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***Human Resource Management***

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**Human Resource Management**

**Unit - I**

Human Resource Management- Meaning and Definition-Objectives-Functions-Qualities and Changing role of Human Resource Managers-Meaning, Process, Advantages and Disadvantages of HRIS( Human Resource Information System).

**Unit - II**

Concept of Human Resource Planning-Characteristics-Steps in Human Resource Planning. Job Analysis- succession planning- Job Description and Job specification.

**Unit – III**

Definition- Objectives- Factors affecting Recruitment- Source of Recruitment- e-recruitment- Selection process- Types of Testing- Kinds of Employee Interview- Medical Screening-Appointment order.

**Unit – IV**

Definition and purposes of Training- Distinction between Training and Development Assessing Training Needs- Steps in Training- On the Job and Off the Job Training Evaluation of Training Effectiveness- Methods of executive development.

**Unit – V**

Definition and Objectives of Performance Appraisal –Steps in Appraisal- Traditional and Non traditional methods of Performance Appraisal- Pre-requisites of a Good Appraisal System- Defects in Performance Appraisal.

**Text and Reference Books** (Latest revised edition only)

1. Gupta C.B- Human Resource Management, Sultan Chand and Sons, New Delhi.

2. P G Aquinas-Human Resource Management Principles and Practice, Vikas Publication,

**UNIT – I**

**MEANING OF HRM**

HRM is an art of managing people at work in such a manner that they give their best to the organization for achieving its set goals.

Human Resource Management is the process of recruitment and selecting employee, providing orientation and induction, training and development , assessment of employee (performance of appraisal), providing compensation and benefits, motivating, maintaining proper relations with employees and with trade unions, maintaining employees safety, welfare and health measures in compliance with labour laws of the land.

**MEANING OF HR:**

Human resources are the people who work for the organization; human resource management is really employee management with an emphasis on those employees as assets of the business. In this context, employees are sometimes referred to as human capital. Human Resources is also the organizational function that deals with the people and issues related to people such as compensation, hiring, performance management, and training.

William R. Tracey, in The Human Resources Glossary, defines Human Resources as: "The people that staff and operate an organization," as contrasted with the financial and material resources of an organization. A Human Resource is a single person or employee within your organization.

**SCOPE OF HRM**

Human Resource Management is not just limited to manage and optimally exploit human intellect. It also focuses on managing physical and emotional capital of employees. It covers but is not limited to HR planning, hiring (recruitment and selection), training and development, payroll management, rewards and recognitions, Industrial relations, grievance handling, legal procedures etc. The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we may classify the same under following heads:

**1) HRM in Personnel Management:** This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity. The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development. It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, traveling policies and procedures and other related courses of actions.

**2) HRM in Employee Welfare**: This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.

It also relates to supervision, employee counseling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees’ real needs and fulfilling them with active participation of both management and employees. In addition to this, it also takes care of canteen facilities, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

**3) HRM in Industrial Relations**: Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization. It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior and maintaining work relations, collective bargaining and settlement of disputes. This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

The main aim is to safeguarding the interest of employees by securing the highest level of understanding to the extent that does not leave a negative impact on organization. It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.

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

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

**CHARACTERISTICS OF HUMAN RESOURCE MANAGEMENT**

HRM is management of human energy and capabilities.

**1. It is an art and a science:**

The art and science of HRM is indeed very complex. HRM is both the art of managing people by recourse to creative and innovative approaches; it is a science as well because of the precision and rigorous application of theory that is required.

**2. It is pervasive:**

Development of HRM covers all levels and all categories of people, and management and operational staff. No discrimination is made between any levels or categories. All those who are managers have to perform HRM. It is pervasive also because it is required in every department of the organization. All kinds of organizations, profit or non-­profit making, have to follow HRM.

**3. It is a continuous process:**

First, it is a process as there are number of functions to be performed in a series, beginning with human resource planning to recruitment to selection, to training to performance appraisal.

To be specific, the HRM process includes acquisition (HR planning, recruitment, selection, placement, socialization), development (training and development, and career development), utilization (job design, motivation, performance appraisal and reward management), and maintenance (labour relations, employee discipline, grievance handling, welfare, and termination). Second, it is continuous, because HRM is a never-ending process.

**4. HRM is a service function:**

HRM is not a profit centre. It serves all other functional departments. But the basic responsibility always lies with the line managers. HRM is a staff function – a facilitator. The HR Manager has line authority only within his own department, but has staff authority as far as other departments are concerned.

**5. HRM must be regulation-friendly:**

The HRM function has to be discharged in a manner that legal dictates are not violated. Equal opportunity and equal pay for all, inclusion of communities in employment, inclusion of tribal’s and farmers in the benefits and non-violation of human rights must be taken care of by the HRM.

**6. Interdisciplinary and fast changing:**

It is encompassing welfare, manpower, personnel management, and keeps close association with employee and industrial relations. It is multi-disciplinary activity utilising knowledge and inputs from psychology, sociology, economics, etc. It is changing itself in accordance with the changing environment. It has travelled from exploitation of workers to treating them as equal partners in the task.

