

CHAPTER



HUMAN RESOURCES MANGEMENT

HUMAN RESOURCE MANAGEMENT

- Meaning and Nature
- Objectives
- Significance
- Activities/Scope of HRM
- Human Resource Planning
- Importance
- Process

MEANING AND NATURE

HRM is concerned with managing manpower to improve individual, group and organizational effectiveness. Human resources need to be managed as organizations can prosper and progress only through the committed and creative efforts and competencies of their human resources. HRM involves human resource planning, recruitment and selection, training and development, placement, motivation, performance appraisal, career development, promotion and transfer of human resources, so that they can effectively contribute to the success of the organization.

Edwin Flippo defines the term “Personnel/HR Management “planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.”

In the words of David DeCenzo and Stephen Robbins “Human resource management is concerned with the “people” dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives.”

The nature of HRM can be briefly described as follows:

1. HRM is a Process: HRM is process of four important functions, i.e., acquisition, development, motivation and maintenance of human resources

2. Focus on Objectives: HRM places emphasis on the accomplishment of objectives. The objectives can be broadly listed under four categories:

- (a) Individual or personal objectives of the employees
- (b) Group or departmental objectives
- (c) Organizational objectives
- (d) Societal objectives

3. Universal Application: HRM is applicable not only to business organizations, but also to any other type of organization – government, education, social, religious, and any other organization or institution. Acquiring and maintaining good people is critical to the success of every organization, whether profit or non profit, public or private.’

4. Continuous in Nature: HRM is a continuous activity. It is not a one-time affair. Organizations need to manage human resources on a continuous basis. This is because of growing expectations of the employees. Again, there are constant change in the environment. Therefore, there is a need for the organizations to adapt to environment changes. Organizations will be in a position to change only when the individuals and groups in the organization recognize change and adjust their behaviors and activities as per the changing environment. For this purpose, there is a need to provide training and development of employees on a continuous basis.

5. Integrated Use of Subsystems: HRM involves the integrated use of subsystems such as training and development, career development, organizational development, performance appraisal, potential appraisal, etc. In other words, emphasis needs to be placed in all possible areas so that individual, group, and organizational effectiveness is enhanced.

6. Multidisciplinary Approach: HRM is dynamic, multidisciplinary and evolving field that draws upon education, management science, psychology, communication, economics, organization behavior, philosophy and sociology. Since HRM aims at improving individual, group and organizational effectiveness, it involves the use of various disciplines of social sciences.

7. Key Element in Coping with Problems: Economic, technological and social trends have created acute problems for business and industry. As a result, management has focused attention on HRM as a key element in coping with these problems. This is because such problems can be solved with the help of committed efforts and competencies of human resources

8. Development of Team Spirit: HRM aims at developing and maintaining team spirit in every organizational unit, i.e., groups, and departments. Such team spirit is required so that the people work effectively together and contribute to the success of the organization

9. Development of Employees Potentialities: HRM aims at development of employees potentialities to the maximum possible extent, so that they gain maximum satisfaction from their job. Employees potentialities can be developed through effective training and development programmes.

10. Long-term Benefits: HRM brings long term benefits to the individuals, organizations, and the society as well. Employees gain long-term benefits by way of better monetary and non-monetary incentives. The organization can gain by way of higher returns on investment and better corporate image. The society can be benefited by way of better quality of goods and services.

OBJECTIVES OF HRM

The objectives of HRM are briefly stated as follows:

1. The primary objective of HRM is to ensure the availability of competent and dedicated workforce. Acquiring and maintaining good people is critical to the success of every organization, whether profit or non-profit, public or private.
2. To make effective use of human resources along with other resources – physical and financial – so as to attain the overall objectives of the organization.
3. To motivate the human resources through adequate monetary and non-monetary incentives so as to stimulate better performance, which in turn will enable to accomplish the objectives of the organization.
4. To maintain a high morale of employees by sustaining and improving working conditions, so that the best employees remain with the organization for fairly long period of time.
5. To develop individuals and groups to their highest potential by offering them the right environment within the organization, and by providing the right amount of training and development.
6. To secure the integration of the individuals and groups with the organization, by reconciling individual/group objectives with those of the organization in such a manner that the individuals and groups feel a sense of involvement, commitment and dedication.
7. To establish and maintain desirable working relationships among all the members of the organization by clearly defining authority and responsibility for each job and its relation with other jobs in the organization.
8. To ensure the attainment of social objectives by producing quality goods and services, and by protecting the interests of various societal groups that are directly or indirectly connected with the organization.

SIGNIFICANCE/IMPORTANCE OF HRM

The importance of HRM can be explained from four viewpoints:

1. Significance for an Organization: HRM plays a significant role in attaining the objectives of an organization. The objectives of an organization can be achieved through HRM by:

- Effective human resource planning, proper recruitment and selection of employees.
- Developing the necessary skills, attitudes, knowledge and social behavior through training and development.

- Placement of the right person at the right place of work.
- Motivating human resources by providing proper compensation so as to stimulate their performance.
- Maintaining competent and committed workforce by sustaining and enhancing working conditions.
- Conducting proper performance appraisals so as to provide timely feedback to the employees on their job relevant strengths and weaknesses, which in turn will help them to correct their weaknesses and consolidate their strengths.

2. Professional Significance: Effective HRM facilitates professional growth of the employees in the following ways:

- Providing maximum opportunities for personal growth and development of each employee.
- Providing healthy relationship between individuals and different work groups.
- Proper allocation of jobs, correcting the errors of wrong placements and proper reallocation of jobs.
- Maintaining the dignity of the employees as human beings.

3. Social Significance: HRM plays an important role in satisfying the social needs of the employees by:

- Providing suitable and most productive employment, which may bring them social and psychological satisfaction
- Maintaining a balance between the jobs available and the job seekers, in terms of number, qualifications, needs and aptitudes.
- Effective utilization of human resources and fairly compensating the employees according to the contribution made by them
- Reducing and if possible eliminating waste of human resources through conservation of their normal energy and health.
- By helping human resources make their own decisions that are in their own interests.

4. National Significance: HRM is also significant from the nation's point of view. Dr. W.E. Deming once remarked — "Abundance of natural resources is not a requirement for prosperity. The wealth of a nation depends on its people." The efficient and effective utilization of nation's natural, physical and financial resources depends upon commitment and dedication on the part of the people. Therefore, effective management of human resources is required to speed up the process of economic development of a nation, which in turn would bring peace and prosperity to the nation.

ACTIVITIES/SCOPE OF HRM

The scope of HRM is based on the various functions or activities of HRM. The various activities that describe the scope of HRM are as follows:

1. Human Resource Planning: The HR manager has to undertake HR planning. The HR manager needs to review the organizational goals or objectives. On the basis of the goals or objectives, the HR manager needs to understand the various activities required to achieve the goals. Accordingly, the manager has to make a human resource requirement forecast, and then human resource supply forecast. If there are differences between human resource requirement forecast and human resource supply, then the HR manager needs to take appropriate action. For instance, if there is shortage of human resources, then he has to make arrangement for acquiring human resources.

2. Acquisition Function: The acquisition function begins with human resource planning. For acquiring the right type of manpower, the HR manager should make necessary arrangement for recruitment and selection of human resources. Proper procedure needs to be followed to select the right type of manpower in the organization.

3. Placement Function: The HR manager is also responsible for proper placement of employees in the organization. Placement refers to fitting the right person at the right place of work. Proper placement not only brings job satisfaction to the employees, but it also results in higher efficiency of the employees.

4. Performance Appraisal: The HR manager may be involved in designing and/or undertaking performance appraisal programmes in the organization. Proper performance feedback to the employees, helps to correct their weaknesses and consolidate their strengths.

5. Training and Development: One of the major activities of HRM is to provide training and development to the employees of the organization. Training and development programmes enable the employees to:

- Acquire additional knowledge
- Develop attitudes
- Improve skills, and
- Develop social behavior.

6. Career Development: HRM facilitates career development of the employees in the organization. Career development refers to the continuous effort to match long-term individual and organizational needs. HRM should fulfill career aspirations of the employees and should facilitate to meet the future requirements of the employees in the light of organizational goals. Career development not only helps the employees concerned but also the organization to become dynamic and growth oriented.

7. Quality of Work Life (QWL): HRM is responsible for quality of work life. QWL is a technique for improving productivity and quality of work. It involves labor management cooperation, collective bargaining and participative management.

QWL programmes focus attention on providing good working conditions, job security, good pay and other facilities such as flexible working hours (wherever possible), freedom to suggest changes or improvements, etc. QWL generates a sense of belonging that benefits the organization as well as the individual employees.

8. Employees Welfare: HRM is responsible for employees welfare. Welfare measures include creche facilities, holidays with pay, medical insurance, canteen facilities, recreation facilities, restrooms, transport facilities, and so on. Appropriate and timely welfare facilities motivate the employees and make them committed and dedicated towards their work and the organization.

9. Compensation Function: Employees must be rewarded and recognized for their performance. HRM is responsible to design proper compensation package to the employees. Appropriate rewards not only motivate employees but such actions on the part of the organization communicate the organization's values to the employees. Rewards are provided to the individuals, and to the teams. The rewards may be in the form of higher pay, bonus, other monetary incentives, and non-monetary incentives such as certificate of appreciation, and so on.

10. Labour Relations: HRM is also concerned with the industrial relations. It includes union-management relations, joint consultations, negotiating, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.

11. Maintenance Function: HRM is also concerned with the maintenance function. It involves protecting and promoting health and safety of the employees. For this purpose, the organization may adopt health and safety measures, and provide other fringe benefits such as medical aid. Social security measures like provident fund, pension, gratuity, maternity benefits, injury or accident compensation, etc., are also provided to the workers.

Human Resource Planning

HRP, sometimes called as manpower planning, involves identifying staffing needs, analyses the available personnel and determining what additions and/or replacements are required to maintain a staff of the desired size and quality. It may be defined as a strategy for the acquisition, utilization, improvement and preservation of an organization's human resources.

In simple words, HRP is a process of identifying human resource requirements in terms of quality and quantity. It is not just the quantity of manpower that matters, but more so the quality of manpower.

NEED AND IMPORTANCE OF HUMAN RESOURCE PLANNING

Nowadays, organizations are becoming more and more dependent upon people. They are increasingly involved in more complex technologies and are functioning in more complex economic, social, and political environments. As a result, the organizations face shortages of the right kind of human resources. HRP enables to get the right type of personnel in the organization.

There is a growing importance of HRP due to the following reasons:

1. Personnel Requirements: HRP helps to forecast personnel requirements in an organization. HRP enables management to anticipate personnel shortages or surpluses, and to develop ways to correct such problems before they become serious.

