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PERSONNEL MANAGEMENT

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PERSONNEL MANAGEMENT

Introduction

Personnel Management refers to the management of personnel resources in an organisation. The essence of management lies on the effective utilisation of people so as to enable the management to attain its objectives by helping the individuals to achieve their own objectives. Among the factors of production like men, methods, money and materials, personnel resource is the only active resource. All the other resources are collected, coordinated and utilised through people. Thus people are the most significant resource of any organisation. For the achievement of the organisational objectives, personnel resource is essential. But management of people is not an easy task to accomplish. So the role of personnel management in an organisation is very important as well as a challenging one.

Definition

According to the *Institute of Personnel Management of UK*, "Personnel management is a responsibility of all those who manage people as well as being a description of the work of those who are employed as specialists. It is that part of the management which is concerned with people at work and with their relationships within an enterprise. It applies not only to industry and commerce but to all field of employment".

National *Institute of Personnel Management, Kolkata, India* has defined personnel management as "It means quite simply the task of dealing with human relationships within an organisation. Academically the three aspects of personnel management are:

1. Welfare aspect concerned with working conditions and amenities
2. Labour or Personnel aspect concerned with recruitment and placement
3. Industrial relation aspect concerned with trade unions, negotiation and collective bargaining"

In the words of *Edwin Flippo*, "Personnel management is the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and separation human resources to the end that individual, organisational and social objectives are accomplished".

Concept of Personnel Management

From the above definitions, one can understand the concept of Personnel management as found below

1. Managing people at work
2. Organisational and individual development
3. Satisfaction to the individuals as well as the organisation
4. Well-being and empowerment of individuals and groups
5. Universal application of the staffing function

Objectives of Personnel Management

Personnel management will be successful only when it is able to achieve its objectives. Objectives are benchmarks against which actions are evaluated. The objectives of personnel management are derived from the basic objectives of an organisation. In order to achieve organisational objectives, integration of employer's interest and employee interest is necessary. In this light, the objectives of personnel management may be summarised as identified by Prof. *D. Pagare.*

1. Social objective

Though business organisations are established with a view to make profit, they have some social objectives to be satisfied. The failure of the organiations to use their resources for society's benefit in ethical way may result in restrictions. The social objectives of personnel management includes

    a. Creation of employment opportunities
    b. Maximisation of productivity
    c. Affording maximum material and mental satisfaction to work force
    d. Avoidance of wastage of effort
    e. Promotion of healthy human relations and social welfare

2. Organisational objective

Personnel management is a means assisting the organisation to achieve its objectives. For this purpose, personnel resources of the organisation have to be managed with techniques like man power planning, employee relations, training and development, performance appraisal, etc., The ultimate organisational or enterprise objectives of personnel management covers

    a. Recruitment integration and maintenance of competent and loyal workers
    b. Forecasting and balancing the demand and supply of personnel

3. Personal objective

Like the organisation has its own objectives and the departments their own, the individuals i.e. personnel resources too have their own objectives to be satisified. The management of the organisation should provide opportunities and the ways through which the individuals can satisfy their personal objectives. When the personal objectives of employees are met, the workers are easy to maintain, retain and be motivated. The following are covered by the personal objectives.

    a. Provision of adequate remuneration
    b. Job security
    c. Training and development
    d. Job satisfaction
    e. Opportunities for advancement
    f. Proper work environment

4. Union objective

The employees of the organisation are human resource to the organisation. They cannot be management like the maintenance of machines or livestock. They have their own personal feelings, belongingness, etc., This results in the formal and informal organisational set up in the enterprise. Personnel management these days has to contend with labour unions of which often there is more than one in an enterprise. The union objectives include

a. Recognition of unions
b. Formulation of personnel policies in consultation with unions
c. Inculcating spirit of self-discipline and co-operation

Principles of Personnel Management

An organisation should have a good personnel policy to be a successful one. The personnel department of the organisation should be managed keeping in mind the following points:

1. Development of all parties

Personnel Management should contribute to the development of all parties concerned like workers, entrepreneur, consumers, government and the community.

2. Clear and Complete Objectives

The motives and objectives should be clearly mentioned. There should not be any confusion in the objectives.

3. Proper communication

Communication method can be used as tool for effective management.

4. High morale

Personnel management should be capable of building high morale between the individual workers of the organisation

5. Team Spirit

The success of personnel management lies in integrating the individuals and the organisation to build a team and a spirit among the individuals.

6. Fair compensation

The personnel department should design a proper row and management which should have equity and be fair

7. Effective utilisation of Human Resources

The available personnel resources should be effectively utilised and the productivity of the individual should be stable and growing.

8. Scientific Management

The management may apply scientific techniques in all its process like selection, training, compensation, etc.

9. Flexible

The workers are human beings and not machines. They may have some problems which the machines may not. Personnel management should be flexible enough to manage and treat the workers well.

10. Focus on future

The available human resources should be effectively utilised in present and also made available in future. This should be kept in mind while formulating the personnel policies and principles.

Significance of Personnel Management

HRM is the central sub-system of an organisation. The significance of HRM can be discussed at four levels – corporate, professional, social and national.

1) Significance for an Enterprise:

Human resource management can help an enterprise in achieving its goals more efficiently and effectively in the following ways:

a) Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies.

b) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.

c) Securing willing co-operation of employees through motivation, participation, grievance handling, etc.

d) Utilising effectively the available human resources.

e) Ensuring that the enterprise will have in future a team of competent and dedicated employees.

2) Professional Significance:

Effective management of human resources helps to improve the quality of work life. It permits team work among employees by providing a healthy, working environment. It contributes to professional growth in the following ways:

a) Providing maximum opportunities for personal development of each employee.

b) Maintaining healthy relationships between individuals and different work groups.

c) Allocating work properly.

3) Social Significance:

Sound human resource management has a great significance for the society. It helps to enhance the dignity of labour in the following ways:

a) Providing suitable employment that provides social and psychological satisfaction to people.

b) Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.

c) Eliminating waste of human resources through conservation of physical and mental health.

4) **National Significance:**

Human resources and their management play a vital role in the development of a nation. The effective exploitation and utilisation of a nation's natural, physical and financial resources require an efficient and committed manpower. There are wide differences in development between countries with similar resources due to differences in the quality of their people. Countries are underdeveloped because their people are backward. The level of development in a country depends primarily on the skills, attitudes and values of its human resources. Effective management of human resources helps to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment.

Qualities of a Personnel Manager

As the management of human beings is a complex and challenging one, there are some basic qualities required to be a good personnel manager.

i) Educational Qualification

A personnel manager should possess the following educational qualification

- A Degree from an university

- MBA or any other PG Diploma in areas relating to personnel management

- Degree in law may be an added qualification

ii) Personal Attributes

Apart from educational qualifications, some qualities are expected to be inherent in a personnel manager:

- Ability to understand things

- Good communication skills

- Power to take decisions

- Honesty

- Ability to execute plans as they are prepared

- Leadership skills

iii) Training and Experience

Even a personnel manager has the required educational qualifications and personnel attributes mentioned above, they will become

useful only when they are practically trained. It will be possible only when the personnel manager is well trained and got the experience.

iv) Professional attributes

As a profession which grows rapidly, the personnel manager should be ready and willing to take up challenges imposed.

Functions of Personnel management

The role of human resource management is to plan, develop, and administer policies and programmes designed to make optimum use of an organisation's human resources. It is that part of management which is concerned with the people at work and with their relationship within an enterprise. Its objectives are:

(1) the effective utilisation of human resources;

(2) desirable working relationships among all members of the organisation; and

(3) maximum individual development.

The major functional areas in human resource management are planning, staffing, employee development and employee maintenance. A brief description of usual human resource functions is given below:

A) Human Resource Planning:

In the human resource planning function, the number and type of employees needed to accomplish organisational goals are determined. Research is an important part of this function because planning requires the collection and analysis of information in order to forecast human resources supplies and to predict future human resources needs. The basic human resource planning strategy is staffing and employee development.

B) Job Analysis: Job analysis is the process of describing the nature of a job and specifying the human requirements, such as skills, and experience needed to perform it. The end product of the job analysis process is the job description. A job description spells out work duties and activities of employees. Job descriptions are a vital source of information to employees, managers, and personnel people because job content has a great influence on personnel programmes and practices.

C) Staffing: Staffing emphasises the recruitment and selection of the human resources for an organisation. Human resources planning and recruiting precede the actual selection of people for positions in an organisation. Recruiting is the personnel function that attracts qualified applicants to fill job vacancies.

D) Orientation: Orientation is the first step toward helping a new employee adjusts himself to the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours, and company rules and expectations.

E) Training and Development: The training and development function gives employees the skills and knowledge to perform their jobs effectively. In addition to providing training for new or inexperienced employees, organisations often provide training programmes for experienced employees whose jobs are undergoing change. Large organisations often have development programmes which prepare employees for higher level responsibilities within the organisation. Training and development programmes provide useful means of assuring that employees are capable of performing their jobs at acceptable levels.

F) Performance Appraisal: This function monitors employee performance to ensure that it is at acceptable levels. Human resource professionals are usually responsible for developing and administering performance appraisal systems, although the actual appraisal of employee performance is the responsibility of supervisors and managers. Besides providing a basis for pay, promotion, and disciplinary action, performance appraisal information is essential for employee development since knowledge of results (feedback) is necessary to motivate and guide performance improvements.

G) Career Planning: Career planning has developed partly as a result of the desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee's potential for growth and advancement in the organisation.

H) Compensation: Human resource personnel provide a rational method for determining how much employees should be paid for performing certain jobs. Pay is obviously related to the maintenance of human resources. Since compensation is a major cost to many organisations, it is a major consideration in human resource planning. Compensation affects staffing in that people are generally attracted to organisations offering a higher level of pay in exchange for the work performed. It is related to employee development in that it provides an important incentive in motivating employees to higher levels of job performance and to higher paying jobs in the organisation.

I) Benefits: Benefits are another form of compensation to employees other than direct pay for work performed. As such, the human resource function of administering employee benefits shares many characteristics of the compensation function. Benefits include both the legally required items and those offered at employer's discretion. The cost of benefits has risen to such a point that they have become a major consideration in human resources planning. However, benefits are primarily related to the maintenance area, since they provide for many basic employee needs.

J) Labour Relations: The term "labour relations" refers to interaction with employees who are represented by a trade union. Unions are organisation of employees who join together to obtain more voice in decisions affecting wages, benefits, working conditions, and other aspects of employment. With regard to labour relations, the personnel responsibility

primarily involves negotiating with the unions regarding wages, service conditions, and resolving disputes and grievances.

K) Record-keeping: The oldest and most basic personnel function is employee recordkeeping. This function involves recording, maintaining, and retrieving employee related information for a variety of purposes. Records which must be maintained include application forms, health and medical records, employment history (jobs held, promotions, transfers, lay-offs), seniority lists, earnings and hours of work, absences, turnover, tardiness, and other employee data. Complete and up-to-date employee records are essential for most personnel functions. More than ever employees today have a great interest in their personnel records. They want to know what is in them, why certain statements have been made, and why records may or may not have been updated.

Organisation of Personnel Department

As like any other department, the functioning of personnel department is put under a structure. The organisational structure of personnel department varies widely depending upon the nature and size of the enterprise. Depending upon the size of the enterprise, the organisational structures of the personnel department may be different. A general structure is given below.

Organization of Personnel Management
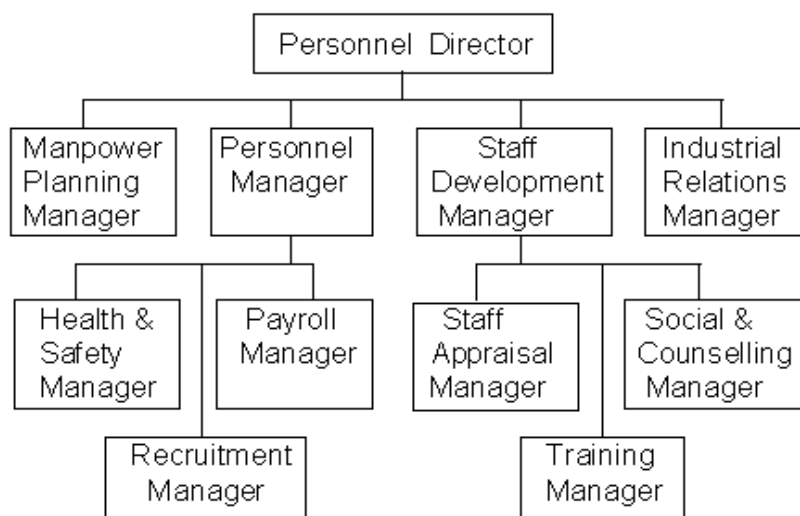
Adopted from Personnel Management, Coventry University

In this organisational structure of personnel management, the Personnel Director plays the main role. To assist him in his process of managing the personnel resource of the organisation, there are four different subordinates. The Personnel Director has the ultimate power to control the entire department. The functioning of the department has been broadly divided into Manpower Planning, Personnel management, Staff Development and Industrial relations management.

The Manpower planning manager is the responsible authority for preparing the manpower plans and to look after all the other relevant

functions in maintaining the level of human resource availability of the organisation.