**7. Focus on results:**

HRM is performance oriented. It has its focus on results, rather than on rules. It encourages people to give their 100%. It tries to secure the best from people by winning the whole hearted cooperation. It is a process of bringing people and organization together so that the goals of each are met. It is commitment oriented.

**8. People-centred:**

HRM is about people at work both as individuals and a group. It tries to help employees to develop their potential fully. It comprises people-related functions like hiring, training and development, performance appraisal, working environment, etc. HRM has the responsibility of building human capital. People are vital for achieving organizational goals. Organizational performance depends on the quality of people and employees.

**9. Human relations philosophy:**

HRM is a philosophy and the basic assumption is that employees are human beings and not a factor of production like land, labour or capital. HRM recognises individuality and individual differences. Every manager to be successful must possess social skills to manage people with differing needs.

**10. An integrated concept:**

HRM in its scope includes Personnel aspect, Welfare aspect and Industrial relations aspect in itself. It is also integrated as it concern with not only acquisition, but also development, utilisation, and maintenance.

**OBJECTIVES:**

The primary objective of HRM is to ensure the availability of right people for right jobs so as the organisational goals are achieved effectively.

* To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.
* To utilize the available human resources effectively.
* To increase to the fullest the employee’s job satisfaction and self-actualisation.
* To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.
* To help maintain ethical policies and behaviour inside and outside the organisation.
* To establish and maintain cordial relations between employees and management.
* To reconcile individual/group goals with organisational goals.

**FUNCTIONS OF HRM/ PERSONNEL DEPARTMENT:**

The part of an organization concerned with the appointment, training, and welfare of employees.

The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

* **Managerial functions**
* **Operative functions**

These are discussed in turn.

**(1) Managerial Functions:**

**Planning:**

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

**Organising:**

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

**Staffing:**

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

**Directing/Leading:**

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

**Controlling:**

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

**(2) Operative Functions:**

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM. A brief description of these follows:

**Procurement:**

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

**Development:**

This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

**Compensation:**

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

**Maintenance:**

It is concerned with protecting and promoting employees while at work. For this purpose virus benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

**The Benefits of Having an Online Human Resource Platform (HRIS)**

A Human Resource Information System (HRIS) is a valuable platform that can benefit businesses of all sizes. HRIS systems enable employees, managers, owners and HR personnel to conduct vital HR activities electronically, saving time and resources to improve overall productivity. Some of the services that an HRIS platform can provide are:

* Management of all employee information, including payroll reports, Paid Time Off requests and balances, W2’s, pay statements and much more
* In-depth reporting and analysis of employee information
* Resource library for documents such as employee handbooks, safety guides and ect.
* Benefits administration, including enrollment, status changes and updating personal information

Highlighted below are 6 benefits of an online human resource platform:

1. **Access at your Fingertips Anywhere, Anytime –**An HRIS platform offers you and your employees the flexibility of accessing information after business hours, from home or cell phone as long as the computer or device is properly authorized.
2. **All Your Information is in One Central Place –**No more digging through files and folders. Your shared information is readily available for both employers and employees in one location.
3. **Reduce Human Error-**Unintentional miscalculations and data errors from manual entry can become costly mistakes. Implementing an HRIS platform will help in preventing tax risks, financial errors, general compliance issues and other human errors.
4. **Advance Data Security –** With password protection and advance data securities, all information is traceable and personal information is kept safe.
5. **Communicate More Effectively**– An HRIS platform strengthens collaboration and keeps communication open. Your employees can become more engaged and connected through newsletters and alerts.
6. **Eliminate Majority of HR Paperwork –**Many organizations today are looking for ways to “Go Green.” Implementing this platform will help reduce almost all of the paperwork associated with HR tasks.

With a PEO, an HRIS system is usually included with contracted services. Occasionally, employers prefer not to adopt an online system, and FrankCrum is happy to accommodate all client preferences to strike the best balance between technology tools and people resources.

**PROCESSES IN HUMAN RESOURCE MANAGEMENT**

Each organization works towards the realization of one vision. The same is achieved by formulation of certain strategies and execution of the same, which is done by the HR department. At the base of this strategy formulation lie various processes and the effectiveness of the former lies in the meticulous design of these processes. But what exactly are and entails these processes? Let’s read further and explore.

The following are the various HR processes:

1. Human resource planning (Recruitment, Selecting, Hiring, Training, Induction, Orientation, Evaluation, Promotion and Layoff).
2. Employee remuneration and Benefits Administration
3. Performance Management.
4. Employee Relations.

The efficient designing of these processes apart from other things depends upon the degree of correspondence of each of these. This means that each process is subservient to other. You start from Human resource Planning and there is a continual value addition at each step. To exemplify, the PMS (performance Management System) of an organization like Infosys would different from an organization like Walmart. Lets study each process separately.