2. Recruitment and Selection: A proper forecasting of personnel requirements enables the organization to determine proper sources of recruitment. The organization can also adopt a proper selection procedure depending upon the needs of the jobs. Proper tests and interviews can be designed to select the right candidate for the right job.

3. Placement of Personnel: HRP facilitates proper placement of the employees in the organization. Placement refers to fitting the right person at the right place of work. Proper placement brings job satisfaction to the employees and enhances employees efficiency.

The selected personnel are placed at the right place of work. Persons are placed in those departments or in those areas where there is a shortage of personnel. If there is surplus, then that personnel can be shifted to some other areas or departments as the case may be.

4. Performance Appraisal: HRP assists in performance appraisal of the employees in the organization. Performance appraisal refers to identification of strengths and weaknesses of the employees, relating to their jobs.

The performance appraisal is conducted to find out whether the existing workforce has the necessary qualifications and qualities as per the job requirements. If there was weaknesses, then additional training or some other measures can be undertaken.

5. Promotions: HRP ensures right promotion of the employees in the organization. Promotion involves higher position, higher powers and higher pay.

HRP involves performance appraisal. Necessary performance reports are prepared. The organization would be in a position to promote the right person depending upon the performance appraisal reports.

6. Training: HRP ensures training of the employees in the organization. Training involves imparting knowledge and developing attitudes, skills and social behavior of the employees.

HRP identifies the training needs of the personnel. If the personnel lack knowledge and skills, then necessary arrangements can be made by the organization to provide training.

7. Transfers: HRP facilitates proper transfer of the employees in the organization. Transfer involves sideway movements of the employees in the organization.

There may be a situation where there is surplus personnel in one department and shortage in another department. This situation can be corrected by effecting transfers at the right time.

8. Career Development: HRP facilitates career development of the employees in the organization. Career development refers to developing career of the employees in the organization.

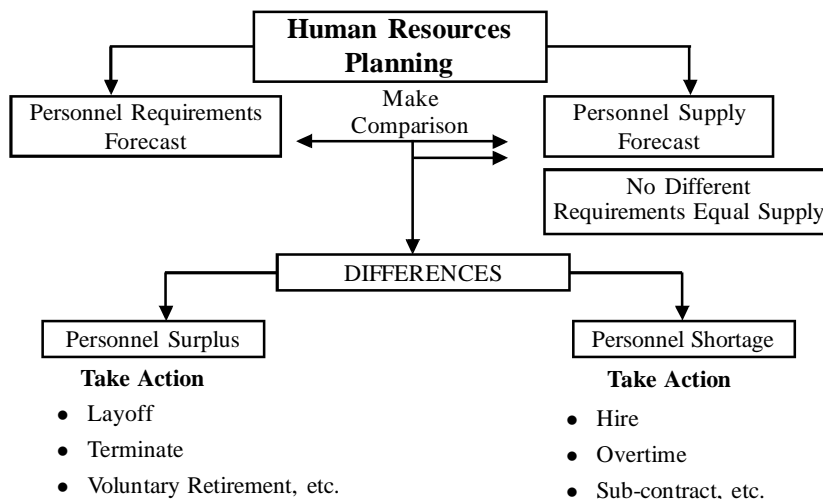
HRP is conducted taking into consideration the long range plans of the organization. The plans are made known to members of the organization. The employees can plan for their careers within the organization.

9. Organizational Development: HRP assists in organizational development. Organizational development takes place when there are better results in the form of higher productivity or efficiency. The organization with qualified and competent personnel can easily solve the problems of low productivity absenteeism, interdepartmental conflicts, resistance to change, etc.

10. Motivation of Personnel: HRP is concerned not only with the identification of the personnel in terms of quality and quantity, but it is also concerned with the improvement and motivation of the human resources. The organization would make every possible effort to have dedicated and committed personnel at all levels in the organization.

Process of HRP

The following are the steps in the HRP process.



1. Review of Organizational Objectives: The first step in HRP is to review the objectives of the organization. Proper review of the objectives will enable the organization to make a proper list of the various activities that would be required to achieve a the objectives.

To undertake the activities, the organization can determine the required work-force in terms of quantity and quality. A proper job analysis needs to be conducted at this stage.

2. Personnel Requirements Forecast: The HRD manager should find out the requirement of human resources undertake the various activities. The human requirements forecast must be both in terms of quantity and quality.

3. Personnel Supply Forecast: The HRD manager should also forecast the availability of manpower. The required manpower may be available within the company or they may be required to be hired from the labor market.

4. Make Comparison: The HRD manager must make a comparison between personnel requirement and personnel supply, to find out whether the required personnel is available or not.

5. If no Differences: The comparison between personnel requirements and personnel supply would indicate whether there are any differences. If human resource requirements are equal to human resource supply, then there are no differences and as such no action need to be taken.

6. If there are Differences: The comparison may reveal differences between the human resource requirements and human resource supply. There may be personnel surplus, or personnel shortage. So, necessary action needs to be taken to deal with the problem of personnel shortage or surplus.

7. Motivating the Manpower: An important aspect of human resource planning is to motivate the personnel by providing monetary and non-monetary incentives.

8. Monitoring Personnel Requirements: The organization needs to monitor the requirement of personnel. This is because there is constant need for additional personnel, as some of the existing personnel do leave the organization due to resignation, retirement and so on.

Questions

1. Explain meaning and importance of HRM.
2. State the objectives of HRM.
3. Bring out the significance of HRM.
4. Explain the scope or importance activities of HRM.
5. Explain the importance of HRP.
6. Explain the process of HRP.

Human Resource Development

- Human Resource Development
 - Meaning and Nature
 - Scope
 - Importance
- Training and Development
 - Importance
 - Methods
 - Essentials/Principles
 - On-the-job v/s Off-the-job Training

MEANING AND NATURE OF HRD

Development of human resources is needed by any organization if it wants to succeed in the fast changing business environment. Organizations can progress only through the competencies of their human resources.

HRD defined:

American Society for Training and Development (ASTD), defines “HRD is the integrated use of

- (a) training and development,
- (b) organizational development, and
- (c) career development to improve individual, group and organizational effectiveness.”

NATURE AND CHARACTERISTICS OF HRD

1. Continuous in Nature: HRD is a continuous process. Organizations have to change due to changes in the environment. Therefore, there is a continuous need to train and motivate employees in order to adapt to change in the environment.

2. Multidisciplinary Approach: HRD is a multi-disciplined approach. It makes use of various disciplines such as education, management science, psychology, communication, economics, organization behavior, philosophy and sociology. HRD aims to improve individual, group and organizational effectiveness in all possible areas. Therefore, it involves the use of various disciplines of social sciences.

3. Integrated Use of Subsystems: HRD system involves the integrated use of subsystems such as training and development, career development, organizational development, performance appraisal, potential appraisal, etc. In other words, emphasis needs to be placed in all possible areas so that individual, group and organizational efficiency is enhanced.

4. Key Element in Coping with Problems: Economic, technological and social trends have created acute problems for business and industry. As a result, management has focused attention on HRD as a key element in coping with these problems. This is because such problems can be solved with the help of competencies of human resources.

5. Long-term Benefits: HRD brings long-term benefits to the individual employee as well as to the organization. The individual employee benefits in terms of improvement in knowledge and skills, higher rewards, increased job satisfaction, etc. The organization benefits in terms of reduction in wastage, optimum use of resources, motivated and disciplined workforce, and higher efficiency.

6. Learning/Training: The core of HRD is learning. There are many other human resource development areas in the organization, but the uniqueness of HRD is its use of learning to attain individual and organizational objectives. Employees can learn a great deal through training programmes.

SCOPE OF HRD

The scope of HRD can be explained in the light of its various subsystems or mechanisms. The various sub-systems are:

1. Performance Appraisal: An HRD-oriented performance appraisal is conducted so that it helps the superiors to:

- Understand strengths and weaknesses of their subordinates and accordingly help subordinates to consolidated on their strengths and to do away with their weaknesses.
- Understand the difficulties faced by their subordinates and try to remove such difficulties.
- Make the subordinates to become aware of their positive contributions and accordingly reward them for the same.
- Encourage subordinates to accept new tasks and challenges and accordingly develop new capabilities in the subordinates to handle the new tasks and challenges.

2. Potential Appraisal and Development: In HRD organizations, it is assumed that the organization is growing continuously – expanding, diversifying, introducing technological changes, entering new areas or markets, etc. such expansion and diversification calls for new roles and challenges. Competencies to perform new roles and face challenges must continuously be developed among employees.

3. Performance Feedback and Coaching: It is true that individuals often fail to recognize their strengths and more so their weaknesses. A timely feedback of their strengths and weaknesses helps the subordinates to consolidate on their strengths and to correct their weaknesses.

Superiors not only provide feedback on strengths and weaknesses, but they also help coach and counsel them in improving their performance capabilities.

4. Career Development: In any organization, individuals want to know the opportunities for their growth and career development. Because superiors have information about the growth plans of the company, it is their responsibility to convey such information to their subordinates and assist them in planning their careers within the organization.

5. Training and Development: Training is an integral part of HRD. This area focuses on identifying and helping to develop, through planned learning, the key competencies that enable individuals to perform current or future jobs.

The planned learning can take place either on-the-job training such as job rotation or off-the-job training such as outside and in-house training programmes.

6. Organizational Development: This area focuses attention on assuring healthy relationships throughout the organization. The O.D experts help individuals, groups or departments to initiate and manage change. They also help any unit or department in the company that is facing any problems such as absenteeism, internal conflicts, low productivity or resistance to change.

7. Rewards/Motivation: Rewarding employees is an important area of HRD. Proper rewards and recognition motivates the employees to put in their best efforts. It also indicates that the organization respects and values the employees.

Rewards may be given to individual employee, teams/groups or departments. They may be in form of:

- Monetary incentives such as higher salaries, incentives and bonuses.
- Non-monetary incentives such as higher status, appreciation, delegation, welfare facilities, etc.

8. Employee Welfare: There must be proper employee welfare measures. Such welfare measures include holidays with pay, medical insurance, canteen facilities, recreation facilities, etc., appropriate and timely welfare facilities motivate the employees and make them committed and involved in their work.

9. Quality of Work Life: QWL is a technique for improving productivity and quality of work. It involves labor-management co-operation, collective bargaining and participative management.

QWL programmes focus attention on providing good working conditions, job security, good pay and other facilities such as flexible working hours, freedom to suggest changes or improvements, etc. QWL generates a sense of belonging that benefits the organization as well as the individual employees.

10. Human Resource Information: Necessary information about employees must be maintained by the company. Such information about individual employee includes special achievements, training programmers attended, performance appraisal reports, potential appraisal information, etc.

Such information is utilized whenever there is a need to identify employees for consideration for special projects, additional training, promotions, transfers, etc.