The Personnel Manager has three more subordinates namely, Health and Safety Manager, Recruitment Manager and Payroll Manager. The plans prepared by the Manpower planning manager are brought into action by the functioning of these three executives. The Health and safety is looked after by the Health and Safety Manager. He provides plans for maintaining the workers free from any occupational diseases and work hazards. The Recruitment manager is the responsible person to bring the personnel resource with required quantity and quality. Payroll Manager looks after the preparation of pay structure and it maintenance.

Staff Development manager assumes responsibility in the development of the personnel resource of the organisation with the help three subordinates namely, Staff Appraisal Manager involving in the continuous appraisal of the performance of the personnel; Training Manager who actively takes in the part of providing adequate training to the workers in order to maintain their performance level up to the standard required by the organisation; and Social Counselling Manager taking care of the maintenance of the psychological health of the employees to provide the required standard of work to the organisation.

Industrial Relations manager is the next authority in the organisational structure of the personnel department. His work is in the nature of maintaining the industrial harmony with required steps to help the workers to maintain their inter-relationships.

Distinction between Personnel Management and Human Resource Management

Characteristics	Personnel Management	Human Resource Management
1. Strategic Nature	It means management of people employed	It means management of employees Skills, Abilities, Knowledge and Talent, etc.
2. Treatment of employees	Employees are treated as economic man. His services are exchanged for wages and salary.	Employees are treated as economical, social and psychological man.
3. Value	Employees are valued as commodity, which can be purchased and used.	Employees are treated as resources.
4. Centric Nature	It is Cost centred therefore the management tries to control the cost.	It is Profit centred therefore investments are made in human resources for future utility purpose

5. Usage	Employees are used for organisational benefit.	Employees are used for mutual benefit.
6. Nature of function	It is treated as a secondary function	It is treated as a strategic function
7. Base for action	Actions are based on the procedures formulated by high level management	Activities are based on the needs of the organisation
8. Compensation	Pay is based on job evaluation	Pay is based on performance evaluation
9. Control System	An external control in the form supervision is needed	Control system is internal or self controlled
10. Power and Decision Making	The scope of power is low and decision can be made regarding the day to day functioning or routine work only.	The scope is wide and the power to make decision is extended up to strategy level.

MANPOWER PLANNING

Man Power Planning or Human Resource Planning (HRP) may be defined as strategy for acquisition, utilization, improvement and preservation of the human resources of an enterprise. The objective is to provide right personnel for the right work and optimum utilization of the existing human resources. Man Power Planning exists as a part of the planning process of business. This is the activity of the management which is aimed at co-ordinating requirements for and the availability of different types of employers. Manpower planning is essential to ensure the recruitment of personnel of the calibre and in the number required, not only to fill vacancies caused by normal wastage due to death, retirement and resignation, but also to meet demands created by the expansion of businesses and the development of new markets among others.

Objectives of Man Power Planning

The objectives of Man Power Planning are mainly to:

a) Ensure optimum utilization of human resources currently employed;

b) Assess or forecast future requirements;

c) Cope up with the changing scenario;

d) Attaching with business plans of organization;

e) Anticipate redundancies;

f) Provide basis for human resource development (HRD); and

g) Assist in productivity bargaining.

Benefits of Man Power Planning

Proper Man Power Planning results into a number of benefits. Some of them are:

a) Create reservoir of talent.

b) Preparation for future HR needs.

c) Promote employees in a systematic manner.

d) Provide basis for HRD.

e) Help in career and succession planning.

Levels of Man Power Planning

Man Power Planning is carried out at the following levels:

a) **National Level:** The Central Government plans for human resources at the national level. It forecasts the demand for and supply of human resources as a whole. For example, the Government of India specifies the objectives of Man Power Planning in successive five-year plans.

b) **Sectoral Levels:** Central and State Governments, formulate HRPs for different sectors. For example, industrial sector, agricultural sector etc.

c) **Industry Level:** HRP for specific industries are prepared by the particular industries.

d) **Unit Level:** HRP for a particular department/sector of an industry is prepared at this level. It again includes the following levels.

i) Plant level;

ii) Department level; and

iii) Divisional level.

Steps in Manpower Planning

1) Organisational Objectives

Before preparing a Manpower plan, a complete study and analysis of the organisation's future plans and objectives should be done. This will give an idea about the volume of future work activity.

2) Analysis of Personnel resource and Human Resource Planning

This includes a study on the future requirement of personnel resource and the present availability. The future demand and the present supply are compared to find out the gap. This will be helpful for the management to formulate strategies to meet the gap. By the analysis of personnel resources, the gap is found.

3) Identification of Manpower gap

The Manpower gap may be Surplus or Shortage of manpower. Manpower plans are prepared separately to meet the shortage and surplus.

a) **Surplus Manpower:** If the analysis of human resource exhibits surplus of manpower, manpower planning will include:

- Analysis of the cost and time required for the management of surplus

- Determination of action to be taken to manage the surplus of employees which ay be redeployment or retrenchment.

b) **Shortage of Manpower:** When shortage of manpower is found, it means that workers will be needed to be recruited in future. In this case, manpower planning will be as follows:

- The task involved in the management of the shortage is analysed

- The sources of bringing in new employees are determined.

4) Feedback and Alteration

After implementing the manpower plan as determined, it has to be followed-up and alterations may be made to the plan if needed.
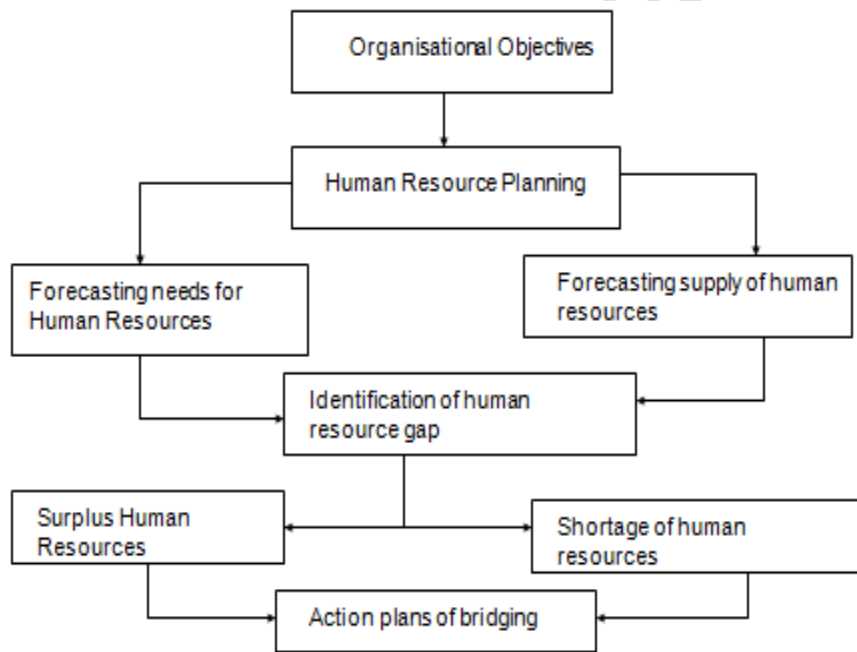
Importance of Manpower planning

Manpower planning is an essential process of personnel management due to the following:

a)   It helps to meet the uncertainties and changes in future

b)   Manpower planning ensures the right people in the right job.

c)   It determines any shortage or surplus of manpower in an organisation.

d)   At the time of expansion or diversification, manpower planning helps to meet the need for manpower resources

e)   It ensures the development of existing human resources to match the manpower requirements of the future

f)   It forecasts the efforts of technological changes expected in future.

g)   It maintains a balance between demand and supply of manpower.

h)   It provides benefits to employees by way of career planning and management by succession planning.

i)   It helps the management to assess the strength and weakness of employees

j)   It ensures the optimum utilisation of the available personnel resource.

JOB ANALYSIS

Job analysis a systematic study of the job to find out the details about the job, the methods and equipments used and attitude required for the successful performance of the job. It contains the contents of a job.

One of the main purposes of conducting job analysis is to prepare job description and job specification which in turn helps to hire the right quality of workforce into the organisation.

Uses / Purposes / Importance of Job analysis

1. Manpower Planning

Manpower planning estimates the quantity and quality of people required in future. Job analysis provides information relating to the job which is used by Manpower planning.

2. Recruitment and Analysis

Recruitment succeeds job analysis. The objective of manpower planning is to ensure right people in right job. This can be done only with the help of job analysis.

3. Training and Development

Job analysis as provides skills and knowledge required to perform a job, it provides information to the management about the need and method of training to be provided to the employees for fulfilling the obligations of a job.

4. Placement and Orientation

Job analysis ensures to have the right men in the right job which is suitable for him. The person requested is placed in a suitable job according to his qualification, knowledge and skills.

5. Job Evaluation

The worth of a job is determined in the process of job analysis. It helps to evaluate the job for the purpose of compensation management.

6. Performance Appraisal

Job analysis provides information about the duties and obligations to be performed by a person in his role in the organisation. The information will be useful to evaluate his performance and to find whether he is suitable for the job.

7. Personnel Information

In the computerised environment of an organisation the data relating to the employees of the organisation is maintained for future reference. These information relating to the employees are provided only by job analysis.

8. Health and Safety

The occupational diseases, hazardous environment of a job are identified by job analysis. This helps the management in identifying that kind of employees who can resist them.

Contents of Job analysis

JOB ANALYSIS	
JOB DESCRIPTION	**JOB SPECIFICATION**
Contains information about a job such as - Job title - Location - Job Summary - Machines, Tools and Methods involved - Duties - Working Conditions - Hazards	Contains Human qualities and qualification required to perform a job such as - Education - Experience - Training - Physical efforts and skills - Responsibilities - Communications skills - Emotional characteristics - Unusual sensory demands such as Eye sight, Smell, Hearing, Etc.

PROCESS OF JOB ANALYSIS

Job analysis involves a length of process which is time consuming. To reduce the wastage of time, it is done in a predetermined process.

1) Organisational Job analysis

First of all, the level of the jobs and their position in the organisational structure, its relationship to other jobs, etc. are to be developed. These information can be obtained from the organisational chart.

2) Selection of Representative Jobs

Analysis of all jobs in an organisation will be more expensive and time consuming. So the jobs which will represent the other jobs of equal cadre are selected for analysis.

3) Data Collection

The information relating to the job selected for analysis collected by various methods of data collection such as questionnaire, interviews or observation.

4) Job Description

Here the job is described with reference to its name, position, responsibilities, etc.

5) Job Specification

The specified skills required to perform the particular job are defined to know the qualification, skills, knowledge, etc. required from the person who is on the job.

ORGANISATIONAL JOB ANALYSIS
⇓
SELECTION OF REPRESENTATIVE JOBS
⇓
DATA COLLECTION
⇓
JOB DESCRIPTION
⇓
JOB SPECIFICATION
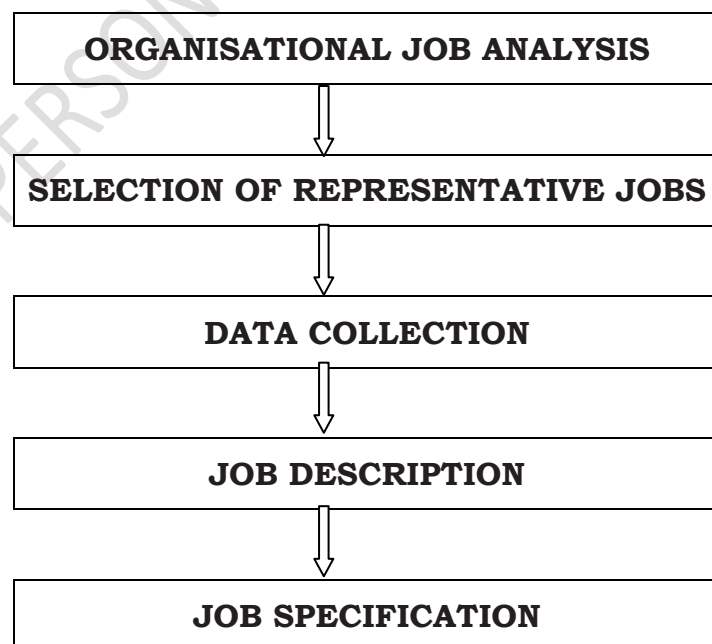
RECRUITMENT

Meaning

Recruitment is the process of identifying the prospective employees, stimulating and encouraging them to apply for a particular job or jobs in an organization. It is a positive action as it involves inviting people to apply. The purpose is to have an inventory of eligible persons from amongst whom proper selection of the most suitable person can be made.

Definition

Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in the organisation.