**Human Resource Planning:** Generally, we consider Human Resource Planning as the process of people forecasting. Right but incomplete! It also involves the processes of Evaluation, Promotion and Layoff.

* **Recruitment:** It aims at attracting applicants that match a certain Job criteria.
* **Selection:** The next level of filtration. Aims at short listing candidates who are the nearest match in terms qualifications, expertise and potential for a certain job.
* **Hiring:** Deciding upon the final candidate who gets the job.
* **Training and Development:** Those processes that work on an employee onboard for his skills and abilities up gradation.

**Employee Remuneration and Benefits Administration:** The process involves deciding upon salaries and wages, Incentives, Fringe Benefits and Perquisites etc. Money is the prime motivator in any job and therefore the importance of this process. Performing employees seek raises, better salaries and bonuses.

**Performance Management:** It is meant to help the organization train, motivate and reward workers. It is also meant to ensure that the organizational goals are met with efficiency. The process not only includes the employees but can also be for a department, product, service or customer process; all towards enhancing or adding value to them.

Nowadays there is an automated performance management system (PMS) that carries all the information to help managers evaluate the performance of the employees and assess them accordingly on their training and development needs.

**Employee Relations:** Employee retention is a nuisance with organizations especially in industries that are hugely competitive in nature. Though there are myriad factors that motivate an individual to stick to or leave an organization, but certainly few are under our control.

Employee relations include Labor Law and Relations, Working Environment, Employee heath and safety, Employee- Employee conflict management, Employee- Employee Conflict Management, Quality of Work Life, Workers Compensation, Employee Wellness and assistance programs, Counseling for occupational stress. All these are critical to employee retention apart from the money which is only a hygiene factor.

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**II UNIT**

**HR PLANNING:**

**MEANING :**

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization.

Human resource is the most important asset of an organisation. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons.

**DEFINITION :**

According to E.W. Vetter, human resource planning is “the process by which a management determines how an organisation should make from its current manpower position to its desired manpower position.

**FEATURES OF HUMAN RESOURCE PLANNING:**

**1. Well Defined Objectives:**

Enterprise’s objectives and goals in its strategic planning and operating planning may form the objectives of human resource planning. Human resource needs are planned on the basis of company’s goals. Besides, human resource planning has its own objectives like developing human resources, updating technical expertise, career planning of individual executives and people, ensuring better commitment of people and so on.

**2. Determining Human Resource Reeds:**

Human resource plan must incorporate the human resource needs of the enterprise. The thinking will have to be done in advance so that the persons are available at a time when they are required. For this purpose, an enterprise will have to undertake recruiting, selecting and training process also.

**3. Keeping Manpower Inventory:**

It includes the inventory of present manpower in the organisation. The executive should know the persons who will be available to him for undertaking higher responsibilities in the near future.

**4. Adjusting Demand and Supply:**

Manpower needs have to be planned well in advance as suitable persons are available in future. If sufficient persons will not be available in future then efforts should be .made to start recruitment process well in advance. The demand and supply of personnel should be planned in advance.

**5. Creating Proper Work Environment:**

Besides estimating and employing personnel, human resource planning also ensures that working conditions are created. Employees should like to work in the organisation and they should get proper job satisfaction.

**OBJECTIVES OF HR PLANNING**

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

1. Ensure adequate supply of manpower as and when required.

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

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

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

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

6. Control the human resources already deployed in the organisation.

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

**NEED FOR AND IMPORTANCE OF HRP:**

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

* Human resource planning is also essential in the face of marked rise in workforce turnover which is unavoidable and even beneficial. Voluntary quits, discharges, marriages, promotions and seasonal fluctuations in business are the examples of factors leading to workforce turnover in organisations. These cause constant ebb and flow in the work force in many organisations.
* Technological changes and globalisation usher in change in the method of products and distribution of production and services and in management techniques. These changes may also require a change in the skills of employees, as well as change in the number of employ­ees required. It is human resource planning that enables organisations to cope with such changes.
* Human resource planning is also needed in order to meet the needs of expansion and diver­sification programmes of an organisation.
* Human resource planning meets the organisation need for right type of people in right number at right times.
* By maintaining a balance between demand for and supply of human resources, human resource planning makes optimum use of human resources, on the one hand, and reduces labour cost substantially, on the other.
* Careful consideration of likely future events, through human resource planning might lead to the discovery of better means for managing human resources. Thus, foreseeable pitfalls might be avoided.
* Manpower shortfalls and surpluses may be avoided, to a large extent.
* Human resource planning helps the organisation create and develop training and succession planning for employees and managers. Thus, it provides enough lead time for internal succession of employees to higher positions through promotions.
* Human resource planning compels management to asses critically the strength and weaknesses of its employees and personnel policies on continuous basis and, in turn, take corrective measures to improve the situation.

**FACTORS AFFECTING HR PLANNING**

Human resource planning can be defined as the process of identifying the number of people required by an organization in terms of quantity and quality. All human resource management activities start with human resource planning. So we can say that human resource planning is the principle/primary activity of human resource management.

