

Corporate world are trying out ways to effectively manage their human resource, corporate counseling is a part of those ways which also helps in the process of development of the human resource. In such situations an effective counseling can be beneficial for the organisation as well as its employees. Some of the ways of effective counseling are as follows:

i) A counselor needs to be a good listener. He or she should have the capacity to listen to each and every aspect of the employees of the organisation.

ii) A counselor should also be capable of reading body language, observing the way things are being said, watching the tone/timbre/inflexion of voice, and the intensity of communication. Body language is far more significant than mere vocabulary.

iii) A counselor needs to have empathy with the client employee. Empathy refers to trying to understand the other feelings by putting themselves in to others' shoes.

iv) A counselor needs to study and summarize the over all context before suggesting remedies to the problems.

v) A counselor should help the employee to identify and modify any dysfunctional aspects in his mode of thinking and behaviour.

vi) It is also essential to establish a proper environment and climate before starting the processing of counseling.

4.8.2 Counseling, Coaching and Mentoring

It is important that counseling is not confused with coaching, or mentoring. *Coaching* is an intensive form of personal development of the employee. The objective of coaching is to enable the employees to realise the latent talents, and arrive at a fresh sense of his/her 'self'. Coaching is not remedial as it is clearly focused on the future performance of the executive. It deals with new opportunities lying ahead. Whereas, counseling refers to a process of analysing the present and past problems of the employees and suggest certain remedies or solutions to overcome them

Mentoring is more an advisory and career-oriented interaction, between an employee and a more senior person, either from the same organisation or the same profession. It is "an off-line help by one person to another, in making significant transitions in knowledge, work, or thinking."

Self Assessment Questions

Fill in the blanks

i) Counseling refers to _____

_____ .

ii) A counselor needs to be a good _____

_____ .

iii) Coaching refers to _____

_____ .

iv) Mentoring refers to _____

_____ .

4.9   LET US SUM UP

It can be summed up from the above discussions that human resource development is a very important and sensitive aspect of managing the human resource in the organisations. The process of human resource development leads to the enhancement of potentials, skills, knowledge and technical know how of the employees of the organisation. It is a preplanned process in which the strategy which would be used for developing human resource is decided on basis of the need survey. There are various strategies or methods which can be used by the organisation for developing its existing human resource. It can also be concluded that corporate counseling is an important mechanism which helps the employees to tackle their problems. In a way it is also one of the strategy which helps in the self growth of the human resource of the organisation.

4.10   UNIT END QUESTIONS

1) Describe the concept of human resource and human resource development?

2) What are the steps of designing a HRD strategy? Explain the different types of strategies of human resource development?

3) What do you understand by the term-corporate counseling? What are the ways through which corporate counseling can be handled effectively?

4) How can you say that human resource development is a planned investment?

5) Explain the various concerns and issues of the human resource development.

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