- **Edwin Flippo**

Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting the manpower in adequate numbers to facilitate effective selection and efficient work forces

- **Dale Yoder**

Process of Recruitment

Every organisation has its own recruitment policies to bring in new employees to fill up the vacancies in the organisation. The recruitment process may be in the following process which can be modified in order to suit for the organisation.
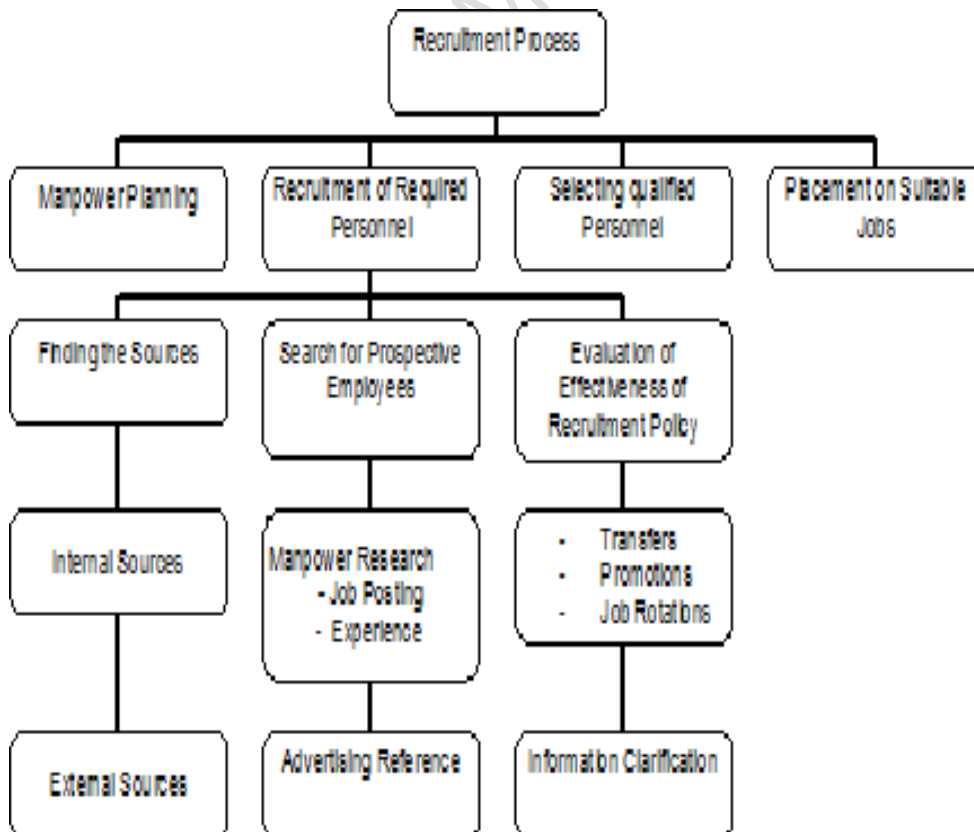
A) MANPOWER PLANNING

Manpower planning is the basic process by which the required the personnel with right quantity and quality is identified. Based on the result on manpower planning, the entire recruitment process begins.

B) RECRUITING REQUIRED PERSONNEL

Through recruitment, the organisation finds out the sources filling up the vacancies.

1. Finding the Sources:

The organisation should find the suitable source through which the employees are recruited.

Internal sources can be utilized when the organisation decides to fill up the vacancies by existing level of manpower. If the organisation decides to bring in new employees to fill up the vacancy, the source through which the new employees can be brought in are identified.

2. Search for Prospective Employees:

The people to fill up the vacancies should have the required quality. The recruitment process searches the people with right quality.

3. Inducement to Apply:

The people with right quality should be induced and motivated by the organisation through the requirement process for applying for the vacancies in the organisation by providing information and required clarification.

4. Evaluation of Recruitment Policy:

The recruitment policy adopted by the organisation is evaluated in order to find out its effectiveness and suitability to the organisation.

C) SELECTING QUALIFIED PERSONNEL

From the applicants, the candidates with right quality are selected by following appropriate selection process.

D) PLACEMENT

The employees selected are given placements according to their qualities, qualifications and experiences.

SOURCES OF RECRUITMENT

The different sources of recruitment are classified into two categories, viz., Internal Sources and External Sources.

A) Internal Sources:

Internal sources or Internal Recruitment is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization. Internal recruitment may lead to increase in employee's productivity as their motivation level increases. It also saves time, money and efforts. But a drawback of internal recruitment is that it refrains the organization from new blood. Also, not all the

manpower requirements can be met through internal recruitment. Hiring from outside has to be done.

A) Internal Sources

➢ **Promotions**: Promotion means to give a higher position, status, salary and responsibility to the employee. So, the vacancy can be filled by promoting a suitable candidate from the same organisation.

➢ **Transfers**: Transfer means a change in the place of employment without any change in the position, status, salary and responsibility of the employee. So, the vacancy can be filled by transferring a suitable candidate from the same organisation.

➢ **Internal Advertisements**: Here, the vacancy is advertised within the organisation. The existing employees are asked to apply for the vacancy. So, recruitment is done from within the organisation.

➢ **Retired Managers**: Sometimes, retired managers may be recalled for a short period. This is done when the organisation cannot find a suitable candidate.

➢ **Recall from Long Leave**: The organisation may recall a manager who has gone on a long leave. This is done when the organisation faces a problem which can only be solved by that particular manager. After he solves the problem, his leave is extended.

Merits of Internal Sources

The benefits / advantages / merits of using internal sources of recruitment:-

1. It is time saving, economical, simple and reliable.

2. There is no need of induction training because the candidate already knows everything about the organisation, the work, the employee, the rules and regulations, etc.

3. It motivates the employees of work hard in order to get higher jobs in the same organisation.

4. It increases the morale of the employees and it improves the relations in the organisation.

5. It reduce executive turnover.

6. It develops loyalty and a sense of responsibility.

Demerits of Internal Sources

The limitations / demerits of using internal sources of recruitment:-

1. It prevents new blood from entering the organisation. New blood brings innovative ideas, fresh thinking and dynamism into the organisation.

2. It has limited scope because it is not possible to fill up all types of vacancies from within the organisation.

3. The position of the person who is promoted or transferred will be vacant.

4. There may be bias or partiality in promoting or transferring persons from within the organisation.

5. Those who are not promoted will be unhappy.

6. The right person may be promoted or transferred only if proper confidential reports of all employees are maintained. This involves a lot of time, money and energy.

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                    ┌─────────────────┐
                    │   SOURCES OF    │
                    │   RECRUITMENT   │
                    └─────────────────┘
                            │
           ┌────────────────┴────────────────┐
  ┌────────────────────┐         ┌────────────────────────┐
  │  INTERNAL SOURCES  │         │   EXTERNAL SOURCES     │
  │                    │         │                        │
  │  ➢ Promotions      │         │  ➢ Management Consultants │
  │  ➢ Transfers       │         │  ➢ Public Advertisements  │
  │  ➢ Internal        │         │  ➢ Campus Recruitment     │
  │    Advertisements  │         │  ➢ Deputation Personnel   │
  │                    │         │  ➢ Employment at Factory Level │
  │                    │         │  ➢ Employment Exchanges   │
  │                    │         │  ➢ Employment Agencies    │
  │                    │         │  ➢ Recommendations        │
  │                    │         │  ➢ Labour Contractors     │
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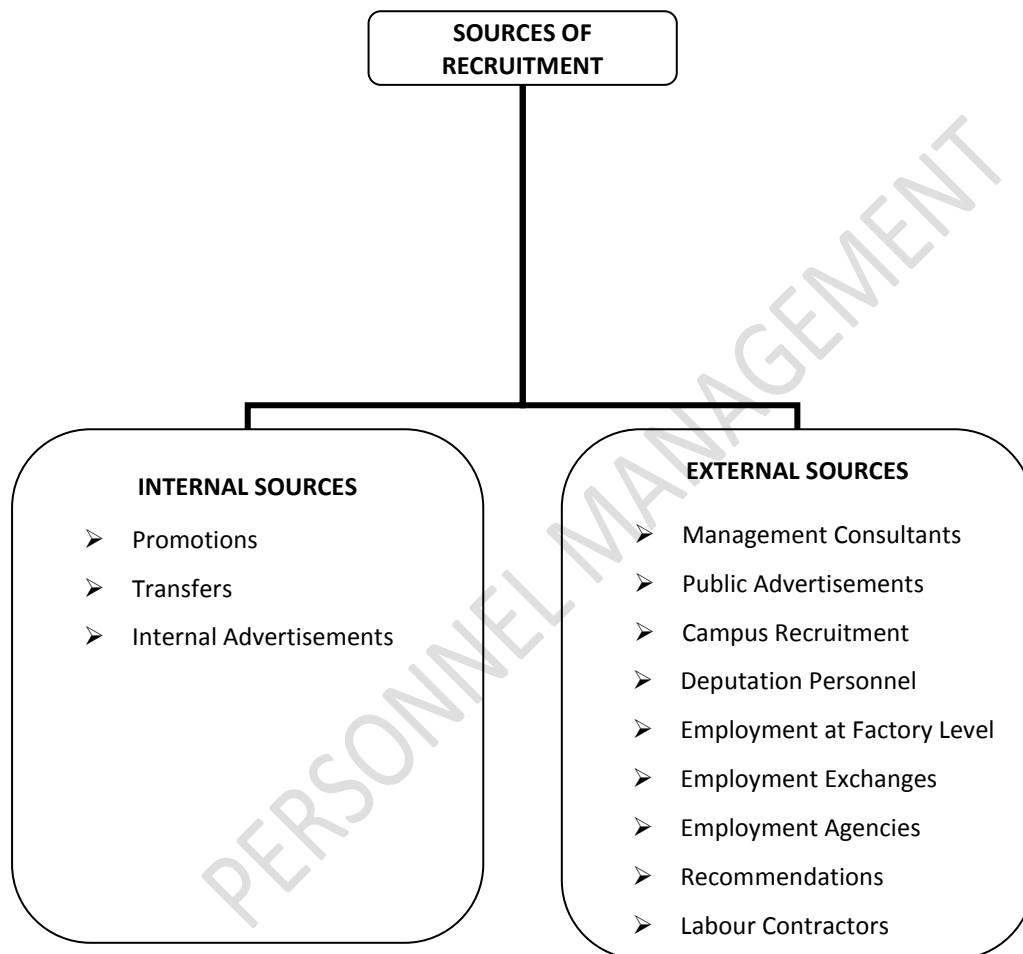
B) External Sources: It refers to the sources of recruitment are from outside the organisation. External sources of recruitment have to be solicited from outside the organization. External sources are external to a concern. But it involves lot of time and money.

➢ **Management Consultants**: Management consultants are used for selecting higher-level staff. They act as a representative of the employer. They make all the necessary arrangements for recruitment and selection. In return for their services, they take a service charge or commission.

➢ **Public Advertisements**: The Personnel department of a company advertises the vacancy in newspapers, the internet, etc. This

advertisement gives information about the company, the job and the required qualities of the candidate. It invites applications from suitable candidates. This source is the most popular source of recruitment. This is because it gives a very wide choice. However, it is very costly and time consuming.

- ➤ **Campus Recruitment**: The organisation conducts interviews in the campuses of Management institutes and Engineering Colleges. Final year students, who're soon to get graduate, are interviewed. Suitable candidates are selected by the organisation based on their academic record, communication skills, intelligence, etc. This source is used for recruiting qualified, trained but inexperienced candidates.

- ➤ **Deputation Personnel**: The organisation may also recruit candidates who are sent on deputation by the Government or Financial institutions or by holding or subsidiary companies.

- ➤ **Employment at Factory Level -** This a source of external recruitment in which the applications for vacancies are presented on bulletin boards outside the Factory or at the Gate. This kind of recruitment is applicable generally where factory workers are to be appointed. There are people who keep on soliciting jobs from one place to another. These applicants are called as unsolicited applicants. These types of workers apply on their own for their job. For this kind of recruitment workers have a tendency to shift from one factory to another and therefore they are called as "badli" workers.

- ➤ **Employment Exchanges -** There are certain Employment exchanges which are run by government. Most of the government undertakings and concerns employ people through such exchanges. Now-a-days recruitment in government agencies has become compulsory through employment exchange.

- ➤ **Employment Agencies -** There are certain professional organizations which look towards recruitment and employment of people, i.e. these private agencies run by private individuals supply required manpower to needy concerns.

- ➤ **Recommendations -** There are certain people who have experience in a particular area. They enjoy goodwill and a stand in the company. There are certain vacancies which are filled by recommendations of such people. The biggest drawback of this source is that the company has to rely totally on such people which can later on prove to be inefficient.

- ➤ **Labour Contractors -** These are the specialist people who supply manpower to the Factory or Manufacturing plants. Through these contractors, workers are appointed on contract basis, i.e. for a particular time period. Under conditions when these contractors leave the organization, such people who are appointed have to also leave the concern.

Advantages of External Sources

The benefits / merits / advantages of using external sources of recruitment:-

1. It encourages young blood with new ideas to enter the organisation.

2. It offers wide scope for selection. This is because a large number of suitable candidates will come for the selection process.

3. There are less chances of bias or partiality.

4. Here there is no need to maintain confidential records.

Limitations of External Sources

The demerits / limitations of using external sources of recruitment:-

1. It is very costly. This is because advertisements, test, medical examination etc., has to be conducted.

2. It is very time consuming. This is because the selection process is very lengthy.

3. It may not develop loyalty among the existing managers.

4. The existing managers may leave the organisation if outsiders are given higher post.

SELECTION

Selection is the process of securing relevant information about an applicant to evaluate his qualifications, experience and other qualities with a view to matching these with the requirements of a job. It is essentially a process of picking out the man or men best suited for the organization's requirements.