**1. Employment** :- HRP is affected by the employment situation in the country i.e. in countries where there is greater unemployment; there may be more pressure on the company, from government to appoint more people. Similarly some company may force shortage of skilled labour and they may have to appoint people from other countries.

**2. Technical changes in the society** :- Technology changes at a very fast speed and new people having the required knowledge are required for the company. In some cases, company may retain existing employees and teach them the new technology and in some cases, the company have to remove existing people and appoint new.

**3. Organizational changes** :- Changes take place within the organization from time to time i.e. the company diversify into new products or close down business in some areas etc. in such cases the HRP process i.e. appointing or removing people will change according to situation.

**4. Demographic changes :**- Demographic changes refer to things referring to age, population, composition of work force etc. A number of people retire every year. A new batch of graduates with specialization turns out every year. This can change the appointment or the removal in the company.

**5. Shortage of skill due to labour turnover** :- Industries having high labour turnover rate, the HRP will change constantly i.e. many new appointments will take place. This also affects the way HRP is implemented.

**6. Multicultural workforce :-** Workers from different countries travel to other countries in search of job. When a company plans it’s HRP it needs to take into account this factor also.

**7. Pressure groups :**- Company has to keep in mind certain pleasure. Groups like human rights activist, woman activist, media etc. as they are very capable for creating problems for the company, when issues concerning these groups arise, appointment or retrenchment becomes difficult.

**Some other factors are,**

Human Resource Planning (HRP) is influenced by several considerations. The more important of them are: (i) type and strategy of organization, (ii) organizational growth cycles and planning, (iii) environmental uncertainties, (iv) time horizons, (v) type and quality of forecasting information, (vi) labor market.

1. **Type and strategy of organization**

The type of organization is an important consideration because it deter­mines the production processes involved, number and type of staff needed, and the supervisory and managerial personnel required. Manufacturing organizations are more complex in this respect than those that render services. The strategic plan of the organization defines the organization’s HR needs.

1. **Organizational Growth Cycles and Planning**

The stage of an organization’s growth can have considerable influence on human resource planning. Small organizations in the embryonic stage may not have personnel planning.

Need for planning is felt when the organization enters the growth stage. HR forecasting becomes essential. Internal development of people also begins to receive attention in order to keep up with the growth.

1. **Environmental Uncertainties**

HR managers rarely have the privilege of operating in a stable and predictable environment. Political, social and economic changes affect all organizations. Personnel planners deal with environmental uncertainties by carefully formulating recruitment, selection, and training and development policies and programmes. Balancing mechanisms are built into the HRM programme through succession planning, promotion channels, layoffs, flexitime, job sharing, retirement, VRS and other personnel related arrangements.

1. **Time Horizons**

Yet another major factor affecting personnel planning is the time horizon. A plan cannot be for too long on a time horizon as the operating environment itself may undergo charges. On one hand, there are short-term plans spanning six months to one year. On the other hand, there are long-term plans -which spread over three to twenty years. The exact time span, however, depends on the degree of uncertainty prevailing in an organization’s environment.

1. **Type and Quality of Information**

The information used to forecast personnel needs originates from a multitude of sources. A major issue in personnel planning is the type of information which should be used in making forecasts.

Closely related to the type of information is the quality of data used. The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, organizational structure, budgets, production schedules and so forth. In addition, the HR department must maintain well-developed job-analysis information and HR information systems (HRIS) that provide accurate and timely data. Generally speaking, organizations operating in stable environments are in a better position to obtain comprehensive, timely and accurate information because of longer planning horizons, clearer definition of strategy and objectives, and fewer disruptions.

**PROCESS OF HUMAN RESOURCE PLANNING (OR) STEPS IN HRP**

Human resource planning is a process through which the right candidate for the right job is ensured. For conducting any process, the foremost essential task is to develop the organizational objective to be achieved through conducting the said process.

Six steps in human resource planning are presented,

**1. Analysing Organizational Objectives:**

The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

**2. Inventory of Present Human Resources:**

From the updated human resource information storage sys­tem, the current number of employees, their capacity, perfor­mance and potential can be analysed. To fill the various job requirements, the internal sources (i.e., employees from within the organization) and external sources (i.e., candidates from various placement agencies) can be estimated.

**3. Forecasting Demand and Supply of Human Resource:**

The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There should be proper matching of job description and job specification of one particular work, and the pro­file of the person should be suitable to it.

**4. Estimating Manpower Gaps:**

Comparison of human resource demand and human resource supply will provide with the surplus or deficit of human resource. Deficit represents the number of people to be employed, whereas surplus represents termination. Extensive use of proper training and development programme can be done to upgrade the skills of employees.

**5. Formulating the Human Resource Action Plan:**

The human resource plan depends on whether there is deficit or surplus in the organization. Accord­ingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit of termination, or voluntary retirement schemes and redeployment in case of surplus.