OBJECTIVES/IMPORTANCE OF HRD

HRD is needed by any organization that wants to survive and succeed in a fast changing environment. The need and importance of HRD can be stated as follows:

1. To Face Market Conditions: The market conditions have changed considerably during the past few years due to intense competition. To face the competition, employees need to be well trained

2. To Adapt to Technological Changes: The technology has changed requiring the company also to change or adapt its technology or modernize itself. The changes in the technology require the need for HRD programmes. Through HRD programmes, employees are in a position to cope up with the technological changes.

3. To Meet New Organizational Roles in Society: The role of organization in society is changing. The demands on the organization and expectations of the clients or customers and others require that executives and other employees undertake new tasks and respond to environmental changes.

4. To Meet Employees Needs: The organization may have reached a saturation point in its growth. There are no opportunities for the employees to grow. In other words, employees are stagnating due to lack of growth opportunities. In such instance, the employees may be frustrated.

To do away with such frustration among employees, it is necessary to undertake HRD programmes so that the individual employees may grow and thus, make the organization to grow further.

5. To Fill Vacuum at Higher Levels: A vacuum at top and middle levels of management is likely because a large number of old guards are likely to retire soon. Therefore, to fill such positions, there is an immediate need for trained managerial personnel.

6. To Exploit Organizational Potential: The organization may have right potential. But internal management situation may be unable to handle the situation. In other words, management systems and controls may be lacking. The internal process may be streamlined, thus requiring employees to change and exhibit higher levels of maturity and competence.

7. To Fulfill Career Aspirations: HRD promises to fulfill career aspirations of the employees and to meet the future requirements of the employees in the light of organizational goals. Superiors can encourage their subordinates to realize their potential. Through proper performance appraisal and potential appraisal, the individuals in the organization can be promoted, transferred, etc.

8. To Control Labour Costs: HRD ensures control of labour costs by avoiding both shortages and surpluses of manpower in the organizations. Through effective Human Resource Planning, the organization can identify manpower requirements.

9. To Make Optimum Use of National Resources: HRD makes an attempt to avoid all kinds of lop-sided developments, shortfalls in performances and waste of national resources. Therefore, it is necessary to conduct HRD programmes not only at organizational level, but also at government level throughout the country.

10. To Facilitate Diversification: When a company is planning to expand through diversification and is planning to set up new units and factories, then there is a need for trained personnel to handle the varied additional positions.

Training is normally viewed as a short-term educational process by which non-managerial personnel acquire the technical knowledge and skills necessary for increased effectiveness in achieving organizational goals.

In the words of Wayne Cascio, “Training consists of planned programmes undertaken to improve employee knowledge, skills, attitudes, and social behavior so that the performance of the organization improves considerably.”

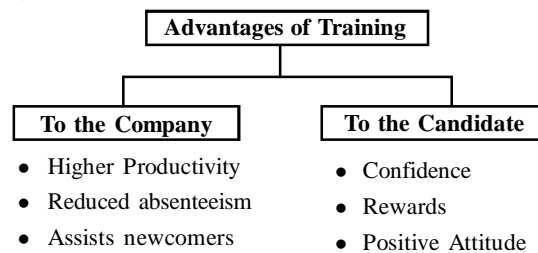
Development is viewed as a long-term learning process by which managerial personnel acquire conceptual and theoretical knowledge and skills for enhancing general administrative abilities.

TRAINING v/s DEVELOPMENT

Training	Development
1. Meaning: It refers to learning process of the employees	It refers to learning process of managers
2. Managerial/Operative Personnel: Training is normally directed at operative employees and relates to technical aspects. knowledge	It is directed at managerial personnel to acquire conceptual and theoretical
3. Specific/General: Training is more specific job related information	It is more general in nature, especially at top management level.
4. Methods: More emphasis on the on-the-job methods.	More emphasis on the of-the-job methods.
5. Cost Involved: Imparting training is less expensive	Development is more expensive
6. Frequency: Less frequent. Mostly at induction and at every change in job	More frequent and continuous in nature
7. Who Imparts: Training is imparted mostly by the supervisors	Development is undertaken by superiors, outside experts.
8. Theoretical / Practical Aspects: Emphasis is placed on practical or technical aspects of work	Emphasis is placed on conceptual and theoretical aspects.

IMPORTANCE/ADVANTAGES OF TRAINING

Training serves various PURPOSES. Training is, therefore, important not only to the employees but also to the company.



I. To the Company:

1. Increases Efficiency and Productivity: Trained employees perform with greater speed and accuracy. They work with a feeling of commitment and dedication. This is because not only knowledge and skills are developed but also positive attitudes. Training leads to qualitative performance on the part of employees

2. Reduces Supervision: Trained persons require less supervision because they know their job better and commit fewer mistakes. The supervisor can concentrate on more important activities such as planning and controlling.

3. Reduces Accidents and Wastage: Trained employees develop positive attitude towards their job and organization. They become more interested in their jobs and as such they handle the machines and materials properly. This helps to reduce accidents and wastage.

4. Reduces Absenteeism and Turnover: A trained person derives more job satisfaction. Morale of trained staff is high. They do not remain absent without sufficient cause. There are also less chances of labour turnover.

5. Assists Newcomers: Training develops confidence in new employees. Newly appointed candidates feel sense of pride and belonging towards the company. They understand that the company is sincerely interested in them and as such the firm would be in a position to obtain better services from new employees

6. Information about Firm's Policies and Programmes: Training can be a means to communicate firm's policies and programmes to the employees. Effective communication helps to obtain acceptance from the employees and they co-operate to achieve firm's goals.

7. Other Benefits:

- It develops better labour relationship,
- It develops employees loyalty towards the firm,
- It facilitates introduction of new techniques,
- It reduces grievances on the part of the employees, etc.

II. Advantages to the Candidates:

8. Knowledge and Skills: Training helps to improve knowledge and skills of the employees. Such improvement in knowledge and skills helps to improve the overall performance.

9. Confidence in Employees: Training develops confidence in employees so that they can handle even difficult situations with ease. Training helps the newcomers to adjust easily with their new job.

10. Positive Attitude: Training develops positive attitude in the employees. Employees work with a positive frame of mind. This results in higher efficiency.

11 Chances for Promotion: Trained personnel stand a fair chance of being promoted. Instead of selecting people from outside sources, a trained person can be promoted to higher levels.

12. Refreshing: Training refreshes the employee. It not only provides information but also it is a short escape from routine work. Refresher training updates knowledge and skills of employees.

13. Higher Rewards: Trained employees generate higher productivity. The fruits of higher returns are shared between the company and the employees.

Meaning of Management Development

Managers/executives constitute the most valuable assets of an organization. The success and growth of an organization depends on the caliber and performance of managers. Systematic education and training needs to be given to them so as to raise their capacity to face adverse situation and new challenges. For this, management development programmes are necessary and useful. In addition to training for operative staff, an organization has to take steps for training programmes for supervisory staff and managers. Such training programmes are called management/executive development programmes. Such programmes are necessary as every organization needs a team of highly qualified and trained managers at the higher management levels in order to frame and execute its business plans and policies. For this, every organization, particularly large as well as progressive, has to take suitable steps for management development. In other words, it has to use different training methods for training its executives. Here, multiskill training facilities will be offered to trainee officers (engineers, etc.,) supervisory staff and managers working at the higher levels. Continuous efforts for management development are essential in the present highly competitive business world. Management development programme (also called Human Resources Development(HRD) programme) acts as a key factor for the survival and growth of a business unit.

Management development consists of all means by which executives learn to improve their performance. It is designed to improve the effectiveness of managers in their present jobs and to prepare them for higher jobs in the future. It aims at helping the managers to realize their full potential. Management development is a continuous process as there is no time limit for learning to occur. Secondly, management development is based on the assumption that there always exists a gap between a manager's existing performance and his potential for the performance. The untapped potential can be converted into actual performance through management development programmes/process. Management development process involves stresses and strains. It seldom takes place in complete peaceful atmosphere.

Definition of Management Development

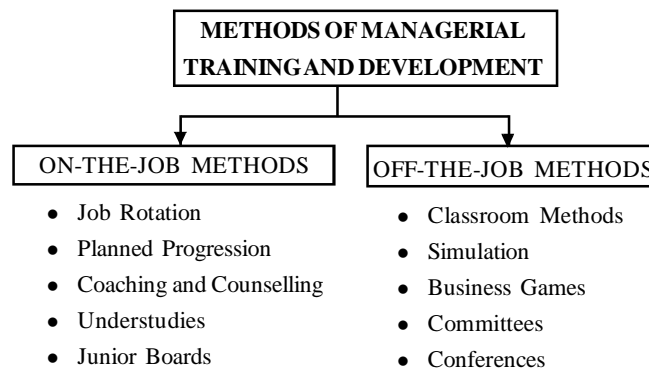
1. According to P.N.Singh, “Management development is an activity designed to improve the performance of existing managers, provide a supply of managers to meet the need of organizations in future and extend the understanding of the management activity by drawing from the following three resource areas:
(a) Knowledge, (b) Experience, and (c) Trainee himself.
2. According to S.B. Budhiraja, former M.D. of Indian oil Corporation, “Any activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organizational requirements is management development.”

METHODS OF TRAINING FOR MANAGERIAL PERSONNEL

Training and development methods for managerial personnel can be divided into two groups as follows:

I. On the job Methods

1. Job Rotation: Job rotation involves the transfer of trainees from one job to another and sometimes from one branch to another. Job assignment under a rotation system may last for a period of 3 months to 2 years. The trainee is given full duties and responsibilities of the rotated position. It is more suitable for lower level executives.



Advantages:

- Job rotation promotes creative thinking and enables for executive development.
- It provides a rich experience to the candidate in a variety of matters.
- It does away with the monotony of routine duties.
- It creates a second line of competent executives to meet the problems of transfers, turnover, etc.
- It identifies the most suitable position for an executive. The position in which the trainee performs better is generally offered to him.

2. PLANNED PROGRESSION: It is similar to job rotation, except that every movement from one job to another involves higher pay, position and duties. In job rotation, every movement involves more or less same pay and position. Planned progression is more likely to occur at higher managerial levels, whereas, job rotation occurs mainly at lower level positions.

3. COACHING AND COUNSELLING: Coaching: In coaching, the superior plays an active role in training the subordinate. The superior may assign challenging task to the subordinate for the purpose of training. The superior may assist and advice the subordinate to complete the assigned task. In this case, the superior acts as a coach in training the subordinate.

Counselling: In this case, the superior plays a passive role in training the subordinate. The superior may assign challenging task to the subordinate for the purpose of training. The superior may provide advice to the subordinate in the completion of task, if so required. In this case, the superior acts as a guide rather than a coach in training the subordinate.