Selection Procedure

Selection process involves rejection of unsuitable or less suitable applicants. This may be done at any of the successive hurdles which an applicant must cross. These hurdles act as screens designed to eliminate an unqualified applicant at any point in the process.

1. Preliminary Interview

This is a sorting process in which prospective applicants are given the necessary information about the nature of the job and also, necessary information is elicited from the candidates about their education, experience, skill, salary expected, etc. If the candidate is found to be suitable, he is selected for further process and, if not, he is eliminated.

2. Receiving Application Blank

It is a traditional and widely used device to gather information about the candidates such as their age, Marital Status, Education, Work Experience etc.

It helps the organisation for scrutiny of the applicants, to formulate the patterns of interview and to collect information for future reference.

3. Screening of Application

Screening refers to the grouping of applications received based on their qualifications and the job applied for.

4. Employment Tests or Selection tests

At the time of selection, tests are conducted to eliminate the unsuitable candidates and to find the suitable persons. A test is a sample of an aspect of an individual's behaviour, performance or attitude. It can also be a systematic procedure for comparing the behaviour of two or more persons. Job seekers who pass the screening and the preliminary interview are called for tests.

Purposes / Uses of Tests

The basic assumption underlying the use of tests in personnel selection is that individuals are different in their job-related abilities and skills and that these skills can be adequately and accurately measured. Generally, tests are used for

i) Guiding and counselling students seeking admission to schools and colleges;
ii) Vocational guidance of adults seeking help in their careers;
iii) Research into human behaviour and personality;
iv) Eliminating the possibility of prejudice on the part of the interviewer or supervisor during selection; and
v) Bringing out uncover qualifications and talents that would not be detected by interviews or by listing of education and job.

Types of Tests
a) Intelligence Tests

These tests usually measure several factors of intelligence such as logical reasoning, analytical skills and general knowledge. It also measures a person's ability to classify things, identify relationships and derive analogies. It does not take into consideration social or emotional intelligence. These are also called 'proficiency tests'. These are of two types:

Trade Tests: Measuring job Knowledge such as determination of knowledge of typing, shorthand and in operating calculators, adding machines, dictating and transcribing machines or simple mechanical equipment. These are primarily oral tests consisting of a series of questions which are believed to be satisfactorily answered only by those who know and thoroughly understand the trade or occupation. Oral tests may be supplemented by written, picture or performance types.

Work Sample Tests*:* Measuring the proficiency with which equipment can be handled by the candidate. This is done by giving him a piece of work to judge how efficiently he does it. For example, a typing test would provide the material to be typed and note the time taken and mistakes committed.
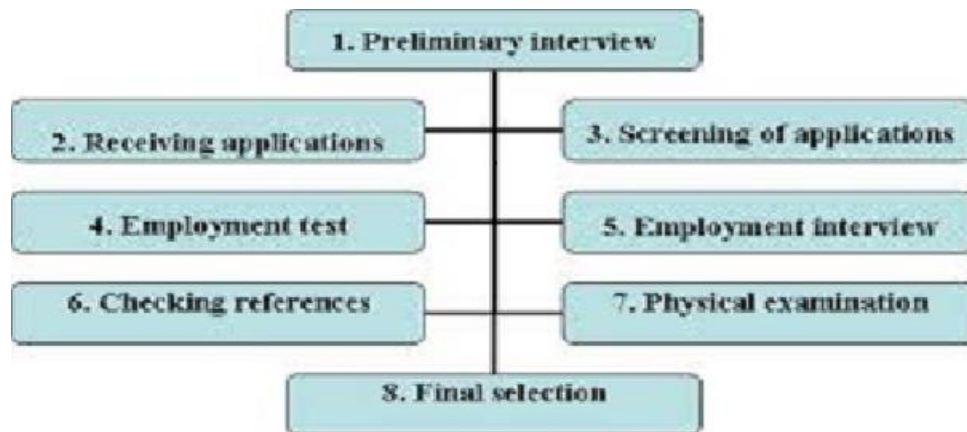
b) Aptitude Tests

These tests measure the latent ability of a candidate to learn a new job or skill. These tests do not test the knowledge or proficiency possessed by the individual; instead they test his ability to learn, or gain the required proficiency. The focus areas of attention of these tests are the candidate's particular talent such as learning, reasoning and mechanical or musical aptitude. These are of three types:

i) *Mental Tests:* These measure the overall intellectual ability or the intelligence quotient (I.Q.) of a person and enable us to know whether he has the mental capacity to deal with new problems. These determine an employee's fluency in language, memory, interaction, reasoning, speed of perception, and spatial visualisation.

ii) *Mechanical Aptitude Tests:* These measure the capacity of a person to learn a particular type of mechanical work. These are useful when apprentices, machinists, mechanics, maintenance workers, and mechanical technicians are to be selected.

iii) *Psychomotor or Skill Tests:* This measures a person's ability to do a specific job. These are administered to determine mental dexterity or motor ability and similar attributes involving muscular movement, control and coordination. These are primarily used in the selection of workers who have to perform semi-skilled and repetitive jobs, like assembly work, packing, testing, and inspection and so on.

c) Personality Tests

These discover clues to an individual's value system, his emotional reactions, maturity and his characteristic mood. The tests help in assessing a person's motivation, his ability to adjust himself to the stresses of everyday life and his capacity for interpersonal relations and for projecting an impressive image of himself. They are expressed in terms of the relative significance of such traits of a person as self-confidence, ambition, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgement, dominance, impulsiveness, sympathy, integrity, and stability. These tests are given to predict potential performance and success for supervisory or managerial jobs. The personality tests are basically of three types:

i) *Objective Tests:* These measure neurotic tendencies, self-sufficiency, dominance, submission and self-confidence.

ii) *Projective Tests:* In these tests, a candidate is asked to project his own interpretation onto certain standard stimuli. The way in which he responds to these stimuli depends on his own values, motives and personality.

iii) *Situation Tests:* These measure an applicant's reaction when he is placed in a peculiar situation, his ability to undergo stress and his demonstration of ingenuity under pressure. These tests usually relate to a leaderless group situation, in which some problems are posed to a group and its members are asked to reach some conclusions without the help of a leader.

d) Interest Tests

These tests are designed to discover a person's areas of interest and to identify the kind of work that will satisfy him. The interest tests are used for vocational guidance, and are assessed in the form of answers to a well-prepared questionnaire.

5. Employment interview or Selection Interview

An interview is a conversation with a purpose between one person on one side and another person or persons on the other. An employment interview should serve three purposes, viz., obtaining information, giving information, and motivation.

It should provide an appraisal of personality by obtaining relevant information about the prospective employee's background, training work history, education and interests. The candidate should be given information about the company, the specific job and the personnel policies. It should also help in establishing a friendly relationship between the employer and the applicant and motivate the satisfactory applicant to want to work for the company or organization.

Types of Interview

Informal Interview: This is may take place anywhere. The employer or a manager in the personnel department may ask a few questions, like name, place of birth, previous experience, etc. It is not planned and is used widely when the labour market is tight and you need workers very badly. A friend or a relative of the employer may take a candidate to the house of the employer or manager where this type of interview may be conducted.

Formal Interview: This held in a more formal atmosphere in the employment office by the employment officer with the help of well-structured questions. The time and place of the interview are stipulated by the employment office.

Planned Interview: This is a formal interview carefully planned. The interviewer has a plan of action worked out in relation to time to be devoted to each candidate, type of information to be sought, information to be given, the modality of interview and so on. He may use the plan with some amount of flexibility.

Patterned Interview: This is also a planned interview but planned to a higher degree of accuracy, precision and exactitude. A list of questions and areas are carefully prepared. The interviewer goes down the list of questions, asking them one after another.

Non-directive Interview: This is designed to let the interviewee speak his mind freely. The interviewer is a careful and patient listener, prodding whenever the candidate is silent. The idea is to give the candidate complete freedom to 'sell' himself without encumbrances of the interviewer's questions.

Depth Interview: This is designed to intensively examine the candidate's background and thinking and to go into considerable detail on a particular subject to special interest to the candidate. The theory behind it is that if the candidate is found good in his area of special interest, the chances are high that if given a job he would take serious interest in it.

Stress Interview: This is designed to test the candidate and his conduct and behaviour by putting him under conditions of stress and strain. This is very useful to test the behaviour of individuals under disagreeable and trying situations.

Group Interview: This is designed to see how the candidates react to and against each other. All the candidates may be brought together in the office and they may be interviewed. The candidates may, alternatively, be given a topic for discussion and be observed as to who will lead the discussion, how they will participate in the discussion, how each will make his presentation and how they will react to each other's views and presentation.

Panel Interview: This is done by members of the interview board or a selection committee. This is done usually for supervisory and managerial positions. It pools the collective judgement and wisdom of members of the panel. The candidate may be asked to meet the panel individually for a fairly lengthy interview.

6. Checking Reference

The applicant is asked to mention in his application the names and addresses of three such persons who usually know him well. These may be his previous employers, friends, or professional colleagues. They are approached by mail or telephone and requested to furnish their frank opinion, without incurring any liability, about the candidate either on specified points or in general. They are assured that all information supplied would be kept confidential. Yet, often either no response is received or it is generally a favourable response.

7. Physical Examination

Applicants who get over one or more of the preliminary hurdles are sent for a physical examination either to the organization's physician or to a medical officer approved for the purpose.

Purposes: A physical examination serves the following purposes:

i) It gives an indication regarding fitness of a candidate for the job concerned.

ii) It discovers existing disabilities and obtains a record thereof, which may be helpful later in deciding the company's responsibility in the event of a workman's compensation claim.

iii) It helps in preventing employment of those suffering from some type of contagious diseases.

iv) It helps in placing those who are otherwise employable but whose physical handicaps may necessitate assignment only to specified jobs.

8. Final Selection

Applicants who cross all the hurdles are finally considered. If there are more persons than the number required for a job the best ones, i.e., those with the highest scores are finally selected.

Placement follows the Final selection of suitable candidate for the job. Sometimes a particular person is selected for a given jab. Often more than one person may be selected for the jobs of similar nature. In the second case, individual employees have to be put under individual supervisors with the approval of the latter.

In the first case also his approval is also necessary but it should be done early in the selection process.

A proper placement reduces employee turnover, absenteeism and accident rates and improves morale.

Training

Placing employees in jobs does not ensure their success. New employees are often uncertain about their roles and responsibilities. The term training refers to the systematic development of knowledge, skills and attitudes by an employee for the performance of a particular job.

Training may be defined as the process of imparting the required knowledge and skills for performing a particular task. The basic purpose of training is to bridge the gap between job requirements and present competence of an employee.

The need for training and development

At the same time as the need for employee training and development is increasing, it can be identified that the expense in relevant to time and money available in organizations is more for the organisations. So it is necessary for the management to identify the need for training. Employee training and development are part of good management practices and good risk management strategies. The following issues and changes in an organization many indicate the need for employee training and development:
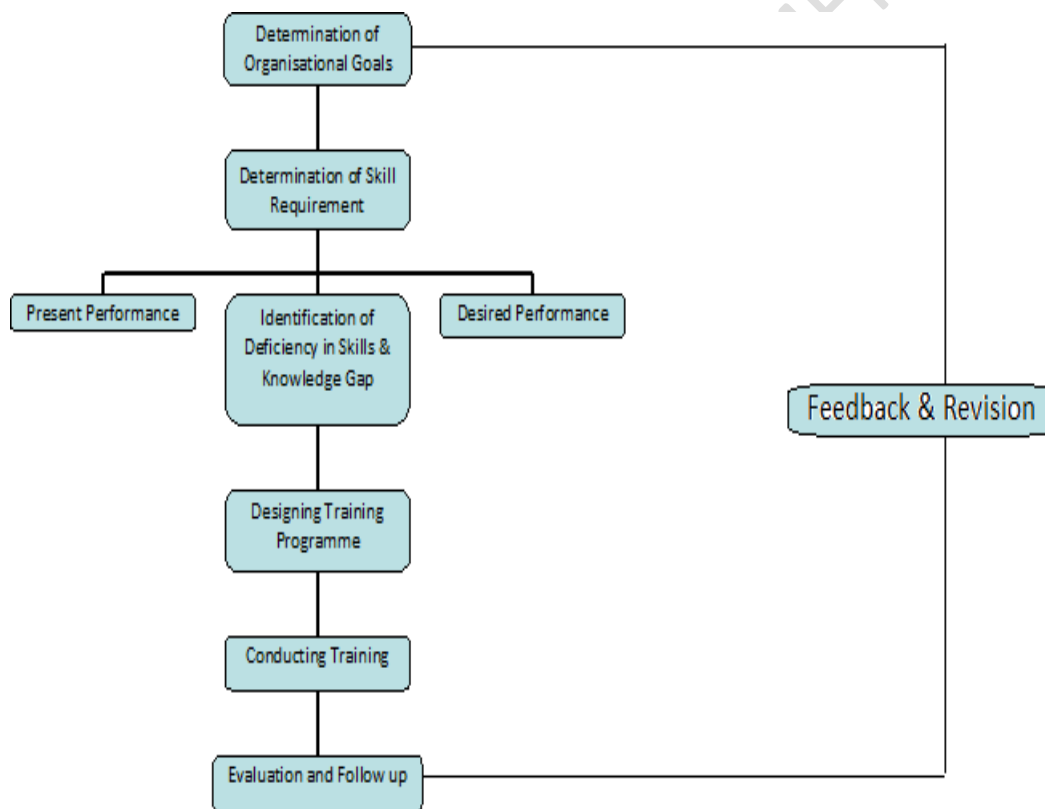
- Employee's request
- Employee survey results
- New employee
- New equipment

- Evaluation deficiencies
- Individual development plan
- Law and regulation changes
- Need to develop new leaders
- Reassignment

- New manager
- New program
- New technology
- Safety issues

Identification of the need for training

Training is an important process in the development function of personnel management. Training should be given to the employees at the right time in the right method. So the need for training should be identified by the organisation.