**6. Monitoring, Control and Feedback:**

It mainly involves implementation of the human resource action plan. Human resources are allocated according to the requirements, and inventories are updated over a period. The plan is monitored strictly to identify the deficiencies and remove it. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

#### JOB ANALYSIS:

#### MEANING:

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

**DEFINITION:**

* According to Jones and Decothis “Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions”.
* Edwin B. Flippo has defined job analysis as the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications”.

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

1. Job Description 2. Job Specification

#### JOB DESCRIPTION:

Job description is prepared on the basis of data collected through job analysis. Job description is a functional description of the contents what the job entails. It is a narration of the contents of a job. It is a description of the activities and duties to be performed in a job, the relationship of the job with other jobs, the equipment and tools involved, the nature of supervision, working conditions and hazards of the job and so on.

**Purposes of Job Description:**

* Grading and classification of jobs
* Placement and Orientation of new employees
* Promotions and transfers
* Outlining for career path
* Developing work standards
* Counselling of employees

#### JOB SPECIFICATION:

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

Job specification specifies the physical, psychological, personal, social and behavioural charac­teristics of the job holders. These contents of the job specification are contained in Table 5.1.

**The usages of job specification include:**

* Personnel planning
* Performance appraisal
* Hiring
* Training and development
* Job evaluation and compensation
* Health and safety
* Employee discipline
* Work scheduling
* Career planning

**Contents of Job Description and Job Specification:**

#### [Job Contents](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/image90.png)

#### JOB EVALUATION:

Job evaluation is a comparative process of establishing the value of different jobs in a hierarchical order. It allows one to compare jobs by using common criteria to define the relationship of one job to another. This serves as basis for grading different jobs and developing a suitable pay structure for them.

It is important to mention that job evaluation cannot be the sole determining factor for deciding pay structures because job evaluation is about relationships, and not absolutes. The techniques used for job evaluation include ranking, job classification, points rating, etc.

### BENEFITS OF JOB ANALYSIS (Uses):

Job analysis is useful for overall management of all personnel activities.

**The same is specified as follows:**

#### 1. Human Resource Planning:

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

#### 2. Recruitment and Selection:

Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as basis for recruitment and selection of employees in the organisation.

#### 3. Training and Development:

Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement, job enrichment, job rotation, etc.

#### 4. Placement and Orientation:

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

#### 5. Job Evaluation:

The job evaluation refers to determination of relative worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined mainly on the basis of information provided by job analysis.

#### 6. Performance Appraisal:

Performance appraisal involves comparing the actual performance of an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment serves as basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.

#### 7. Personnel Information:

Increasing number of organisations maintain computerised informa­tion about their employees. This is popularly known as Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provides decision support^ Information relating to human resources working in the organisation is provided by job analysis only.

#### 8. Health and Safety:

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

### PROCESS OF JOB ANALYSIS:

### Step 1 : Organizational Job Analysis

### Step 2 : Selection of Representative Jobs

### Step 3 : Data Collection

### Step 4 : Job Description

### Step 5 : Job Specification

#### 1. Organisational Job Analysis:

Job analysis begins with obtaining pertinent information about a job’. This, according to Terry is required to know the makeup of a job, its relation to other jobs, and its contribution to performance of the organisation.

Such information can be had by dividing back­ground information in various forms such as organisation charts i.e., how the particular job is related to other jobs; class specifications i.e., the general requirement of the job family; job description i.e., starting point to build the revised job description, and flow charts i.e., flow of activities involved in a particular job.

#### 2. Selecting Representative Jobs for Analysis:

Analysing all jobs of an organisation is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.

**3.** **Collection of Data for Job Analysis:**

In this step, job data features of the job and required qualifications of the employee are collected. Data can be collected either through questionnaire, observation or interviews. However, due care should be taken to select and use the method of data collection that is the most reliable in the given situation of the job.

#### 4. Preparing Job Description:

The job information collected in the above ways is now used to prepare a job description. Job description is a written statement that describes the tasks, duties and responsibilities that need to be discharged for effective job performance.

#### 5. Preparing Job Specification:

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

**UNIT III**

**RECRUITMENT**

**Meaning:**

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons.

Recruitment is concerned with reaching out, attracting, and ensuring a supply of qualified personnel and making out selection of requisite manpower both in their quantitative and qualitative aspect. It is the development and maintenance of adequate man- power resources. This is the first stage of the process of selection and is completed with placement.

**Definition:**

According to Edwin B. Flippo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” He further elaborates it, terming it both negative and positive.

**Objectives of Recruitment**

## ****Recruitment fulfills the following objectives:****

* • It gives distinctive chances to obtain human asset.

• To pull in individuals with multi dimensional aptitudes and encounters that suits the present and future authoritative techniques.

• To enlist untouchables with another point of view to lead the organization.

• To imbue crisp blood at all levels of the association.

• To build up a hierarchical culture that pulls in capable individuals to the organization.

• To pursuit or head chase individuals whose aptitudes fit the organizations esteems. To devise strategies for surveying mental attributes.

• To look for ability comprehensively and not simply inside the association.