4. UNDERSTUDY POSITION: The trainee is given an understudy position. The trainee handles some important aspects of his superior's job. The trainee, at a future date, is likely to assume the duties and responsibilities of the position currently held by his immediate superior.

The understudy technique ensures a company that a fully qualified person will be available to take over a present manager's position whenever he leaves the position through promotion, transfer, retirement or resignation.

The understudy person is generally asked to do the following:

- He may be asked to investigate and make written recommendations about problems and projects related to a unit or department.
- He may also supervise a small group of employees to experience leadership qualities.
- He may be called to attend executive meetings either with or in place of the superiors.
- He may be called to assume superior's position in this absence.

5. JUNIOR BOARDS: In western countries, junior boards are formed. It permits promising young middle-level managers to experience problems and responsibilities faced by top-level executives in their company. About 10 to 12 executives from diverse functions within the organization serve on the board for a term of say 6 months or more.

The board is allowed to study any problem faced by the organization, in respect of personnel policies, organizational design, interdepartmental conflicts, etc., and to make recommendations to the senior board of directors.

II. Off-the-job Methods

1. Classroom Methods: Classroom methods for training managerial personnel include lectures, discussion, role playing, and case study.

Advantages:

- Training can be given to a large group of trainees at a time, especially in the case of lecture method.
- Both theoretical and practical aspects are emphasized.
- Training can be done in a short period of time
- It is economical
- Senior and qualified expert can train the executives. At times, an outside expert is invited to give a lecture or for debate.
- It generates interaction among different executives belonging to various departments and ranks.

2. Simulation: A simulated learning situation is an imitation of reality. It is a technique wherein the trainee is trained in an environment that closely reflects and represents actual work place. It tries to duplicate actual conditions encountered on a job. Simulation is a very expensive training technique, but it is useful or necessary, where actual on-the-job practice could result in a serious injury, a costly error, or the destruction of valuable company materials or resources.

3. Business or Management Games: Business games are classroom simulation exercises in which teams individuals compete against each other to achieve given objectives.

For instance, teams may be asked to make decisions concerning pricing, production volumes, research expenditures, advertising and sales promotion plans, channels of distribution etc. Team actions and decisions are fed into a computer that has been programmed according to a particular model of the market. Business game participants learn by analyzing problems and by making trial and error decisions.

4. Committees and Conferences: Committees: A committee can be a method of training. The junior members of the committee can learn from the discussions and interaction with the senior members of the committee. The senior members also can learn from the opinions and views expressed by the junior members.

Conferences: In the case of conferences, group discussion and meetings are held to discuss various issues and to provide solutions to various problems. The chairperson leads the discussion and then the participants attempt to provide solutions. The conference acts as a group interaction and exchange of views and ideas. It reshapes thinking and attitudes of the participants.

5. Readings, Television and Video Instructions: Planned reading if relevant and current management literature is one of the best methods of management development. It is essentially a self-development programme. A manager may be aided by training department, which often provides a list of valuable books. The manager can discuss the relevant articles with the senior manager and get necessary clarifications.

ESSENTIALS/PRINCIPLES OF TRAINING

Training causes learning, therefore, to make it more effective, the following essentials or principles of a good training programme must be noted.

1. Motivation: Regardless of the quality of instruction, an indifferent trainee will learn little. Because human behavior is goal-oriented, a trainee must be motivated in order to learn. Relating learning results to higher pay, promotion and position can motivate the employees to learn.

2. Active Involvement: Learning is most efficient when the learner is actively involved in the process rather than just listening to a lecture. The trainee's learning is more complete if he actually performs the task to be learned.

3. Progress Report: Research has demonstrated that people learn faster when they are informed of their progress by means of an examinations or through the instructor's comments. Providing the trainee with progress reports facilitates the learning process.

4 Re-infringement: On completion of training, employee should either be promoted or there should be increase in pay or status, otherwise, he will lose faith in training programmes

5. Instructions in Parts: Rather than presenting the whole training program at one time, most research indicates, it is better to break instructions down into parts, thus creating a series of sub-goals for the learner.

6 Expert Trainers: Training must be provided by highly qualified, experienced and mature persons with a balanced personality. Expert trainers command lot of respect and attention from the learners.

7 Individual Differences: It should be noted that there are individual differences in terms of experience, knowledge, grasping power, etc. Therefore, groups or batches should be made taking into consideration their individual differences.

8 System of Training: Training needs and objectives must be clearly defined.

- There should be a proper balance between theory and practice
- Training material should be simple and meaningful.
- Use of films, audio-visuals, makes training more interesting.

9. Ideal Place: There must be an ideal place of training. However, the place of training depends upon a number of factors. If it is on the job training then it has to be within the factory premises. Off-the-job training should preferably be provided outside the company premises.

10. Training Period: It should neither be too long or too short. Too long period brings monotony and affects the actual work. Too short period, the trainee does not get chance to learn much of the knowledge skills required.

ON-THE-JOB TRAINING v/S OFF-THE-JOB TRAINING

On-the-job Training	Off-the-job Training
1. Meaning: It is that type of training which is imparted on-the-job, within the Company.	It is that type of training which is provided off-the-job, normally at training centers.
2. Methods: — Understudies — Coaching — Job Rotation, etc.	— Classroom Training — Business Games — Simulation, etc.
3. Who Imparts Training: On-the-job training is normally provided by the immediate superior.	Off-the-job training is normally provided expert trainer.
4. Individual/ Group: It is generally provided on individual basis	It is generally provided to a group
5. Effect on Regular Production: Regular work is not affected as the training is provided on the job	Regular work is normally affected as the employees are off the job, during training period.
6. Practical/Theory: Normally practical training is provided	Normally theoretical concepts are made clear
7. Cost Factor: Overall cost of training is less, because the training is of a short period and in the company premises	Overall cost is more as it involves payment to experts, booking halls, etc.
8. Suitability: It is more suitable to train lower level managerial personnel.	It is more suitable to train higher level managerial personnel.

PERFORMANCE APPRAISAL

- Principles
- Purposes/Uses
- Limitations
- Techniques/Methods
- 360 Degree Appraisal
- Human Resource Accounting

Performance appraisal is a process of evaluating work performance of the personnel so as facilitate individual and organizational effectiveness. Performance appraisal is also referred as merit rating, employee rating and service rating.

In the words of Wayne Cascio, “Performance appraisal is the systematic description of an employee’s job relevant strengths and weaknesses.”

Michael Crino, defines “Performance appraisal is the process of assessing quantitative and qualitative aspects of an employee’s job performance.”

Principles or Requirements of Employee Appraisal

1. Proper Evaluators: The performance appraisal should be conducted by those who are experienced, qualified, mature and honest. If necessary, proper training may be given to the evaluators so that the performance appraisal is fair and justified.

2. Proper Timing: Performance appraisal must be conducted periodically. It is advisable to conduct performance at least twice in a year. If possible, performance appraisal maybe every three months.

3. Proper Feedback: The performance appraisal reports should be made known to the personnel. This will enable them to know their strengths and weaknesses. Accordingly, personnel may take corrective steps to correct their weaknesses and consolidate their strengths.

4. Proper Weightage: Proper weightage should be given to various performance factors. Certain factors such as creativity may require higher weightage as compared to quantity of work. The weightage given to the factors depends upon company to company and from one job to another.

5. Provision of Appeal: There must be a systematic procedure to appeal against the performance appraisal reports. The procedure must be made known to the employees.

6. Defined Job Dimensions: There should be a clearly defined dimensions of job performance rather than undefined general measures of job performance. This facilitates systematic appraisal of the employees

7. Behavior-based Dimensions: Performance dimensions should be behaviorally-based and ratings should be supported by objective observable behavior.

8. Reliability: The performance appraisal must be reliable. For any given employee, appraisals made by several raters working independently of one another should agree closely.

The Purposes and Uses of Performance Appraisal

In general, performance appraisal serves a two-fold purpose. The purpose could be either for evaluation of performance or for development of employees. In general, performance appraisal serves the following purpose:

1. Performance Feedback: Performance appraisal provides performance feedback to the employees. Employees can come to know about their job-related strengths and weaknesses. Such feedback enables the employees to correct their weaknesses and improve on their strengths.

2. Training and Development: Performance appraisal information maybe used to determine whether an employee or a group of employees requires additional training and development. Deficiencies in performance may be attributable to inadequate knowledge or skills. Accordingly, the organization may decide to provide additional training to the employees.

3. Validation of Selection Process: Performance appraisal provides a means of validating both internal (promotions and transfers) and external (hiring new employees from outside sources) selection programmes

A proper performance appraisal determines the validity of the various selection devices and accordingly the company may only follow selective and suitable tests and other selection devices to recruit employees in future.

4. Promotions: Performance appraisal gives management a means of identifying employees for promotion. A means of past appraisals, together with other background data, will enable management to select persons for promotion more intelligently.

5. Transfers: Performance appraisal is useful in effecting transfer decisions of employees. Effective transfer of employees is possible through the reports of performance appraisal.

6. Compensation Decisions: Performance appraisal may also be used to compensate the employees in terms of increased pay and other incentives. This is more true in the case of managerial jobs and also in the case of employees in non unionized organizations. The better performers are often rewarded with merit pay.

7. Human Resource Planning: The appraisal process aids in human resource planning. Accurate and current appraisal data regarding employees may provide management with important information on which to base decisions for future employment. Without the knowledge of who is capable of being promoted, transferred and terminated; management is at a severe disadvantage with respect to framing various future employment plans.

8. Maintaining Good Management-Labour Relations: Performance appraisal also helps to maintain good labour relations between the management and the labour. This is because performance appraisal creates a healthy atmosphere in the organization. The effective employees are motivated to perform better and better and the ineffective employees are encouraged to do away with their weaknesses or limitations.

9. Documentary Evidence: Performance appraisal reports can be used as an important documentary evidence in case of disciplinary action taken against some ineffective employees. This is especially true in the case of unionized organizations.

10. Effective Communication: Appraisal interviews and reports can be very effective means of communication to the employee and can result in improved performance.

11. Career Development: Performance appraisal enables managers to coach, counsel and assist employees in their career development.

Limitations of Performance Appraisal

1. Halo Effect: The rater may base the entire appraisal on the basis of one positive quality or trait which was assessed earlier. For instance, if a person is evaluated on one trait 'emotional ability' and if he scores very high in the case of emotional ability, then the rater may also give him high scores in respect of other traits, such as intelligence, creativity and so on, even without assessing such characteristics of that person.

2. Horn Effect: At times, the raters may evaluate on the basis of one negative quality or feature perceived. For instance, the rater may observe that the ratee does not shave regularly, and he may conclude that he is lazy at work. This results in overall lower rating of the employee concerned.

3. Central Tendency: There are instances, where a rater assigns mostly middle range scores or values to all individuals being appraised. Extremely high or low evaluations are avoided.