The need for training in an organisation can be identified in the following manner.

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┌─────────────────────┐
│ Determination of    │──────────────────────────────┐
│ Organisational Goals│                               │
└─────────────────────┘                               │
          │                                           │
┌─────────────────────┐                               │
│ Determination of Skill│                             │
│ Requirement         │                               │
└─────────────────────┘                               │
          │                                           │
  ┌───────┼───────┐                                   │
┌──────────┐ ┌──────────────┐ ┌──────────────┐       │
│ Present  │ │ Identification│ │ Desired      │       │
│Performance│ │ of Deficiency│ │ Performance  │       │
└──────────┘ │ in Skills &   │ └──────────────┘  ┌─────────────────┐
             │ Knowledge Gap │                   │ Feedback & Revision│
             └──────────────┘                    └─────────────────┘
          │                                           │
┌─────────────────────┐                               │
│ Designing Training  │                               │
│ Programme           │                               │
└─────────────────────┘                               │
          │                                           │
┌─────────────────────┐                               │
│ Conducting Training │                               │
└─────────────────────┘                               │
          │                                           │
┌─────────────────────┐                               │
│ Evaluation and Follow up│───────────────────────────┘
└─────────────────────┘
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1) Determination of Organisational Goals:

This is otherwise called as organisational analysis. Before deciding a training programme, the objectives of the organisation to be achieved in future should be determined.

2) Determination of Skill Requirement:

The Skills and Knowledge of personnel required by the organisation to achieve the desired goal is identified in this step.

3) Identification of Deficiency:

In this step, the present level of Skills and knowledge is compared with the desired level of skills and knowledge in order to identify the deficiency. Based on the level of deficiency, training methods are determined.

4) Deciding the training Programme:

Training programme is designed so as to meet the requirement of the organisation. Training programme may be different for executive staff and administrative staff.

5) Conducting the Training:

The training programme, as designed, is implemented in practice. By this process, the employees are practically involved in training for the purpose of acquiring necessary skills and knowledge to perform the work.

6) Evaluation and Follow-up:

The process of training will not be complete with its implementation. It is continuously evaluated and followed up in order to assess its effectiveness.

7) Feedback and Revision:

From time to time, the training programme is revised according to the need of the time and process.

Methods of Training

Training may be defined as the process of involving gaining the required knowledge, skills and attitudes. This may be done in the following methods.

I On the Job Methods:

In this technique, training is provided to the employees without affecting his job. The employees will perform the job and also involve in getting trained at the same time. Following are the on the job training methods.

a) Induction or Orientation

This is a training given to a newcomer to the organisation for familiarising him to the organisation, to the work environment and to the co-workers. Induction training involves observation training rather than practical training.

b) Job Rotation

This method of training is given to an existing worker who is going to be promoted. Thus, training aims at the employee in learning the entire process of the organisation by positioning him on various jobs in different departments in the organisation.

c) Placement as Assistants

The person to be trained is placed as an assistant to an experienced employee of the same department. The trainee will learn the work by helping him in the work.
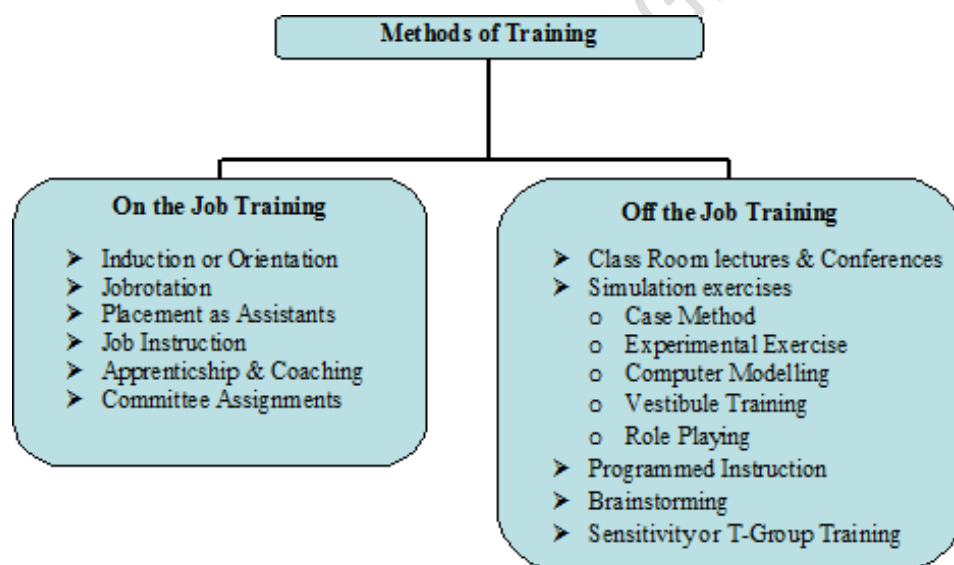
d) Job Instruction

Under this method, an expert explains and instructs the trainees how to work.

e) Apprenticeship & Coaching

The trainee acts as an assistant to the trainer who is an expert in the specific field. By helping the trainer in his work, the employee will learn how to do the job. This training is most suitable for professionals such chartered accountants, engineers, etc.

f) Committee Assignments

This is a method of providing training to a group of employees at the same time. The trainees are grouped as different committees under an expert and assignments are given to be performed by them. By this way, they learn how to do the job.

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                    ┌─────────────────────────┐
                    │   Methods of Training    │
                    └─────────────────────────┘
                                │
              ┌─────────────────┴─────────────────┐
   ┌─────────────────────────┐      ┌─────────────────────────────────┐
   │    On the Job Training   │      │       Off the Job Training       │
   │                          │      │                                  │
   │ ➢ Induction or Orientation│      │ ➢ Class Room lectures & Conferences│
   │ ➢ Jobrotation            │      │ ➢ Simulation exercises           │
   │ ➢ Placement as Assistants│      │    o  Case Method                │
   │ ➢ Job Instruction        │      │    o  Experimental Exercise      │
   │ ➢ Apprenticship & Coaching│      │    o  Computer Modelling         │
   │ ➢ Committee Assignments  │      │    o  Vestibule Training          │
   │                          │      │    o  Role Playing               │
   │                          │      │ ➢ Programmed Instruction         │
   │                          │      │ ➢ Brainstorming                  │
   │                          │      │ ➢ Sensitivity or T-Group Training │
   └─────────────────────────┘      └─────────────────────────────────┘
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II Off the Job Methods:

In this method of training, the trainee ceases to work and involves in the training process. The employee will go away from the organisation to another place for the purpose of training.

a) Class Room lectures & Conferences

An expert in the concerned field of training is called and a lecture is arranged. He explains and discusses the relevant topic to a group of trainees. This type of training is suitable for managerial and executive development.

b) Simulation exercises

This method of training is used to motivate the employees to learn the job by creating and inducing their learning ability. Following are the stimulation exercises.

i) Case Method

In this method, the employees are given cases to respond according to their ability and thinking.

ii) Experimental Exercise

In these exercises, the trainer stimulates situations where the employees are exposed to actual work problems. In this process, the employees learn quickly through direct experience and also understand their mistakes and problems easily.

iii) Computer Modelling

It is a technique used in training pilots and defence personnel. This technique is a costly on where the dimensions of the job are programmed in a computer and the trainees learn through direct operation.

iv) Vestibule Training

This is a technique where the actual work conditions are stimulated and the equipments used by the trainees are similar to what is used on the job. The trainees gain the experience by using the equipment without having work tension and pressure.

v) Role Playing

The trainees are given different roles of the organisation and a human interaction involved in realistic behaviour in imaginary situation.

c) Programmed Instruction

In this training, the employees who have to be trained is to be given a series of questions after he studies the relevant material required for accomplishment of the job.

d) Brainstorming

In Brainstorming sessions, the trainees are allowed to express their opinions about this job or the given topic. There will be a trainer absorbing the new ideas and opinions expressed by the trainees and he records it. If it is found useful to the organisation, it may be used in future.
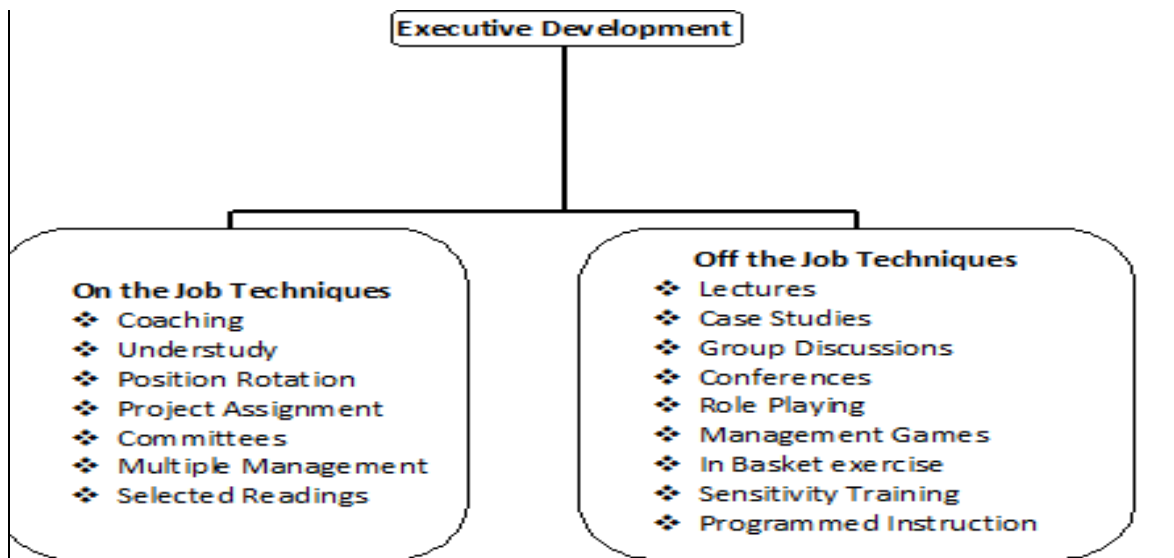
e) Sensitivity or T-Group Training

Under this method, the trainees are divided into groups. The members of the groups are asked to express their behaviour and attitude of his group members. Through this method, each employee knows about his advantages and disadvantages in the organisation.

Executive Development

Executive Development or Management development is a systematic process of learning and growth by which managerial personnel gain and

apply knowledge, skills, attitudes and insights to manage the work in their organisations effectively and efficiently.

Executive Development consists of all the means by which executives learn to improve their behaviour and performance. It is designed to improve the effectiveness of managers in their present jobs and to prepare them for higher jobs in future.

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┌─────────────────────────┐
│ Executive Development   │
└─────────────────────────┘
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On the Job Techniques
- Coaching
- Understudy
- Position Rotation
- Project Assignment
- Committees
- Multiple Management
- Selected Readings

Off the Job Techniques
- Lectures
- Case Studies
- Group Discussions
- Conferences
- Role Playing
- Management Games
- In Basket exercise
- Sensitivity Training
- Programmed Instruction

TRANSFER

Transfer involves the change of work place from one to another without any change in status, responsibilities, pay, etc.

When an organisation has more than one branch of operation, and if there arises any vacancy in one of the branches may be satisfied by transferring the surplus employee of another branch of the same organisation. This is called ad transfer.

Need and purposes of Transfers

The need for transfer may arise due to several reasons. Transfers may be made to achieve the following objectives:

(i)   To meet organisational needs due to changes in volume of production, technology, production schedule, product line, organisation structure, etc.

(ii)   To satisfy the employee needs in relation to health problems, family circumstances, conflict within the branch etc.

(iii)   To better utilise the capacities of the employees' up to the satisfactory level.

(iv)   To make the employees to widen their knowledge and skills by learning new jobs.

(v) To adjust the work force in cases of overstaffing in one branch and deficiency in another branch

(vi) To provide overburden of employees

(vii) To punish the employees involving in the undesirable activities.

PROMOTION

Promotion involves change of one place with concurrent increase in pay, responsibility, status, etc.

An employee can be promoted from one job to a higher job when there arises a vacancy in higher level. Normally, the vacancies arising in higher level of the organisation are met by promoting the existing employee instead of recruiting a new employee. Because, the new employee may need more time in learning about the organisation. Moreover, we cannot judge the efficiency of a new comer merely by his performance in the interview. So, the existing employee with higher skills is promoted to the higher job.

Purposes and Advantages of Promotion

(i) To recognise an employee's performance and commitment / loyalty and motivate him towards better performance

(ii) To boost the morale and sense of belonging of employees

(iii) To develop a competitive spirit among employees for acquiring knowledge and skills required by higher level jobs.