• To foresee and discover individuals for positions that does not exit yet.

**TYPES OF RECRUITMENT**

**1. Internal Recruitment** - is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization. Internal sources are primarily three - Transfers, promotions and Re-employment of ex-employees.

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.

Internal sources are primarily 3

**1)Transfers**

**2)Promotions** (through Internal Job Postings) and

**3)Re-employment of ex-employees** - Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and appointed to fill vacancies in the concern. There are situations when ex-employees provide unsolicited applications also.

**2. External Recruitment** - 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. The external sources of recruitment include - Employment at factory gate, advertisements, employment exchanges, employment agencies, educational institutes, labour contractors, recommendations etc.

**1) 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.

**2) Advertisement -** It is an external source which has got an important place in recruitment procedure. The biggest advantage of advertisement is that it covers a wide area of market and scattered applicants can get information from advertisements. Medium used is Newspapers and Television.

**3)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.

**4)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.

**5)Educational Institutions** - There are certain professional Institutions which serves as an external source for recruiting fresh graduates from these institutes. This kind of recruitment done through such educational institutions, is called as Campus Recruitment. They have special recruitment cells which helps in providing jobs to fresh candidates.

**6)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.

**7)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.

**PROCESS OF RECRUITMENT:**

Recruitment Process Passes through the Following Stages:

(i) Searching out the sources from where required persons will be available for recruitment. If young managers are to be recruited then institutions imparting instructions in business administration will be the best source.

(ii) Developing the techniques to attract the suitable candidates. The goodwill and reputation of an organisation in the market may be one method. The publicity about the company being a professional employer may also assist in stimulating candidates to apply.

(iii) Using of good techniques to attract prospective candidates. There may be offers of attractive salaries, proper facilities for development, etc.

(iv) The next stage in this process is to stimulate as many candidates as possible to apply for jobs. In order to select a best person, there is a need to attract more candidates.

**FACTORS INFLUENCING RECRUITMENT:**

All enterprises, big or small, have to engage themselves in recruitment of persons. A number of factors influence this process.

Some Of The Main Factors Are Being Discussed Below:

**1. Size of the Enterprise:**

The number of persons to be recruited will depend upon the size of an enterprise. A big enterprise requires more persons at regular intervals while a small undertaking employs only a few employees. A big business house will always be in touch with sources of supply and shall try to attract more and more persons for making a proper selection. It can afford to spend more amounts in locating prospective candidates. So the size of an enterprise will affect the process of recruitment.

**2. Employment Conditions:**

The employment conditions in an economy greatly affect recruitment process. In under-developed economies, employment opportunities are limited and there is no dearth of prospective candidates. At the same time suitable candidates may not be available because of lack of educational and technical facilities. If the availability of persons is more, then selection from large number becomes easy. On the other hand, if there is a shortage of qualified technical persons, then it will be difficult to locate suitable persons.

**3. Salary Structure and Working Conditions:**

The wages offered and working conditions prevailing in an enterprise greatly influence the availability of personnel. If higher wages are paid as compared to similar concerns, the enterprise will not face any difficulty in making recruitments. An organisation offering low wages can face the problem of labour turnover.

The working conditions in an enterprise will determine job satisfaction of employees. An enterprise offering good working conditions like proper sanitation, lighting, ventilation, etc. would give more job satisfaction to employees and they may not leave their present job. On the other hand, if employees leave the jobs due to unsatisfactory working conditions, it will lead to fresh recruitment of new persons.

**4. Rate of Growth:**

The growth rate of an enterprise also affects recruitment process. An expanding concern will require regular employment of new employees. There will also be promotions of existing employees necessitating the filling up of those vacancies. A stagnant enterprise can recruit persons only when present incumbent vacates his position on retirement, etc.

**SELECTION**

**MEANING**

The Selection is the process of choosing the most suitable candidate for the vacant position in the organization. In other words, selection means weeding out unsuitable applicants and selecting those individuals with prerequisite qualifications and capabilities to fill the jobs in the organization.

**DEFINITION**

According to Stone defines, ‘Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job’.

**STEPS INVOLVED IN SELECTION PROCEDURE:**

A scientific and logical selection procedure leads to scientific selection of candidates. The criterion finalized for selecting a candidate for a particular job varies from company to company. The procedure for selection should be systematic so that it does not leave any scope for confusions and doubts about the choice of the selected candidate.

Brief details of the various steps in selection procedure are given as follows:

**1. Inviting applications:**

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from vari­ous areas.

**2. Receiving applications:**

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

**3. Scrutiny of applications:**

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

**4. Written tests:**

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, atti­tude and interest of the candidates. This process is useful when the number of applicants is large. Many times, a second chance is given to candidates to prove themselves by conducting another written test.