Usually, central tendency is caused by lack of information. Again, if a rater is unfamiliar with a ratee, if forced to evaluate, he usually may play it safe by neither condemning nor praising.

4. Problem of Leniency or Strictness: Many raters are too lenient in their ratings. High scores may be assigned to all employees, regardless of merit. Also a reverse situation may take place, where all employees are rated too severely or strictly where very low scores are given.

Such problems arise because of varying performance standards among appraisers and because of different interpretations of observed employee performance and behaviour.

5. Spillover Effect: In this case, the present performance appraisal is greatly influenced by past performance. "A person who has not done good work in the past is considered to be bad at work at present also."

6. Latest Behaviour: Rating is influenced by the most recent behaviour ignoring the commonly demonstrated behaviour during the entire appraisal period.

7. Personal Bias: The way an appraiser personally feels about a rater may drastically affect the appraiser's objectivity. Again, if the rater has good relations or connections with the ratee, he may always tend to give higher scores to the ratee, even though the ratee does not deserve such high scores. Thus, outright bias may lead to favored treatment for some employees.

8. Paper Work: Some supervisors complain that performance appraisal is pointless paper work. They complain so, because many-a-times, performance appraisal reports are found only in the files rather than serving any practical use.

9. The Problem of Appropriate Technique: There are a number of evaluation techniques. Some techniques may be easier and economical to use. Others may be time consuming, inconvenient and simple technique rather than the more suitable but time consuming or inconvenient technique.

10. Fear of Confrontations: Sometimes, supervisors tend to give above average ratings to below average performers, so as to avoid confrontations with the latter.

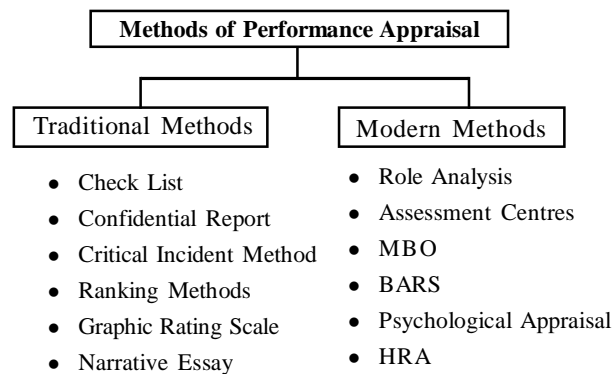
11. Fear of Spoiling Relations: Performance appraisal may also affect superior-subordinate relations. As appraisal makes the superior more of a judge rather than a coach, the subordinate may look upon the superior with a feeling of suspicion and mistrust.

12. Violation of the Cardinal Rule: A cardinal rule that is often violated is that the focus of evaluation should be on the performance-output, new ideas, extraordinary efforts, etc., rather than on the person. In reality, it is the person being evaluated rather than his performance.

13. First Impressions: Raters may identify some specific qualities of the ratee and quickly form an overall impression about him.

Techniques of Performance Appraisal

There are several methods or techniques of performance appraisal. The most common methods can be broadly divided into two groups as follows:



Traditional Techniques

1. Check List: In this case, a list is prepared containing various work related statements such as quality of work, speed, etc. The rater indicates the individual performance by checking yes or no squares to various statements. The main advantages are its simplicity, convenience, less time consuming, and less expensive.

2. Confidential Reports: This is an old and traditional method of appraising employees. A confidential report on the subordinate's strengths and weaknesses. The confidential report is used for a variety of personnel decisions such as transfers, promotions, etc. This is a poor method of performance appraisal, as it does not provide proper feedback to the employees.

3. Critical Incident Method: In this method, the rater records important incidents involving the ratee. If the ratee performs well in such incidents, then he is given high scores and *vice-versa*. For instance, in a particular incident in which a salesman convinces an argumentative customer to buy the product, then the salesman's performance may be given higher score.

4. Ranking Methods: There are various ranking methods which are commonly used to evaluate the performance of the employees. Ranking methods offer convenience to evaluate the performance and they are less time consuming. The ranking methods used are:

- (a) Simple ranking method
- (b) Alternation ranking method
- (c) Paired comparison method.

5. Graphic Rating Scale: In this method, the raters use a graphic scale to appraise certain specific factors such as quality of work, quantity of work, dependability, etc. The following is an example of graphic scale:

	Quality of Work	Quantity of Work	Dependability
Excellent	√		
Good		√	√
Average			
Poor			

The graphic scale method is simple to understand, easy to conduct and less time consuming. However, there is lot of paper work and there are chances of rater bias.

6. Narrative Essay: The most simplest method is the narrative essay. In this, the rater describes in detail an employee's strengths and weaknesses, and potential, together with suggestions for improvement. If essays are written well, they can give detailed feedback to the subordinates in respect of their performance.

Modern Techniques

1. Role Analysis: Role analysis is a process of analyzing the role of a manager in relation to roles of other managers or members who are affected by his performance. The role set members can conduct performance appraisal of the focal role. The focal role can make necessary changes to improve his performance.

2. Assessment Centers: This technique is used more so in the case of selection rather than performance appraisal. However, now-a-days, some firms use this technique in performance appraisal, especially at the time of promoting managers to higher levels. The ratees are subject to various psychological tests, management games, oral presentations, and such other various exercises.

3. Management by Objectives (MBO): This technique can be used to measure the performance of subordinate or lower level managers. In MBO, the process involved in as follows:

- The superior and subordinate managers jointly define common goals.
- Jointly frame plans.
- The subordinate manager implements the plan.
- Joint review of plans – where performance appraisal of subordinate manager takes place.

4. Behaviourally Anchored Rating Scale (BARS): It is a variation of simple graphic scale. In this cause, the behaviour or attitude towards the job is appraised. Employees who have a positive attitude towards the job may make every effort to upgrade and update their knowledge and skills to handle their activities. Such employees would be given higher performance appraisal.

5. Psychological Appraisal Method: Psychological appraisals are conducted to find out the employees potential. Psychological appraisals consists of:

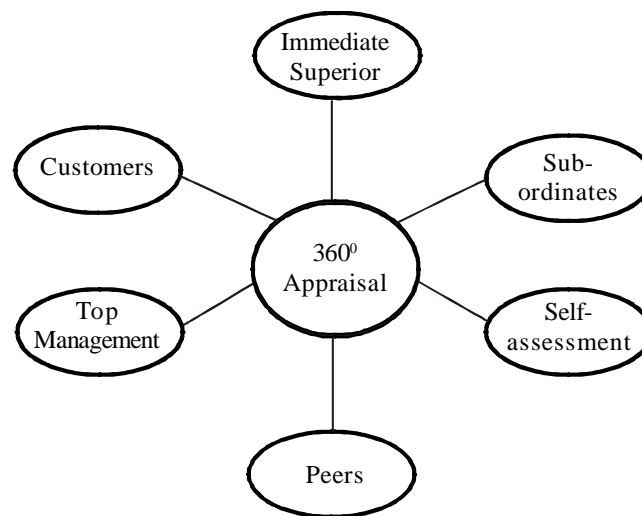
- (a) In-depth interviews
- (b) Psychological Tests, etc.

6. Human Resource Accounting (HRA): HRA deals with cost of and contribution of human resources to the organization. The cost of the employee includes cost of recruitment, selection, induction, training, compensation, etc. employee contribution is the money value of employee service provided to the organization. Employee performance can be taken as positive when contribution is more than the cost and *vice versa*.

360 Degree Appraisal

The 360 degree appraisal is a systematic feedback of performance of an individual or a group in an organization by a number of stakeholders or parties. The various parties include superiors, subordinates, etc., as stated below:

1. Immediate Superior: Generally speaking, employees are evaluated by their immediate superior, since he has the most accurate and direct information on the work performance of the subordinate.



2. Subordinates: The subordinates could be asked to rate the performance of his superior. For instance, the student may be asked to rate the performance of his teacher.

3. Self-assessment: There can be self-assessment. The concerned employee may be asked to appraise his performance. The purpose is to help an employee to review and control his own performance and to initiate efforts for self-development.

4. Peers: Peers or colleagues can rate each other's performance. This is considered useful particularly in work situations where teamwork matters most. For instance, a police officer can rate his partner who normally accompanies him on duty.

5. Top Management: Top management normally may rate the senior or middle level executives who directly report to them.

6. Customers: The customers or clients can also undertake performance appraisal of the employees with whom they interact. The customers are in a better position to give a feedback on the performance of those employees with whom they come into contact during the course of business transactions. The feedback given by customers can be utilized to improve strengths and to minimize weaknesses of the employees.

Apart from the above six parties performance appraisal can also be conducted by:

- Appraisal Panel
- Consultants
- Personnel Department

The 360 degree appraisal has become popular recently because of:

- The changing expectations of the customers or clients. The customers expect better and improved products and services at all times.
- The cut-throat competition in business, where only the fittest can survive.
- The openness of employees, especially at higher levels to know of their strengths and weaknesses.
- The need to maintain excellent team work for effective results.
- Increasing emphasis on quality of performance, especially at the managerial levels.

Concept of Human Resource Accounting

Human resource accounting is concerned with measurement of cost and value of people in the organization. It involves measuring the costs incurred by an organization to recruit, hire, train and develop human assets. It also involves measuring the economic value of people in the organization.

Need For Human Resource Accounting

The need for human resource accounting arose mainly because of the growing concern for human resources. The need for human resource accounting is briefly stated as follows:

1. The human resource constitutes an important asset for an organization. Without efficient people, other resources such as physical and financial resources cannot be effectively used. Therefore, there is a need for proper HRA.
2. The income levels shown in the conventional accounting statements do not indicate a true picture of the level of business performance, since human resources are not accounted properly. Expenses on human resources are charged to current revenue expenditure, instead of being treated as an investment or capital expenditure. As a result of this, the net income shown in the profit and loss statement is significantly distorted.
3. Conventional treatment of investment on human resources, such as training and development, employees' welfare, etc., may not create confidence in the investors. This is because the investment on human resources is not capitalized but debited to profit and loss account in the year in which it is incurred, thus lowering the profits.
4. Traditional accounting records non-human assets, whereas, proper record is not maintained of human resources. However, the profitability of a business unit greatly depends upon human assets, and therefore, they should be recorded and accounted.
5. The expenditure incurred on human resources such as costs of training and development, employees' welfare, etc., is debited to current revenue expenditure, which indicates higher expenditure, than otherwise. As a result of this, management may try to curtail the expenditure on human resources, which in turn may affect the long-term interest of the organization. Therefore, there is a need for proper accounting of human resources.