(iv) To retain skilled and talented employees

(v) To develop a competent internal source of employees for higher level jobs

(vi) To utilise more effectively the knowledge and skills of employees

(vii) To attract competent and suitable employees for the organisation.

Bases for Promotion

For promoting an employee from one job to a higher job has some bases. The general bases for promotion includes seniority, merit and seniority cum merit.

1) Seniority

It implies relative length of service in the same organisation. This system gives concern to elder people while giving promotion. This is a transparent system whereby an employee can himself find out his place in the list.

Advantages

b) Easy to measure

c) Simple to understand and operate

d) No scope for favouritism

e) Reduces labour turnover

f) Full support of the trade unions

g) Provides a sense of satisfaction

2) Merit

It implies the knowledge, skills and performance record of an employee.

Advantage

a) Motivates competent employees

b) Recognition for performance maintenance efficiency

c) Attracts and retains young and promising employees

3) Seniority cum Merit

This method provides importance to both seniority and merit.

JOB EVALUATION

Job evaluation is a method used to describe, analyse, compare and evaluate jobs within a unit, a branch, or an industry on the basis of the work content and the job requirements in order to place them under particular wage or salary grades. It is a systematic attempt which provides basis for comparing jobs and determines the relevant worth of different jobs in an organisation.

Objectives of Job evaluation

(i) To compare jobs and determine their level within each occupational group

(ii) To compare jobs between occupational groups.

(iii) To provide a basis for more objective and rational wage structure.

(iii) To correct wage inequities, resulting from personal acquaintance, bargaining pressures, change, customs, and so forth.

(iv) To provide the means for the ranking of new and changing jobs.

(v) To reduce pay dissatisfactions by providing procedures for appeals and for grievances and their redressal.

(vi) To provide basic information for wage negotiations and wage determination.

Advantages of Job Evaluation

Job evaluation helps the management as well as the workers and trade unions in the following ways.

1. Determination of wage policy

Job evaluation is a logical and objective technique of ranking the jobs which helps the determination of consistent wage and salary structure free from inequalities and disparities.

2. Improving Industrial illusion

As inequalities are avoided, workers are paid a fair return relevant to the jobs. The workers will be satisfied which will in turn help in improving the industrial relation. Through job evaluation, proper placement is ensured.

3. Better Wage Administration

As the wage and salaries are fixed with the relevance and importance to the organisation, the compensation structure will be more simplified. It provides the base for re-designing and allocation of work to a job.

Disadvantages of Job Evaluation

1. Scope for Human Error

As evaluation is based on the efficiency and effectiveness of the person conducting the job evaluation, there is huge chance for human error and personal bias.

2. Fails to consider Psychological Law

Job evaluation does not consider several factors like workers' feeling towards security of service, carrying prospectus, etc. which influence the value of the work from the employees' point of view.

3. Results in inflexible salary structure

As salaries and wage are fixed based on the value of each job, it freezes the flexibility of the salary and wage structure.

4. Unsuitability

Job evaluation will not be suitable in valuing the managerial jobs involving intellectual work, the output of which cannot be measured in quantitative terms.

5. Difficult and expensive

Some of the evaluation methods are difficult to understand. Generally, it is a time consuming and expensive processes.

Importance / Significance / Benefits of Job Evaluation

1. Rational wage structure

Job evaluation eliminates wage inequalities in the organisation and facilitates the formation of a rational wage structure. With its help wage structure is designed on the basis of weights allotted to different factors viz. skill, responsibility, supervision required etc.

2. Removal of Inequalities

Job evaluation evolves standard rates for similar or comparable job in the organisation and thus eliminates wage inequalities. It removes internal as well as external inconsistency wages paid in similar firms and social costs are also taken into consideration while fixing the value for the job.

3. Good Industrial Relations

It is a common experience of all concerned that the biggest single factor contributing to industrial disputes and dissatisfaction is inequalities in wage rates. Job evaluation evaluates the job and the job holder. It helps in settling the disputes and grievances regarding wage rate etc. It leaves no chance of favouritism to anyone. The method simplifies discussion of wage demands and enables differences in wages justified.

4. Proper Emphasis on Job Factors

Job evaluation gives proper emphasis on job factors. It is made after proper scrutiny of the various factors determined by the job analysis and presented by the job description and the job specification. Thus job values are established only after taking various job factors into consideration.

5. Scientific Selection and Recruitment

It helps in a scientific recruitment and selection of employees because jobs are properly described and specified. Job evaluation involves job analysis and appraisal which are of great use while recruiting personnel selection and placement can be made objectively by matching the qualifications of the candidate with job specification. Job evaluation helps in keeping down the cost of recruitment.

6. Performance Appraisal

Job evaluation helps in performance appraisal. It helps in the evolution of uniform standards for all the jobs in the organisation. It becomes very easy to review job rates.

7. Training and Development

In a proper job evaluation system, the position of job is fixed. Every worker knows the job description and job specifications of each job. He tries to develop his personality so as to occupy higher position. Job evaluation helps in training the supervisors in the function of judging and helping their personnel.

8. Multifarious Use

Job evaluation facilitates control over labour, proper selection, training incentives to workers, simplification of job, and overall improvement in working conditions.

Process of Job Evaluation

a) Gaining acceptance:

Before undertaking job evaluation, top management must explain the aims) and uses of the programme to the employees and unions. To elaborate

the programme further, oral presentations could be made. Letters, booklets could be used to classify all relevant aspects of the job evaluation programme.

b) Creating job evaluation committee:

It is not possible for a single person to evaluate all the key jobs in an organisation. Usually a job evaluation committee consisting of experienced employees, union representatives and HR experts is created to set the ball rolling.

c) Finding the jobs to be evaluated:

Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department.

d) Analysing and preparing job description:

This requires the preparation of a job description and also an analysis of job needs for successful performance.

e) Selecting the method of evaluation:

The most important method of evaluating the jobs must be identified now, keeping the job factors as well as organisational demands in mind.

f) Classifying jobs:

The relative worth of various jobs in an organisation may be found out after arranging jobs in order of importance using criteria such as skill requirements, experience needed, under which conditions job is performed, type of responsibilities to be shouldered, degree of supervision needed, the amount of stress caused by the job, etc. Weights can be assigned to each such factor. When we finally add all the weights, the worth of a job is determined. The points may then be converted into monetary values.

JOB EVALUATION METHODS

There are several jobs in the organization which are to be filled up for their performance but before that they are to be evaluated and salary and wages are to be fixed for them. Some jobs are quite difficult to perform and some are quite easy to perform. Difficult jobs have more worth. The skill, competence and knowledge required for performance of certain jobs is not available easily because of scarcity. Such jobs also have more worth. Jobs having more worth carry higher salary. Whatever the nature of jobs, they are to be evaluated. There are five basic methods of job evaluation. They are:

I Non-analytical / Non-quantitative Methods	II Analytical / Quantitative Methods
Ranking method	Point method
Grading method	Factor comparison method
	Computerized method

Out of these five methods, the first two i.e. ranking and grading methods are non quantitative methods and the other two methods i.e. point and factor comparison methods are quantitative or analytical methods. Non quantitative methods do not use detailed classified data of job factors. They are quite simple in evaluating. These methods utilized job specification for rating of jobs. Point method and factor comparison method used more detailed information as a basic tool and not only job description. Under these methods job factors are chosen and measured.

A. Ranking Method

It is a simple method of job evaluation. Under ranking method a committee is constituted. The committee composed of executives and representatives of employees. The committee evaluates the job and ranks them according to their relative importance. Attempts are not made to break the jobs by specific criteria. Jobs are rated as a whole. Jobs are compared as difficult and simple and then they are ranked and arranged in the ascending order of sequence. Ranking of the jobs takes place in the way given below. Each rater is given the job description for each job separately. Rater studies the job description and makes analysis and then he notes down the point of differences between each job compare them and rank them in ascending order to their importance. The committee of raters sits together and discusses the ranking of jobs. Differences are resolved and final ranking of jobs is prepared. It may be decided by majority votes or taking averages of rankings. For comparing jobs rater take into consideration some of the factors as supervision of subordinates, cooperation with the staff of other departments, minimum educational qualifications, experience and training and likelihood of errors while doing job.

The simplest job evaluation method ranks each job relative to all other jobs, usually based on some overall factor like "job difficulty".

Factors Key Job	Daily Wage Rate	Physical effort	Factors mental effort	Skill	Responsibility	Working conditions
Electrician	60	11(3)	14(1)	15(1)	12(1)	8(2)
Fitter	50	14(1)	10(2)	9(2)	8(2)	9(1)
Welder	40	12(2)	7(3)	8(3)	7(3)	6(3)
Cleaner	30	9(4)	6(4)	4(5)	6(4)	5(4)
Labourer	25	8(5)	4(5)	6(4)	3(5)	4(5)

Steps in the Job Ranking Method:

1. Obtain job information: Job analysis is the first step: Job descriptions for each job are prepared, and the information they contain about the job's duties is usually the basis for ranking jobs. Sometimes job specifications are also prepared. However, the ranking method usually ranks jobs according to the whole job, rather than a number of compensable factors. Therefore, job specifications-which list the job's demands in terms of problem solving, decision making, and skill, for instance-are not as necessary with this method as they are for other job evaluation methods.

2. Select and group jobs: It is often not practical to make a single ranking for all jobs in an organization. The usual procedure is to rank jobs by department or in clusters (such as factory workers or clerical workers). This eliminates the need for direct comparison of, say, factory jobs and clerical jobs.

3. Select compensable factors: In the ranking method, it is common to use just one factor (such as job difficulty) and to rank jobs based on the whole job. Regardless of the number of factors you choose, it is advisable to explain the definition of the factor(s) to the evaluators carefully so that they evaluate the jobs consistently.

4. Rank jobs: For example, give each rater a set of index cards, each of which contains a brief description of a job. Then they rank these cards from lowest to highest. Some manages use an "alternation ranking method" for making the procedure more accurate. Here you take the cards, first choosing the highest and the lowest, then the next highest and lowest, and so forth until you have ranked all the cards.

5. Combine ratings: Usually, several raters rank the jobs independently. Then the rating committee (or the employer) can simply average the rankings.

Merits of Ranking Method

1. The method is quite simple and easy to understand. Employees can understand it easily.

2. It is the most suitable method for small size organizations.

3. It does not require much cost. Hence less expensive.

4. It is less time consuming. Few forms are to be filled up by the rater. So less work involved.

Demerits

1. Ranking is done on subjective judgement.

2. There is every likelihood of bias judgement in ranking of jobs.

3. It is silent on how the one job is different from another.

4. It only gives rank but does not specify the degree of importance.

B. Grading Method

Grading method is also a non-quantitative method. It is also known as job classification. This method is improvement over ranking method. Under this method predetermined scale or grade is provided. These grades or classification determined in advance by an authorized body or a committee appointed for the purpose. Grades or scale are determined on the basis of information supplied by job analysis. The committee after studying the job description carefully compares each job and weigh in the light of skill, competence, knowledge, and experience required. The committee then assigns class or grade to each job. The classification is used as a standard for fixing pay scales.

Jobs can be classified into several grades or classes such as skilled, unskilled, general clerk, accounts clerk, clerk cum typist, steno typist, office superintendent, laboratory assistant, foreman, workshop superintendent etc. or class I, II, III, IV etc. This system of job evaluation is quite simple.

Merits of Grading Method

1. This method is quite simple and can be easily understood by the employees.
2. It is flexible method.
3. It can be applied to large number a variety of jobs.
4. It is used in grading of government services. The government jobs are divided into different classes as class I, class II, class III and class IV.
5. The various jobs are grouped into classes or grades. This simplifies salary administration.
6. If there is a growth in number if jobs, they can be easily fit in the grades that already exist.

Demerits: The method has several demerits.

1. The method is not free from personal bias. Personal bias of the committee members plays a major role in matching grade with job.
2. It is less flexible hence not suited for large organizations having multiplicity of jobs.
3. With the increase in jobs, their grading becomes difficult.
4. The method relies heavily on job title instead of detailed verification of job contents.

C. Point Method

This is widely used method of job evaluation. Under this system a manual is prepared highlighting the various factors such as education, skill, competence, knowledge, training responsibility, job conditions, complexity, hazards, coordination, physical and mental efforts, mechanical ability etc.

The jobs are rated on he basis of these factors which work as yardstick for evaluation. In all the jobs some of these factors are inherent. The comparative weighing of these factors against each other determines the degree of their importance. The suitable point value is then assigned to each factor. The job is then evaluated on the basis of sum total of these points contained in it. The point value is assigned to each degree. The mechanism of the system works in the following manner.

1. Determination of jobs to be evaluated: The first step in the process is that all the jobs right from top executives to the peons in the organization that are to be evaluated should be determined. Each job requires some skill, technical, managerial, conceptual, physical etc. All these jobs are grouped or clustered according to functions, characteristics or the same kind of work. There can be separate evaluation for executive jobs, professional, technical and non technical.