**5. Psychological tests:**

These tests are conducted individually and they help for finding out the indi­vidual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

**6. Personal interview:**

Candidates proving themselves successful through tests are interviewed per­sonally. The interviewers may be individual or a panel. It generally involves officers from the top management. The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

**7. Reference check:**

Generally, at least two references are asked for by the company from the can­didate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

**8. Medical examination:**

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

**9. Final selection:**

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

**10. Placement:**

This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

**INTERVIEW  
MEANING:**

“An interview is an attempt to secure maximum amount of information form the candidate concerning his suitability for the job under consideration.”

“An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons.”

**OBJECTIVES & IMPORTANCE OF INTERVIEW**

* To cross-check or verify the information obtained in earlier steps,   i.e. application form and tests.
* To judge the candidate’s qualification and characteristics so as to decided whether or not to select him.
* To give the candidate essential facts about the job and the company to enable him to to decide intelligently whether he should or should not accept the employment.
* To established a rapport or mutual understanding between the company and the candidate and to promote the company’s goodwill.

**STEPS IN INTERVIEW PROCESS**

            An effective interview involves the following sequence of steps:

**1)**    **Preparation for the interview:-**

Advance preparation is essential for a successful interview. The following arrangements should be made before the interview begins:

1. Determining the objectives of the interview.
2. Choosing the appropriate type of interview.
3. Acquainting oneself about the candidate.
4. Determining the type of information to be obtained.
5. Selecting the right interviewers.
6. Selecting the candidates to be interviewed by checking and comparing their applications and test scores.
7. Finalising the interview assessment forms.

**2)**    **The physical setting:**

                     The place of interview should be both private and comfortable. It should be neat and clean, well lighted. It should be free from noise and interruptions. The candidates should be properly received and should be guided into the interview room. The interview should start at the fixed time and the candidates should not be required to wait unnecessarily.

**3)**    **Conducting the interview:**

 This step is heart of the interview process. In this activities are follows.

1. Establishing rapport with the candidate and gaining his confidence exchange of a smile, offering seat to the candidate, etc.
2. Getting complete information-for this purpose,
3. Ask open-close question.
4. Use the language which is clear to the candidate.
5. Recording the observation- the interview should write down in brief  his observation of the candidate on the interview forms. Such notes will indicate to the candidate the interviewer’s interest and thereby encourage him to talk freely. These notes will also be helpful in evaluating the candidate later.

**4)**    **Closing the interview:**

                               The close of the interview is as significant as it beginning. The interview is a trying situation for the candidate. Therefore, it should end with a happy note without any awkward situation. before closing the interview the candidate should be asked whether he wants to make any comments in order to  the interviewer may show some sing at an appropriates time . Laying down the pen, pushing back the chair saying thank you, that's all are these sings.

**5)**    **Evaluation of results:**

                               After an interviewer is over, the interviewer should evaluation the candidate’s suitability for the job. It is based on observation impression and information collected during the interview. The evaluation may be done either by grades ranging from A to E . After the interview, a list of selected candidates is prepared.

**TYPES OF INTERVIEW**

 The interviews are classified by the purpose for which the interview is held.

**Promotion interview:-**

Persons due for promotion are interviewed even if there is no competition. The interview is likely to be informal and serves as induction into a new team, with new responsibilities. Clarification about nature of duties, responsibilities and expectations are made during a promotion interview.

**Informal interview:-**

It is planned and is used when the staff is required urgently. A friend or relative of the employer may take a candidate to the house of employer or manager who ask few questions like name, birth place, educations and experience etc. when candidate enquires about the vacancies after reading an advertisement, it’s a example of informal interview.

**Formal interview:**

This type of interview is preplanned and is held in a formal atmosphere. All the formalities  and procedure,e.g.the time, the venue and the questions to be asked are decided  in advance.

**Appraisal or assessment interview:-**

  An appraisal interview is one of the methods of periodical assessment of employees. There are other methods like completion of self assessment forms and assessment by supervisors. But annual appraisal interview is the best method for judging employees' attitudes. A face-to-face confidential talk is an opportunity for both , the employee an the supervisor to discuss several issues.

**Patterned or structured interview:**

   Such interview is fully planned to a high degree of accuracy and precision. It’s  based on the assumption that to be more effective every pertinent detail should be worked out in advance. Therefore, a list questions to be asked is prepared and the questions are asked  in a particular cycle. The time to be allowed to each candidate and the information to be sought a predecided. The interviewer is carefully selected.

   The interviewer actively participates and the candidate is expected only to answer the questions. Thus, a standardized pattern is adopted or the structure of the interview is decided in advance. Such interview is also known as directed or guided interview.

  It allows for a systematic coverage of the required information.

**Stress Interview:  -**

This interview aims at testing the candidate’s job behavior and level of with standing during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, keeping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill. This type of interview is often invalid.   
 **Behavioral Interview:-**

    In a behavioral interview, the interviewer will ask you questions based on common situations of the job you are applying for. The logic behind the behavioral interview is that your future performance will be based on a past performance of a similar situation. You should expect questions that inquire about what you did when you were in XXX situation and how did you dealt with it. In a behavioral interview, the interviewer wants to see how you deal with certain problems and what you do to solve them.