Benefits/Objectives of HRA

- It helps in proper manpower planning
- It facilitates allocation and utilization of human resources more efficiently and effectively.
- HRA enables proper placement of employees depending upon their skills and abilities.
- HRA helps to design training programmes, keeping in mind the long term interests of the organization.
- HRA motivates the employees, as their value is shown in the company's financial statements, the employees feel a sense of pride due to HRA.
- It gives a true picture to various parties such as investors, creditors, and other, so that they can take proper decisions to deal with the organization.
- HRA attracts competent and capable people, as only reputed firms give importance to HRA.

A NOTE ON SELF-APPRAISAL:

It is already noted previously that self-appraisal is one very important component of 360 degree appraisal. The other components include appraisal by subordinates, supervisors and peers.

Self-appraisal is an important component because it gives the employee absolute freedom to objectively look at his/her strengths and areas of self development and self improvement along with an opportunity to assess own's performance. Well established self-appraisal system is useful to employees as well as their organizations.

Under self appraisal method, the employee himself evaluates his own performance. Indian Telephone Industries (ITI) has been using the self-appraisal system for its executives. There is an opportunity for an employee to participate in the evaluation process. It can improve the manager's motivation. Self-appraisal is possible at the higher levels and not at the lower levels. An individual employee may rate himself excessively higher than it would be if he was rated by his superior. There is consistent upward bias in self-appraisals. Such appraisals can be used for counselling and developing subordinates but not for making salary and promotion decisions.

Advantages of Self-appraisal:

- (1) Self-appraisal gives full freedom to an employee to assess his performance freely and impartially.
 - (a) It is beneficial to employees as employees often are their own strongest critiques and display high degree of objectivity in their self-assessment.
 - (b) Self-appraisal provides an opportunity to the employee to express his/her career moves for the future.
 - (c) Self-assessment gives an opportunity to an employee to participate in his assessment process.
 - (d) This method is useful for motivating and developing subordinates for higher level jobs.
2. The income levels shown in the conventional accounting statements do not indicate a true picture of the level of business performance, since human resources are not accounted properly.

CASE STUDY (HUMAN RESOURCE MANAGEMENT)

CASE STUDY 1 (SOLVED)

Mr. Chris Crishna, a brilliant engineer with a brilliant academic record was recently promoted as manager of the engineering section of a leading company engaged in the manufacture records as a design engineer were excellent. He has developed two new models of cars which were a big success in the market. Mr. Crishna was also popular with everyone in the engineering department. Through his 10 year service in the company, Mr. Crishna kept himself up dated with latest developments in his area for specialization by attending seminars and workshops, and also by reading valuable material in magazines and journals. Due to his engineering experience, and creativity, and his ability to get along with others, the top management was promoted to promote Mr. Crishna to the post of the Engineering Section. In the intial stages, as a manager, Mr. Crishna experienced considerable difficulties to manage and supervise the working of 20 engineers who were working under him. Mr. Crishna continued to be very much involved with reserch and design of cars, and even worked for long hours than before. As a result of his preoccupation with research and design, Mr. Crishna did not found much time to provide the necessary guidance and direction to the engineers, and coordination of activities in engineering department. The engineers in his department felt that Mr. Crishna is overly engaging himself in routine engineering activities rather than managing the department. One of the senior engineers reportedly told Mr. Crishna approached his superior to discuss the problems, which he was facing regarding the management of his sections, so as to improve his skills of managing people.

Read the above case, and answer the following questions:

1. What is the basic problem, which Mr. Crishna was facing as a manager?

Ans: Basic problem faced by Mr. Crishna is the lack of skills in delegating routine work tyo his subordinates in the engineering department. He continued to get involved in research and design and worked for long hours. Due to this, Mr. Crishna did not have adequate time to provide guidance and direction to his subordinates, and he also failed to coordinate the activities of his department.

The main cause of non-delegation of authority to subordinates is the failure of Mr. Crishna to assume the managerial role when promoted, as he continued to do the routine activities, which he used to perform as an engineer ealier.

2. How does being a manager differ from being a engineer?

Ans: There is a difference from being a manager and that from being an engineer. As a manager, a person is expected to get the things done through others by providing them the overall guidance and direction and by coordinating the activities of the subordinates. As an engineer, a person is expected to do the work assigned to him.

3. Did the top management make a mistake in promoting Mr. Crishna to the position of manager?

Ans: The top management did not make a mistake in promoting Mr. Crishna as a manager. They have promoted him on the basis of his past experience and creativity, and also because his ability to get along with others in the organisation. However, the top management should have provided him the

necessary training and development to assume the role of manager before promoting him. Such training and development is vital to develop managerial skills required to manage and get the work done from the subordinates.

4. What skills are Important for Mr. Crishna as manager?

Ans: As a manager, Mr. Crishna requires the following managerial skills:

- Conceptual Skills – to analyse problems and situations so as to take right decisions to handle the problems and situations.
- Human skills – to develop inter – personal skills so as to get along with others, and to understand the feelings and emotions of the subordinates and others, which would help him to secure cooperation from others. It appears that Mr. Crishna has good amount of human skills to get along with others.
- Technical skills – to handle day to day operations of his organisation. In fact, Mr. Crishna possesses a good deal of technical skills.
- Leadership skills – to Influence subordinates to work willingly towards the objectives of the department and that of the organisation.
- Administrative skills – to plan, to organize, to direct, and to control. Mr. Crishna requires a good deal of administrative skills, especially, with reference to direction and control.

5. Does being a good engineer guarantee success as a manger?

Ans: A good engineer need not guarantee that he could be a good manager. This is because a manager requires varied skills as mentioned above, as compared to an engineer, who mostly requires more of technical skills.

CASE STUDY 2 (UNSOLVED)

The newly appointed supervisor of the tool making department of a company has been reviewing his records of tool makers as a means of getting better acquainted with his men. He is using every possible means to get thoroughly familiar, as he has been asked by the management to improve the declining performance of the toolmaking department.

While going through the records, the supervisor found that the performance of one of the workers, Mr. Suresh was quite below average. The record surprised him because Mr. Suresh had ratings in terms of education, experience, and aptitude tests. He called on Mr. Suresh for a discussion. After a brief discussion, Mr. Suresh informed the supervisor that he has a hobby of designing toy cars, for which he has a little workshop and finds little time for a good night's sleep.

DISCUSS:

1. Does suresh have a motivational potential, which can be exploited?
2. Why do you think that suresh's performance on the job is quite unsatisfactory?

CASE STUDY 3 (UNSOLVED)

M/s. Powerica Radiators is a leading private sector firm. Mr. P.G. Valsan was the Sales Manager assisted by three sales officers – Mr. Nair, Mr. Jose, and Mr. George. They joined the firm almost together and had put up nearly three years of service. Mr. Menon was the Managing Director.

In January, 2006 Mr. P.G. Valsan resigned and joined M/s. Gulmarg, a competitive firm to Powerica. Managing Director urgently wanted a replacement. He appointed Mr. Jose and Mr. George. They approached the managing director and informed him that all of them joined the firm together and had similar background and qualification. In fact compared to them, Nair's past performance was much less. This could be revealed from the previous year's sales records. They said they were not willing to work under Mr. Nair. They also confided the managing director that, had they been given an opportunity earlier, they could have appraised managing director on the actual position.

Managing Director promised Mr. Jose and Mr. George that they would examine the whole matter and ask them to meet him two days later.

To everybody's surprise, Mr. Nair resigned from the firm the very next day and joined M/s. Gulmarg.

QUESTIONS:

1. Why do you think Mr. Nair resigned all of a sudden & joined the competitor?
2. Do you agree with the decision of managing director? If not justify your points.
3. Mention any two factors which would help maintain employee loyalty to.

CASE 4:

Work Performance

The Management of the company strongly believes in the western ideology of work performance. It believes that the healthy body can give better work performance quantitatively as well as qualitatively and further that the healthy body is an asset to oneself. As such the Company Management has laid down the minimum physical standards for recruitment purposes.

In spite of the fact, minimum physical standards were strictly observed at the time of recruitment, the personnel did not keep up the same health after working for 6 to 12 months. Under these circumstances, the company management started to think of such means which would accelerate the implementations of their ideology.

At present, almost all welfare activities directly relating to the upkeep of their health are available to them, including unlimited nutritious food during lunch hour, twice free milk or tea, uniform allowance around 50-paise per day per person and above all sports facilities in which the company management is mainly interested.

It is the earnest desire of the Company Management that each and every employee should participate either in P. T. or sports. As an Incentive, the management gives 25 paise daily P. T. allowance, Re. 1 for match players and free special transport. However, there was no good response from the workers side. As the incentive had not proved sufficiently fruitful the management has thought of another device. The other device that the employees who are not actively participating in the field activity or any other are confidentially advised to take interest (twice a year). At the outset, the response was somewhere around as 90%, but as days pass the response decrease and came down to 60%. However, the company management is not sorry for the poor responses it received by adopting different devices, but it always hoped that in one or another way it will get 100% response.

Discuss the issues and suggest suitable remedies

CASE 5:

Job Orders For Fabrication

Due to the crash programme of manufacturing components, because of the shortage of foreign exchange and low priority given to the industry, all departments had to gear themselves to perform their portion of the work expeditiously to fulfil the target dates set by the Import Substitution Committee.

The tool design section of the company for designs tooling to be fabricated, and for successful implementation of the programme, it was necessary to secure the active participation of staff, so that the company's goal would also become the staff's goal.

The urgency of the programme was discussed with the deputy and assessment superintendents whose active participation was sought, and they, in turn impressed upon the Asst. Engineers, the Jr. Designers and the Draughtsmen to see that the target was achieved, as far as the designing was concerned.

QUESTIONS:

1. Analyse the problems and suggest suitable remedies

CASE 6:

The Story Of A Strike

ABC Engineering company is constituted of a multi-national group with its manufacturing facilities located in Nasik. The company has recently diluted its equity participation under FERA and now have 40% foreign holding. The Indian holding is well distributed and there is no single group.

The company takes on turn key projects and also several industries in the fields of food-process, power, mining and partly chemical industries. It has a workforce of about 500 workers and 200 staff.

The company has been known for its progressive outlook and has been one of the leading pay-masters in the case of workers and staff both lead by an outsider who works as General Secretary of the two Unions. The company has entered into long-term settlements with the unions and till the recent strike began there were no outstanding issues pending.

In August 1977, the Company discharged two workers on charge of loss of confidence. The company's cases was that two workmen were seen handing over material to an outside supplier and the material was nabbed at the company gate by the security staff. The Union demanded that the two workmen should be reinstated and a thorough enquiry should be held into the incident. To press their demand the workers went on strike for 2 days which was withdrawn unilaterally and a fresh notice of strike was given. Management thereupon took the workers into the service, suspended them pending enquiry and conducted the enquiry. After a year and a half the enquiry in which the workmen full participated, was completed and the charges levelled against the two workmen were proved. The company thereupon dismissed the two workers. This was supported by supervisory and management staff, immediately thereafter the workmen resorted to a go-slow. The workers' Union also gave a strike notice demanding that since the charges had not been proved, the two workmen should be reinstated. The go-slow continued and after about 2 months the workers resorted to a strike.