2. Number of factors: The number of factors used to evaluate job is a difficult exercise as they vary according to the job, rater and organization. The factors are many to perform a job. They include skill, competence, education, physical ability, mental ability, responsibility, job condition, hazards, mechanical ability, complexity of experience, training etc. For evaluating job some of the factors are taken into account that is sufficient for better judgement. Using too many factors become burdensome, using too less factors will be unfair. The rater must take into account a sufficient number of factors that are essential to make fair job evaluation which will fulfil the needs of the organization.

3. Division of factors into degrees: The factors are broken down into degrees and point value is assigned to each degree. Before breaking them into degree.

4. Assigning point values degree: Assigning point values to degree are the job to be carried out by a committee appointed for the purpose. It weighs the factors in terms of percentage. The percentage of the factor becomes the points to be distributed among the degrees of the factor according to their relative importance. The scale is now prepared and jobs can be evaluated.

5. Job evaluation: Jobs can now be evaluated after going through job analysis thoroughly and assigning the points and taking the sum total of them. This gives us relative worth of jobs.

After job is evaluated wage structure is fixed.

Merits of Point Method: The method has the following merits.

1. It provides numerical base for determining wage differentials. Analyses of job factors make it possible have a measure of value of job.
2. It is a systematic method of job evaluation. Workers of the organization favour the system.
3. It is less manipulative and free from human bias.
4. It makes possible to place jobs in different categories.

5. The scales developed in the process can be used for long time.

6. Assigning points to the factors make it possible to assign money value to the points.

7. It is more suitable method where large number of jobs exists i.e. in large organizations.

Demerits

1. It is very expensive method and hence it is not suitable for small organizations.

2. It is time consuming. To determine job factors and their comparative advantage consume lot of time.

3. Assigning point value to the factors is also difficult.

4. It is not simple to understand.

5. A lot of clerical work is involved in recording rating scales.

In spite of its demerits the point methods is widely used by the organizations because of its precision.

D. Factor Comparison Method

This method is mostly used in evaluating professional and managerial practices. It is a combination of ranking and point methods. It rates the jobs by comparing them like that in ranking method and it makes analysis by subdividing jobs into compensable factors like than in point method. The relative rank of the jobs evaluated assigning money value. Under this method each job is ranked for each compensable factor separately. Each job factor is broadly defined. The most common factor used in job evaluation includes skills, physical and mental requirements, working conditions and responsibilities. The mechanism for evaluating jobs under this system involves following steps:

1. The job factors are selected and defined precisely.

2. Key jobs are selected. Key jobs include those which belong to the range of jobs under consideration. These jobs are the standard jobs against which all jobs are evaluated. The selection of key jobs is made to cover the entire range including low and high level and paid jobs. The care is also taken that range does not include disputed jobs or those jobs over which there is disagreement between employees and management.

3. Members of the committee rank the jobs on each factor. Factors are five, viz, skill, physical requirement, mental requirement, work conditions and responsibility.

4. Wages are fixed for various compensable factors of each key job.

5. All the jobs are compared with key jobs and evaluated factor by factor.

6. A wage structure is prepared, designed and implemented.

Merits of Method: This system has following merits:

1. It is systematic method of evaluating manual, clerical and supervisory positions.
2. It is more objective method of job evaluation because arbitrary weight age is not given
3. It is a comparative process of rating the jobs against numerical benchmark.
4. It is easy to understand.
5. It facilitates determining the relative worth of different jobs.
6. This method facilitates association of new jobs introduce in the organization with the grade or class.
7. The validity of this system is greater than any other system.

Demerits

1. It is highly expensive system of job evaluation since experts are to be employed.
2. The employees find it difficult to understand.
3. The jobs are evaluated on the basis of comparative analysis of five factors only which are inappropriate.
4. Under this method the job evaluation is done by expert. The top management has to rely on them.
5. It is quite difficult to assign weightage to each factor.

E. Computerized Method

Using quantitative job evaluation methods such as the point or factor comparison plans can be time consuming. Accumulating the information about "how much" of each compensable factor the job contains traditionally involves a tedious process in which evaluation committees debate the level of each compensable factor in a job. They then write down their consensus judgments and manually compute each job's point values.

CAJE: Computer-Aided Job Evaluation can streamline this process. Computer aided job evaluation, says one expert, can simplify job analysis, help keep job descriptions up to date, increase evaluation objectivity, reduce the time spent in committee meetings, and ease the burden of system maintenance. CAJE includes electronic data entry, computerized checking of compensable factor questionnaire responses, and automated output of job evaluations and of a variety of compensation reports.

METHODS OF WAGE PAYMENT

Basically there are two methods of paying labour remuneration and other methods are combinations or modifications of these two. One is the time wage system and another is the piece wage system.

1. Time Wage System

Under this system, wages are paid on the basis of time spent on the job irrespective of the amount of work done. The unit of time may be a day, a week, a fortnight or a month. In the past, daily wages have been the most common basis and, therefore, it came to be known as the 'Day Wage System'.

Advantages

1. It is the simplest and the oldest method. It is easy to understand and workers can easily compute their own remuneration.

2. Earnings of workers are regular and fixed and they do not suffer from temporary loss of efficiency.

3. As there is no pressure to speed up production, the quality of work can be kept high. A worker can show his skill.

4. Learners can concentrate on learning the best methods of work as their earning s are not dependent on the amount of work.

5. It is an objective method.

Disadvantages

1. The method provides no incentive for better performance as reward is not proportionate to effort.

2. Guaranteed remuneration makes workers indifferent and complacent.

3. Calculation of labor cost per unit is difficult as the total wage bill does not change with the volume of production.

4. In the absence of an incentive to hard work, productivity of labor becomes low unless close supervision is used. Thus, costs of supervision are high.

5. Control over labor cost becomes difficult and more payment may be made for the lesser amount of work.

Suitability

1. Where units of output are non-measurable an in case of office work and mental work is involved as in policy working.

2. When quality of work is especially important, e.g., artistic furniture, fine jewellery, etc.

3. When supervision is good and supervisors know what constitutes a "fair day's work".

4. When workers are new and learning the job.

5. When collective efforts of a group of persons are essential for completing the job.

2. Piece Wage System

Under this system, remuneration is based on the amount of work done or output of a worker. One unit of output is considered as one piece

and a specific rate of wage is paid per piece. Greater id the number of pieces produced by a worker, higher is his remuneration. Thus, a workman is paid in direct proportion to his output. It is called payment by results.

Advantages

1. There is a direct relation between effort and reward; workers who work hard and produce more get more wages. This provides an incentive to increase productivity.

2. Ambitious and efficient workers are provided ample opportunity to utilize their talent and increase their earnings and thereby improve their standard of living and morale.

3. The method is just and fair to all. Efficient workers get ample reward, while shirkers are penalized. It prevents soldiering on the job.

4. Management can distinguish between efficient and inefficient workers for the purpose of promotion, etc.

5. Increase in productivity results in higher output and lower costs of production per unit.

6. The cost of labour per unit of output can be easily calculated as the wage bill varies in direct proportion to the output.

7. As workers themselves have a stake in maximization of efficiency, cost of supervision is low.

Disadvantages

1. It is very difficult to fix piece wage rates. Employers often cut the piece rate when they find workers are producing large quantities.

2. The earnings of workers are not stable and they may suffer due to temporary delays or difficulties. They feel insecure and dissatisfied.

3. Employees may not stress quality so that rigid quality control becomes necessary.

4. This system may create jealousy between efficient and inefficient workers. Trade unions do not like it as it affects their solidarity.

5. Detailed records of production have to be kept so that the clerical work is increased. The method is not practicable when contribution of individual workers cannot be calculated, i.e., construction work.

Suitability

1. When work done by an individual worker can be measured accurately, e.g., production of standardized goods in the factory.

2. When the quantity of output depends directly upon the skill and efforts of the worker.

3. Where the flow of work is regular and interruptions are minimum i.e., repetitive jobs.

4. Where quality and workmanship are not very important.

5. In large scale production involving heavy overheads and heads and broad supervision.

6. When competitive conditions and cost control require that labour cost per unit fixed in order.

7. When methods of production are standardized and the job is of a repetitive nature.

Difference between Time wage system & Piece wage system

Basis of Comparison	Time Wage System	Piece Wage System
1. Basis of payment	Time spend on the job	Number of units produced
2. Nature of payment	Minimum payment to every worker	No guarantee of minimum payment
3. Link with productivity	Wages not directly linked with productivity	Wage directly linked with productivity
4. Quality of work	High	Low
5. Cost of maintenance	Low	High
6. Need for close supervision	High	Low
7. Attitude of trade unions	Trade unions support it	Trade unions dislike it

3. Balance or Debt Method

This method is a combination of time and piece wage systems. The worker is guaranteed a time rate with an alternative piece rate. If the wage calculated at piece rate exceeds the time rate, the worker gets credit. On the other hand, if those wages exceed piece wages, the worker is paid time wage and the deficit is carried forward as debt to be recon served in future.

Suppose, the time rate is Rs. 250per week and the piece rate is Rs. 2per unit. The wage of a worker, who produces 150, 100, 125 units in three weeks will be calculated as follows:

Week	Piece Wage (Rs.)	Time Wages (Rs.)	Credit Rs.	Debit Rs.	Balance Rs.
First	300 (150 × 2)	250	50	NIL	50
Second	200 (150 × 2)	250	-	50	NIL
Third	250 (125 × 2)	250	NIL	NIL	NIL

PERFORMANCE APPRAISAL

Meaning

Performance Appraisal is a systematic and objective way of judging the relative worth of ability of an employee in performing his task. It helps to identify those who are performing their assigned tasks well and those who are not and the reasons for such performance.

In other words, it can be defined as an ongoing process of evaluating and managing both the behaviour and outcomes of employees in the work place.

Objectives / Importance / Uses / Benefits of Performance Appraisal

I. **For the Organizations:** Following benefits would accrue to the organization.

a) Improved performance throughout the organization due to more effective communication of the organization's objectives and values, increased sense of cohesiveness and loyalty and improved relationships between managers and staff.
b) Improvement in the tasks performed by each member of the staff.
c) Identification of ideas for improvement.
d) Expectations and long-term plans can be developed.
e) Training and development needs can be identified more clearly.
f) A culture of continuous improvement and success can be created and maintained.
g) People with potential can be identified and career development plans can be formulated for future staff requirements.

II. **For the appraiser:** The following benefits would accrue to the appraiser:
a) The opportunity to develop an overview of individual jobs and departments.
b) Identification of ideas for improvements.
c) The opportunity to link team and individual objectives and targets with departmental and organizational objectives.
d) The opportunity to clarify expectations of the contribution the manager expects from teams and individuals.
e) The opportunity to re-prioritize targets.
f) A means of forming a more productive relationship with staff based on mutual trust and understanding.

III. **For the appraisee:** For the appraisee the following benefits would accrue:
a) Increased motivation.
b) Increased job satisfaction.
c) Increased sense of personal value.

PERFORMANCE APPRAISAL METHODS

There are various methods and techniques are available for the process of evaluating the performance level of employees in an organisation. The performance appraisal methods can be broadly classified as traditional methods and modern methods.
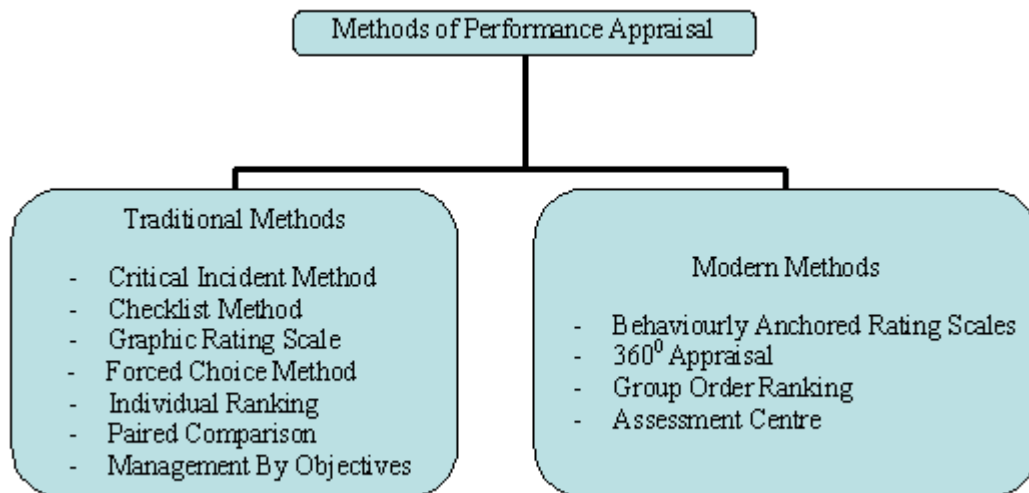
A) Traditional Methods

1) Critical Incident Method

In this approach of appraisal, the supervisor keeps a written record of critical events happened in the organisation and the responses given by the employees. The responses are given values based on which the employee is assessed.

The following score card explains the different responses given by employees on the occurrence of a machine break down.

Worker	Reaction	Score
A	Informed the supervisor immediately	5
B	Became anxious of Loss of output	4
C	Try to repair the machine	3
D	Complained of poor performance	2
E	Became happy to get forced rest	1

2) Checklist

Under this method, simple 'Yes or No' questions are answered by the appraiser for the employees individually.