The strike continued for 82 days. At the end of the strike, there were signs which would have permanently damaged union-management relations. The chief reason for the management for arriving at settlement at this stage with union was the completion of production targets for the year. As per term of settlement both the workmen were taken back in the company but with a break in service without affecting their emoluments. The workers union assured to make up for the loss of production due to strike, and union management relations improved.

QUESTIONS:

1. Would the settlement be considered as weakness of management? Would it affect the morale of supervisory personnel? Who expected that the dismissed workers will never be taken in?
2. Can the management make use of the commitment to workers to make up the lost production, by negotiating a production incentive scheme for future (In view of "improved relations")?
3. Was it incumbent on management to conduct enquiry in case of workmen who were discharged because of loss of confidence. Examine the legal position.
4. Will this have implication for management's relations with staff union?

CASE STUDY 7:

Policies and Performance Appraisal

Kalyani Electronics Corporation Ltd, recently diversified its activities and started producing computers. It employed personnel at the lower level and middle level. It has received several applications for the post of Commercial Manager – Computer Division. It could not decide upon the suitability of the candidate to the position, but did find that Mr Prakash is more qualified for the position than other candidates. The Corporation has created a new post below the cadre of General Manager i.e., Joint General Manager and asked Mr Prakash to join the Corporation as Joint General Manager. Mr Prakash agreed to it viewing that he will be considered for General Manager's position based on his performance. Mr Anand, the Deputy General Manager of the Corporation and one of the candidates for General Manager's position was annoyed with the management's practice. But, he wanted to show his performance record to the management at the next appraisal meeting. The management of the Corporation asked Mr. Sastry, General Manager of Televisions Division to be the General Manager in-charge of Computer Division for some time, until a new General Manager is appointed. Mr Sastry wanted to switch over to Computer Division in view of the prospects, prestige and recognition of the position among the top management of the Corporation. He viewed this assignment as a chance to prove his performance.

The Corporation has the system of appraisal of the superior's performance by the subordinates. The performance of the Deputy General Manager, Joint General Manager and General Manager has to be appraised by the same group of subordinates. Mr. Anand and Mr Sastry knew very well about the system and its operation, whereas Mr Prakash is a stranger to the system as well as its modus operandi. Mr. Sastry and Mr Anand were competing with each other in convincing their subordinates about their performance and used all sorts of techniques for pleasing them like promising them a wage hike, transfers to the job of their interest, promotion, etc., however these two officers functioned in collaboration with a view to pull down Mr Prakash. They openly told their subordinates that a stranger should not occupy the 'chair'. They created several groups among employees like pro-Anand group, pro-Sastry group, anti-Prakash and Sastry group. anti-Anand and Prakash group.

Mr Prakash has been watching the proceedings calmly and keeping the top management in touch with all these developments. However, Mr Prakash has been quite work-conscious and top management found his performance under such a political atmosphere to be satisfactory. Prakash's pleasing manners and way of maintaining human relations with different levels of employees did, however, prevent the emergence of an anti-Prakash wave in the company. But in view of the political atmosphere within the company, there no strong pro-Prakash group either.

Management administered the performance appraisal technique and the subordinates appraised the performance of all these was three managers. In the end, surprisingly, the workers assigned the following overall scores. Prakash: 560 points, Sastry:420 points; and Anand:260 points.

QUESTIONS:

1. How do you evaluate the worker's appraisal in this case?
2. Do you suggest any techniques to avert politics creeping into the process of performance appraisal by subordinates? Or do you suggest the measure of dispensing with such appraisal systems?

CASE STUDY 8:

The Loyal Employee

Raman is the Sales Manager of a reputed corporation. He has 25 employees in his department, and all are paid commission for their sales in their territories. For the past three years, the market for the company's goods has been steadily growing and the majority of Raman's staff have met this growth with increased sales. However, one employee in particular, Krishnan had not kept up with the pace.

Krishnan has been with this corporation for over 20 years and is now 56 years old. Krishnan is a friendly man and is well liked by his peers and those to whom he sells the company's products on a regular basis. The company has always considered Krishnan dependable and loyal. Through the years, Krishnan has been counted as an asset to the company, but at the age of 56, he has gone into a state of semi-retirement. Krishnan's sales have not increased as the others have and he does not have the determination to acquire a significant increase in sales.

Raman wishes to change this situation. He wants to motivate Krishnan into increasing his sales to match that of his younger peers. To accomplish this, Krishnan must begin to do more than put in his time, but Raman is not sure how to go about trying to motivate him. Unlike the majority of the new employees, Krishnan is an old man, who within a few years will reach the age of retirement.

If you were Raman, what would you do?

QUESTIONS:

1. Would you threaten to fire him?
2. Does your solution involve the feelings of others in your staff?
3. Would you increase his commission?
4. Would you increase the retirement benefits for Krishnan rather than offer him the increased commission rate?
5. Would you offer him more status by way of a new title or a new company car or place his table in a better position in the office?
6. Is there some way in terms of appraisal and rewards with which you can motivate Krishnan?

CASE STUDY 9:

The Wrong Job

Amir Khan accepted a new promotion as manager with mixed feelings. He was proud of having his work recognized, but he had some doubts about how he would like the new work. His former job as officer (PRO) Delhi development Authority (DDA) involved regular contact with the general public, recoveries and processing their complaints, meetings with the press and image building. It was a high profile job involving lot of exposure to media and publicity. As the PRO, he could build a good picture of DDA in the minds of the general public through advertisements, press conferences and television coverage highlighting the achievements of DDA in developing and constructing residential

and commercial properties in and around Delhi. His new job in the administrative wing as manager was essentially a desk job, working with files relating to the applicants, registered for various housing projects coming up in North Delhi Area, under the name 'Rohini Scheme.'

Amir missed the routine of his old office and the people he had worked with. He had a private office now fully carpeted and air-conditioned, but he felt that he really did not have the necessary background for the job. When he submitted his first report on the Rohini Scheme to the Director of the project, the Director was nice enough, suggesting some changes that in fact meant that Amir had really got off the track. The Director said not to worry. "We all have to learn a new job." The more Amir thought about it, the more he wanted to go back to the old job. But he hesitated for fear that he would be branded a misfit by the management and thus be disqualified for any future promotions.

QUESTIONS:

1. If you were Amir's boss, what could you do to rectify this situation?
2. Could this situation have been avoided altogether?

CASE STUDY 10:

Just Another Job Transfer

When Adite Technologies Ltd (ATL) moved one of their divisions to Bengaluru, the branch manager in Mumbai decided to transfer those employees who did not wish to go to Bengaluru to other local divisions. Ten of the thirty chose to stay and be transferred to another division. Madhuri was one of those. She was assigned to the computer moving-head division.

When Madhuri reported to the new job, Narendar Kumar, her new supervisor told her he did not know whether or not he would have a permanent position for her. For three days, Madhuri sat and watched other employees do their work. On Friday, Narendar announced that their division had received another big contract and he would brief Madhuri on her new assignment on Monday.

Madhuri arrived at 9.00 a.m. Monday morning and waited anxiously to learn about her new job. Narendar did not arrive until 10.30. He was being briefed on the new contract, he said, and would not be able to meet Madhuri before lunch at 1.30 p.m. Narendar returned to show Madhuri the operation, "we are reworking model 10-D and it only requires changing two spot welds. With this jig, you can turn one out in about three to five minutes." Narendar added, "By the way, you will be the quality control supervisor on this job. Just double check these six spots on the blueprint". He did not write on the blue prints or mark the areas in any way. Madhuri was given no idea how important the checks might be.

"Pleased-watch me," said Narendar to Madhuri, taking up the welding torch. "Anyone can do it easily". He repeated the operation five or six times. Madhuri tried it and experience no difficulty. Neither of them checked their reworked pieces with the blue print to see if they would pass the quality control check and as a result, Madhuri never checked any pieces after that demonstration. Narendar did not see Madhuri again until Friday.

During that week several things happened. More than half the motors did not work correctly by the time they reached the final assembly. It could not be determined whether the faulty motors were the result of Madhuri's work or the result of a lack of quality checks. A box of 20 parts had been approved by Madhuri since her initials were on the inspection card, but she had not made the necessary alterations. That was when Narendar found time to talk to Madhuri again.

QUESTIONS:

1. What incidents showed that Narendar was not performing a good job as a trainer?
2. How do you think Madhuri feels about Narendar and about her new job?
3. If you were Narendar, what would you have done to improve Madhuri's performance?
4. Would a mentor have helped the situation? How? Why?

CASE STUDY 11:**It's Time to Pack Up!**

The rumor mill in Raju's production department has been in full operation this week. The new equipment that had arrived recently had kept everyone in suspense. The modernization efforts in the mill had the sanction of the management committee consisting of representatives of employees, supervisors and managers. The debate went on for days and finally everyone agreed that without modernization, the mill had no future. The machines that have come are state of the art, but despite their modern look, still need just as many people to run them as did the old ones. However, this has not put an end to the rumors regarding impending layoffs.

In the first week of April, Raju – the Production Supervisor – called a meeting of his workers and explained to them that three months before he took charge, the management committee had approved the purchase of the new machinery and equipment. He was not able to explain, however, why no one in the unit knew about the impending purchase, but he assured everyone that there would be no layoffs or cut backs in the number of hours worked. "These machines are going to help us increase the quality of work but they will not increase quantity. Our main power requirements are going to increase. We may, in fact, have to hire two more people in the department." the group listened quietly as Raju spoke. To test the mood of the group, Raju invited questions from the workers. One of the young men in the back said. "Are we the only department getting new equipment?" Raju explained there were two other units that were also having new machinery installed. He then hurriedly concluded." And like us, neither or them is going to have any layoffs either."

As soon as Raju returned to his office, he had a call from his boss. "Look! I do not want to confuse you", he said "but I have just had a call from the Chief Finance Officer. The other departments that got new equipment are going to have some layoffs because they were overstaffed to begin with. However, you will not have any. You are understaffed and as we agreed, you will be getting two new persons within a month. Unfortunately none of the people being laid off has the qualifications you need, or we would simply transfer them to your department. The reason I wanted to call was to let you know that you have nothing to worry about".

Raju thanked him and hung up. Just then there was a knock at his door. The young man from the meeting came in and said, "I just heard that people in those other two departments are to be laid off. I was wondering what effects this would have on the new recruits in our department. If I am going to be laid off I would like to look for a new job as early as possible." Raju asked the young man to sit down.