A format of checklist method of performance appraisal is given below:

Sl No.	Factor	Response
1.	Is the employee Punctual	Yes / No
2.	Is the employee helping others in their job	Yes / No
3.	Does the employee follow instructions	Yes / No
4.	Does the employee maintain the tools and equipments properly	Yes / No
5.	Is the employee respected by the subordinates	Yes / No

Above the table:
1) Employee's Name :
2) Age :
3) Experience :
4) Qualification :

To complete this method, the evaluator merely goes down the list and gives "yes" or "no" responses. Once the checklist is complete, it is usually evaluated by the staff of personnel department, not the rater himself. Therefore the rater does not actually evaluate the employee's performance; he/she merely records it. An analyst in the personnel department then scores the checklist, often weighting the factors in relationship to their importance. The final evaluation can then be returned to the rating manager for discussion with the subordinate, or someone from the personnel department can provide the feedback to the subordinate.

3) Graphic Rating Scale

One of the oldest and most popular methods of appraisal is the graphic rating scale. It is a system of assigning rates to different factors required by an employee. These factors may be quantity and quality of work, job knowledge, cooperation, loyalty, dependability, attendance, honesty, integrity, attitudes, and initiative etc.

Personal Details:
Employee's Name :...Age :..........................
Qualification :...Experience :..........................

| Sl No.	Job Qualities	Poor	Below Average	Average	Good	Excellent
1.	Quality of Work					
2.	Job Knowledge					
3.	Responsibilities					
4.	Dependability					
5.	Punctuality					

4) Forced Choice Method

The forced choice appraisal is a special type of checklist, but the rater has to choose between two or more statements, all of which may be favorable or unfavorable. The appraiser's job is to identify which statement

is most (or in some cases least) descriptive of the individual being evaluated. To reduce bias, the right answers are not known to the rater. Someone in the personnel department scores the answers based on the key. This key should be validated so management is in a position to say that individuals with higher scores are better-performing employees.

The format of the method is given below.

Criteria	Rating	
1. Regularity on the job	**Most**	**Least**
• Always Regular • Inform in advance for delay • Never Regular • Remain Absent • Neither Regular Nor Irregular		

FORCED DISTRIBUTION METHOD

No. of employees: 10% poor | 20% Below average | 40% average | 20% good | 10% Excellent
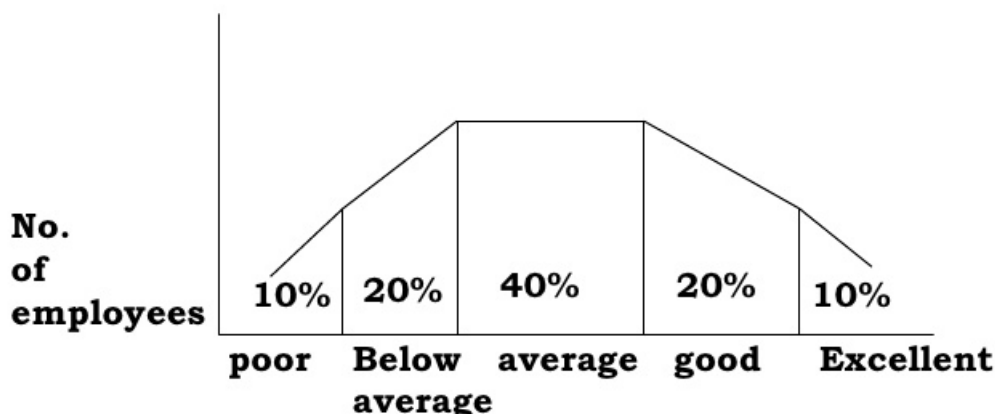
Force distribution curve

5) **Individual Ranking**

The individual ranking method requires the evaluator merely to list all the employees in an order from highest to lowest. Only one can be the "best." If the evaluator is required to appraise thirty individuals ranking method carries the same pluses and minuses as group order ranking.

6) **Paired Comparison**

The paired comparison method is calculated by taking the total of [n (n-1)]/2 comparisons. A score is obtained for each employee by simply

counting the number of pairs in which the individual is the preferred member. It ranks each individual in relationship to all others on a one-on-one basis. If ten people are being evaluated, the first person is compared, with each of the other nine, and the number of items this person is preferred in any of the nine pairs is tabulated. Each of the remaining nine persons, in turn, is compared in the same way, and a ranking is evolved by the greatest number of preferred "victories". This method ensures that each employee is compared against every other, but the method can become unwieldy when large numbers of employees are being compared.

The Evaluation Matrix

As Compared to	Anand	Babu	Chandran	Dhamu	Edwin
Anand		+	-	+	-
Babu	-		+	-	+
Chandran	+	-		+	-
Dhamu	-	+	-		-
Edwin	+	-	+	+	

In the above illustration, the performance level of 5 employees of equal cadre is evaluated using paired comparison method.

7) **Management by Objectives**

Management by objectives (MBO) is a process that converts organizational objectives into individual objectives. This can also be used to evaluate the performance of an employee. It is a under which the goals or targets to be attained by the employees are fixed by the employees themselves along with the consultation of their supervisors. Within the given period, the employees work to achieve the target. The performance in this process will be evaluated. It consists of four steps: goal setting, action planning, self-control, and periodic reviews.

B) Modern Methods

1) Behaviourally Anchored Rating Scales (BARS)

These scales combine major elements from the critical incident and graphic rating scale approaches. Behaviorally anchored rating scales specify definite, observable, and measurable job behavior. Examples of job-related behaviour and performance dimensions are generated by asking participants to give specific illustrations on effective and ineffective behaviour regarding each performance dimension. These behavioural

examples are then retranslated into appropriate performance dimensions. Those that are sorted into the dimension for which they were generated are retained.

The final group of behaviour incidents are then numerically scaled to a level of performance that each is perceived to represent. The incidents that are retranslated and have high rater agreement on performance effectiveness are retained for use as anchors on the performance dimension. The results of the above processes are behavioural descriptions, such as anticipates, plans, executes, solves immediate problems, carries out orders, and handles emergency situations.

This method has following advantages:

a) It does tend to reduce rating errors.

b) It assesses behavior over traits.

c) It clarifies to both the employee and rater which behaviors connote good performance and which connote bad.

6) **Group Order Ranking**

The group order ranking requires the evaluator to place employees into a particular classification, such as "top one-fifth" or "second one-fifth." Evaluators are asked to rank the employees in the top 5 per cent, the next 5 per cent, the next 15 per cent. So if a ratter has twenty subordinates, only four can be in the top fifth and, of course, four must also be relegated to the bottom fifth. The advantage of this method is that it prevent ratters from inflating their evaluations so everyone looks good or from homogenizing the evaluations for everyone is rated near the average outcome that are usual with the graphic rating scale. It has following disadvantages:

a) It is not good if the number of employee being compared is small. At the extreme, if the evaluator is looking at only four employees, it is very possible that they may all be excellent, yet the evaluator may be forced to rank them into top quarter, second quarter, third quarter, and low quarter!

b) Another disadvantage, which plagues all relative measures, is the "zero-sum game": consideration. This means, any change must add up to zero. For example, if there are twelve employees in a department performing at different levels of effectiveness, by definition, three are in the top quarter, three in the second quarter, and so forth. The sixth-best employee, for instance, would be in the second quartile. Ironically, if two of the workers in the third or fourth quartiles leave the department and are not replaced, then our sixth best employee now fit into the third quarter.

c) Because comparison are relative, an employee who is mediocre may score high only because he or she is the "best of the worst" Similarly, an excellent performer who is matched against "stiff" competition may be evaluated poorly, when in absolute terms his or her performance is outstanding.

10) **360 Degree appraisal**

The 360 degree feedback process involves collecting perceptions about a person's behaviour and the impact of that behaviour from the person's boss or bosses, direct reports, colleagues, fellow members of project teams, internal ad external customers, and suppliers. Other names for 360 degree feedback are multi-rater feedback, multisource feedback, full-circle appraisal, and group performance review. 360 degree feedback is a method and a tool that provides each employee the opportunity to receive performance feedback from his or her supervisor and four to eight peers, subordinates and customers. 360 degree feedback allows each individual to understand how his effectiveness as an employee, co-worker, or staff member is viewed by others.

The most effective processes provide feedback that is based on behaviours that other employees can see. The feedback provides insight about the skills and behaviours desired in the organization to accomplish the mission, vision, goals and values. The feedback is firmly planted in behaviours needed to exceed customer expectations. People who are chosen as raters are usually those that interact routinely with the person receiving feedback. The purpose of the feedback is to:

a) Assist each individual to understand his or her strengths and weaknesses.

b) Contribute insights into aspects of his or her work needing professional development.

360 DEGREE PERFORMANCE APPRAISAL
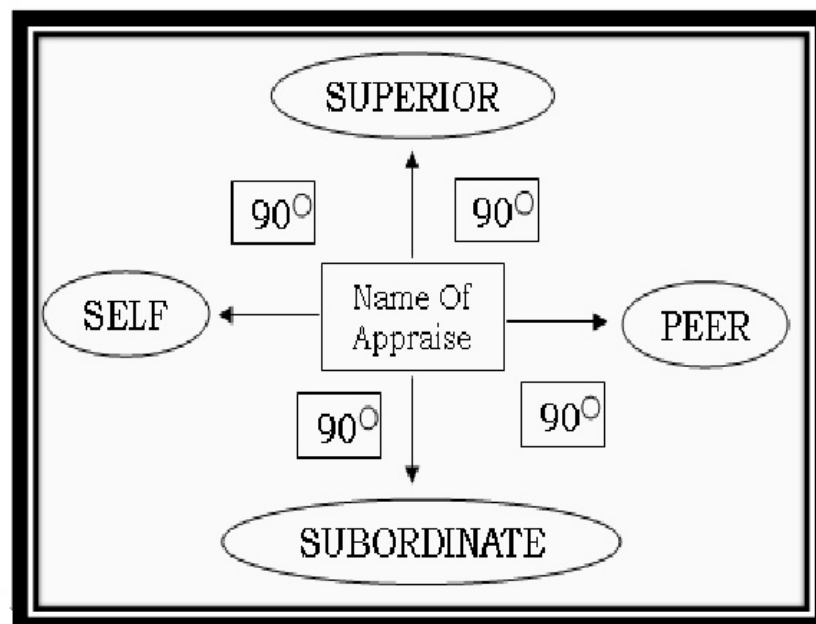
Following are some of the major considerations in using 360 degree feedback. These are basically concerned with how to:

a) select the feedback tool and process;

b) select the raters;

c) use the feedback

d) review the feedback; and

e) manage and integrate the process into a larger performance management system.

Features of 360 degree appraisal

Organizations that are using with the 360 degree component of their performance management systems identify following positive features of the process. These features will manifest themselves in well-managed, well-integrated 360 degree processes.

a) **Improved Feedback from more sources:** Provides well-rounded feedback from peers, reporting staff, co-workers, and supervisors. This can be a definite improvement over feedback from a single individual. 360 feedback can also save managers' time in that they can spend less energy providing feedback as more people participate in the process. Co-worker perception is important and the process helps people understand how other employees view their work.

b) **Team Development:** Helps team members learn to work more effectively together. Team members know more about how other members are performing than their supervisor. Multirater feedback makes team members more accountable to each other as they share the knowledge that they will provide input on each member's performance. A well-planned process can improve communication and team development.

c) **Personal and Organizational Performance Development:** 360 degree feedback is one of the best methods for understanding personal and organizational developmental needs.

d) **Responsibility for Career Development:** For many reasons, organizations per se are no longer responsible for developing the careers of their employees. Multirater feedback can provide excellent information to individuals about what they need to do to enhance their career. Additionally, many employees feel 360 degree feedback is more accurate, more reflective of their performance, and more validating than feedback from the supervisor along. This makes the information more useful for both career and personal development.

e) **Reduced Discrimination Risk:** When feedback comes from a number of individuals in various job functions, biases because of varying reasons are reduced. The judgemental errors of the supervisors are eliminated as the feedback comes from various sources.

f) **Improved Customer Services:** Feedback process involves the internal or external customer. Each person receives valuable feedback about the quality of his product or services. This feedback should enable the individual to improve the quality, reliability, promptness, and comprehensiveness of these products and services to his/her customers.

g) **Training Needs Assessment:** Multirater feedback provides comprehensive information about organization training needs and thus

helps in mounting relevant training programmes. Such programmes add value to the contribution made by the individual employee.

Benefits of 360 degree Appraisal:

Following benefits of 360 degree Appraisal accrue to the individual, team and organization:

To the individual:

a) This process helps individuals to understand how others perceive them

b) It uncovers blind spots

c) It provides feedback that is essential for learning

d) Individuals can better manage their own performance and careers

e) Quantifiable data on soft skills is made available.

To the team:

a) It increases communication between team members

b) It generates higher levels of trust ad better communication as individuals identify the causes of breakdowns

c) It creates better team environment as people discover how to treat others and how they want to be treated

d) It supports teamwork by involving team members in the development process

e) It increased team effectiveness.

To the Organization:

a) It reinforces corporate culture and openness and trust

b) It provides better opportunities for career development for employees

c) Employees get growth and promotional opportunities

d) It improves customer service by having customers contribute to evaluation

e) It facilitates the conduct of relevant training programmes.