QUESTIONS:

1. How did the young man find out about the layoffs in other departments? Explain.
2. Will Raju's comment about no layoffs in his department now be regarded with skepticism? Why? What did Raju do that might make people doubt him?
3. What would you advise Raju to say to the young man? Explain.

CASE STUDY 12:**Job Description of An assistant**

Based on his view of what is happening in Fortune Financial Services Limited (FFSL), Robin Singh, the Branch Manager of Delhi office, concluded that one of the first things he had to attend involved developing job descriptions for his on-line trading assistants.

The daily turnover of the FFSL's Branch in the Connaught Circus area has been going up steadily in recent times, thanks to the stock market boom. In Jan 2003, it had reached an all-time high of Rs 10 crore. To encase the opportunities presented by the boom, FFSL had recruited 5 additional assistants – all young graduates with over two years experience in stock operations – taking the total number of trading assistants to 12. Two supervisors had also been appointed about six months back to oversee trading arrangements and back-office operations. The branch allows trading in stocks belonging to Bombay Stock Exchange and National back-office operations. The branch allows trading in stocks belonging to Bombay Stock Exchange and National Stock Exchange. Each assistant had to look after the requirements of more than 50 clients on a daily basis.

In recent times, FFSL faced a number of problems on settlement days, especially when there is a sustained rise or fall in stock prices. The major ones included the following:

- Clients exceeded their limits with active cooperation from trading assistants/supervisors
- Clients issued cheques which bounced back later on
- Delivery slips not handed over in case of dematerialized stocks
- Clients simply disappeared for a while, whenever they took a long position in a particular scrip – only to surface when the price is up.

Robin Singh brought these problems to the notice of management and suggested the following steps:

- Clearly define the roles and responsibilities of trading assistants and supervisors
- Assess the net worth of a client carefully before enrolling him as a member, set trading limits clearly and circulate these to assistants daily
- On the settlement day, ask the clients to pay or square up.
- Collect amounts from clients on a daily basis whenever they exceeded limits
- Make the entire group responsible, whenever the assistants allowed clients to exceed limits.

QUESTIONS:

1. What should be the format and final form of the trading assistant's job description?
2. Is it advisable to specify rules and regulations in the body of the job description or should these be kept separately?
3. How would you have conducted the job analysis in the above case?

CASE STUDY 13:**Acquire Skills to Jump Out?**

A large South, based fast moving consumer goods (FMCG) company wanted its employees to have highly specialized, focused sales training – so that the firm could achieve faster sales growth, utilizing such skills. To this end, it had hired the services of a premier sales training agency and asked 9 of its executives (mostly engineers and commerce graduates) to undergo training for a period of 15 months. The company supported the programme by meeting all the expenses charged by the agency in addition to a special allowance for buying books, study material, stationery, etc. the training was offered in the company's own premises in Chennai. The executives were allowed to focus on the programme in the afternoon hours, in addition to two off days on weekends. The whole exercise was meant to update their skills in 'sales' as quickly as possible. The programme went on smoothly and concluded only recently. The results were beginning to manifest themselves in more than one way. As per the recommendations of the training agency and the newly trained executives, the company is about to launch new brands into the market.

Rahul, a bright and aspiring young engineering graduate full of energy and ideas – for whom management had high hopes, resigned in August 99, exactly after four months of the sales training programme. Rahul found that the organization training, the invaluable 6 years work experience and the newly acquired sales training certificate presented a fairly lucrative portfolio of credentials, which he took to a large multinational firm. The offer from the MNC seemed irresistible and Rahul had no hesitation in quitting the company that had spent nearly fifty thousand rupees on his sales training just four months back. Rahul, on his part, had expressed a desire to stay, but he was told by the management that there were no anticipated openings at middle management level and he might have to wait for his turn patiently.

Rahul's manager Vikram was caught in a dilemma now. Loss of Rahul meant a ten-month setback for the project Rahul was working on. He also felt that the extensive sales training Rahul had received at the company's expense was little utilized compared to what Rahul would have contributed had he remained with the company. Another pressing problem stared Vikram in the face that many others may be waiting in the queue. Rahul had shown the other trainees that if the firm could not recognize and reward their capabilities, other employment could be easily found.

QUESTIONS:

1. As Rahul's manager, what would you do to retain him?
2. What changes would you recommend in the company's employee development programmes?
3. Does it make sense to develop employees at company's expense, only to lose them afterwards? What policy guidelines would you advance so as to benefit trainees as well as the company?

QUESTIONS:

1. Explain the nature and characteristics of HRD
2. Bring out the scope of HRD
3. Explain the importance of HRD
4. Explain the importance of training and development
5. Explain in brief 6 methods of training.
6. What are the essentials to make training more effective?
7. Distinguish between training and development.
8. Distinguish between on-the-job training and off-the-job training.
9. Explain the guidelines for making performance appraisal more effective.
10. Explain the purposes and uses of performance appraisal.
11. Explain the limitations of performance appraisal.
12. Explain briefly the traditional techniques of performance appraisal.
13. Explain the modern techniques of performance appraisal.
14. Explain in brief any six techniques of performance appraisal.
15. Write a note on Human Resource Accounting
16. Write a note on 360° Appraisal.

Human Resource Management**Match the Following**

Group A	Group B
(a) HRM	(i) A process of collecting information about the job
(b) Job analysis	(ii) Role of HR manager
(c) Directing	(iii) A function of a manager
(d) Training	(iv) Development function
(e) Monitoring	(v) Includes performance appraisal

Fill in the Blanks

1. _____ revolves around employees.
2. HRM is _____.
3. Process of collecting information about job _____.
4. Attempt made by the organization to improve performance _____.
5. HRM function is important at _____ levels.
6. Monitoring performance is called _____.

Multiple Choices

1. HRM is
 - (a) Dynamic
 - (b) Static
 - (c) Past-oriented
 - (d) None of the above
2. HRM involves
 - (a) Employee training
 - (b) Promotion
 - (c) Transfer
 - (d) All of the above
3. HRM includes
 - (a) Job analysis
 - (b) Recruitment
 - (c) Selection
 - (d) All of the above
4. HRM is important at
 - (a) Two levels
 - (b) Three levels
 - (c) Four levels
 - (d) All the levels
5. Operative functions of HRM includes
 - (a) Procurement function
 - (b) Directing
 - (c) Controlling
 - (d) None of the above

Human Resource Development**Match the Following**

Group A	Group B
(a) HRD	(i) Training provided by senior
(b) Coaching	(ii) Learning an agreed period
(c) Apprenticeship	(iii) Orientation for the new comer
(d) Induction	(iv) A written account of an actual situation
(e) A case	(v) Imparting training

Fill in the Blanks

1. HRD imparts _____ and _____ training.
2. HRD aims at _____ training.
3. Performance appraisal is one of the aspects of _____.
4. Shifting the employee from one job to another job is _____.
5. _____ is a conference of specialists.
6. Free discussion of ideas is called.

Multiple Choices

1. HRD includes
 - (a) Training
 - (b) Individual development
 - (c) Organisational development
 - (d) All of the above
2. HRD conducts
 - (a) Seminars
 - (b) Workshops
 - (c) Training
 - (d) All of the above
3. Employee development involves
 - (a) Education
 - (b) Training
 - (c) Learning
 - (d) All of the above
4. Job rotation involves
 - (a) Shifting the employees from one job
 - (b) Shifting the job from one employee to another employee
 - (c) Both a & b
 - (d) None of the above
5. Case is a
 - (a) Written account of an actual situation
 - (b) Study of a case in the court of law
 - (c) Oral story of a situation
 - (d) None of the above

Performance Appraisal**Match the Following**

Group A	Group B
(a) Performance appraisal	(i) 360 degree approval
(b) Appraisal done by every body	(ii) Excellent
(c) Grading	(iii) A statement descriptive of the employee
(d) Forced choice	(iv) Psychological appraisal
(e) Study of human mind	(v) Systematic evaluation

Fill in the Blanks

1. Performance appraisal focuses on _____.
2. Performance appraisal involves _____ analysis.
3. In trait approach, focus is on personal _____.
4. Excellent is the _____.
5. Scientific study of human mind is _____.

Multiple Choices

1. Performance appraisal focuses on
 - (a) Employees
 - (b) Psychology of employee
 - (c) Result
 - (d) All of the above
2. Performance appraisal
 - (a) Maximizes productivity
 - (c) Improves morale
 - (b) Motivates employees
 - (d) a & b
3. 360 degree appraisal is
 - (a) Appraisal done by every body
 - (c) Appraisal done by superior
 - (b) Appraisal done by M.D
 - (d) None of the above
4. Ranking method gives
 - (a) Ranks to employees
 - (c) Both a & b
 - (b) Grades to employees
 - (d) None of the above
5. Paired comparison involves
 - (a) Comparison of performance of a pair
 - (c) Evaluation by the superior
 - (b) Evaluation by a group
 - (d) None of the above

Human Resource Planning**Match the following**

Group A	Group B
(a) Manpower planning	(i) Sketch of the Job
(b) Job design	(ii) Details of job
(c) Job description	(iii) Specific prospective characteristics of individuals
(d) Job specification	(iv) Identifying prospective candidates
(e) Recruitment	(v) Recruitment and selection

Group A	Group B
(a) Campus	(i) External source of recruitment
(b) Written test	(ii) Interview by a group of experts
(c) Panel interview	(iii) Assigning job to a candidate
(d) Placement	(iv) Orientation
(e) Induction	(v) A step in selection process

Fill in the Blanks

1. Identifying, reducing, training and placing people are _____.
2. HRD avoids _____.

3. _____ a sketch of a job.
4. _____ finds out peculiarities of the job.
5. _____ is a summary of specific personal characteristic.
6. _____ identifies prospective candidates.
7. Oral examination of candidate for employment is called as _____.
8. In a _____ interviews try to put stress on the candidates.
9. Assigning a specific job to a selected candidate is called _____.

Multiple Choices

1. HRP involves

(a) Recruitment	(c) Development of employees
(b) Training	(d) All of the above
2. Long-term manpower planning consists of

(a) Recruitment & Selection	(c) Development of employees
(b) Training	(d) All of the above
3. Job design includes

(a) Scope of job	(c) Time to complete the job
(b) Duties & responsibilities	(d) All of the above
4. External sources of recruitment include

(a) Campus recruitment	(c) Promotion
(b) Transfer	(d) None of the above
5. Intelligence test is conducted to test

(a) Quickness in understanding	(c) Aptitude of a person
(b) Quality of a person	(d) Interest of a person
6. Formal interview is conducted

(a) As per the rules & practice	(c) In an informal manner
(b) In formal dress	(d) None of the above
7. Proper placement

(a) Reduces labour turnover	(c) Utilizes sources
(b) Increases morale	(d) All of the above
8. Induction gives

(a) Job satisfaction	(c) Role clarity
(b) Improves morale	(d) All of the above