**Group Interview:-**

  Many times companies will conduct a group interview to quickly prescreen candidates for the job opening as well as give the candidates the chance to quickly learn about the company to see if they want to work there. Many times, a group interview will begin with a short presentation about the company. After that, they may speak to each candidate individually and ask them a few questions.   
 One of the most important things the employer is observing during a group interview, is how you interact with the other candidates. Are you emerging as a leader or are you more likely to complete tasks that are asked of you? Neither is necessarily better than the other, it just depends on what type of personality works best for the position that needs to be filled.

**Lunch Interview:-**

 Many times lunch interviews are conducted as a second interview. The company will invite you to lunch with additional members of the team to further get to know you and see how you fit in. This is a great time to ask any questions you may have about the company or position as well, so make sure you prepare your questions in advance.

  Although you are being treated to a meal, the interview is not about the food. Don't order anything that is too expensive or messy to eat. Never take your leftovers home in a doggy bag either. You want to have your best table manners and be as neat as possible. You don't need to offer to pay, it is never expected for a candidate to pay at a lunch interview.  
  
     Chew quietly and in small bites so you don't get caught with a mouthful of food when the recruiter asks you a question.

**Group Discussion Interview:-**

There are two methods of conducting group discussion interview, namely group interview method and discussion interview method. All candidates are brought into one room i.e. interview room and are interviewed one by one under group interview This method helps a busy executive to save valuable time and gives a fair account of the objectivity of the interview to the candidates.  
 Under the discussion interview method, one topic is given for discussion to the candidates who assemble in one room and they are asked to discuss the topic in detail. This type of interview helps the interviewer in appraising, certain skills of the candidates like initiative, inter-personal skills, dynamism, presentation, leading comprehension, collaboration etc.  
Interviewers are at ease in this category of interview because of its informality and flexibility. But it may fail to cover some significant portions of the candidates’ background and skills

**Depth Interview:**

In this type of Interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them, initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus, the candidate is examined thoroughly in critical / core areas in their interviews.

**Phone interview:**

 A phone interview may be for a position where the candidate is not local or for an initial prescreening call to see if they want to invite you in for an in-person interview. You may be asked typical questions or behavioral questions.  
 Most of the time you will schedule an appointment for a phone interview. If the interviewer calls unexpectedly, it's ok to ask them politely to schedule an appointment. On a phone interview, make sure your call waiting is turned off, you are in a quiet room, and you are not eating, drinking or chewing gum.  
**Panel or board interview:**

                Such interview is conducted by a group of interviewers. It seeks to pool the collective wisdom and judgment of several interviewers. Question are asked in turn or at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy interview.

**TEST**

**Meaning :**

Written, oral or on-the-job **testing** to determine whether a job applicant is suitable for a position. Employers using employment **testing** believe certain **test** scores indicate the level of job performance an individual would provide as an employee.

**TYPES OF TESTS FOR SELECTION**

Tests are classified into five types. They are:

**(i) Aptitude tests  
(ii) Achievement tests  
(iii) Situational tests  
(iv) Interest tests  
(v) Personality test**

**1. Aptitude Tests:** These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitude such as mechanical, clerical, manipulative capacity etc.

**Intelligence Tests:** These tests in general measure intelligence quotient of a candidates. In detail these tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space .Other factors such as digit spansâ€”both forward and backward, information known, comprehension, vocabulary, picture arrangement and object assembly. Though these tests are accepted as useful ones, they are criticized against deprived sections of the community. Further, it is also criticized that these tests may prove to be too dull as a selection device.

**Mechanical Aptitude Tests:** These tests measure the capacities of spatial visualization, perceptual speed and knowledge of mechanical matter. These tests are useful for selecting apprentices, skilled, mechanical employees, technicians etc.  
Psychomotor Tests: These tests measure abilities like manual dexterity, motor ability and eye-hand coordination of candidates. These tests are useful to select semi-skilled workers and workers for repetitive operations like packing, watch assembly.  
Clerical Aptitude Tests: Measure specific capacities involved in office work. Items of this test include spelling, computation, comprehension, copying, word measuring etc.

**2.Achievement Tests:** These tests are conducted when applicant claims to know something as these tests are concerned with what one has accomplished These tests are more useful to measure the value of specific achievement when an organization wishes to employ experienced candidates. These tests are classified into:  
(a)Job Knowledge test; (b) Work sample test.

**Job Knowledge Test:** Under this test a candidate is tested in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge where he is asked questions about Accountancy principle, Banking, Law, Business Management etc.

**Work Sample Test:** Under this test a portion of the actual work is given to the candidates as a test and the candidate is asked to do it. If a candidate applies for a post of lecturer in Management he may be asked to deliver a lecture on Management Information System as work sample test. Thus, the candidateâ€™s achievement in his career is tested regarding his knowledge about the job and actual work experience.

**3. Situational Test:** This test evaluates a candidate in a similar real life situation. In this test the candidates is asked either to cope with the situation or solve critical situations of the job.

**(a)Group Discussion:** This test administered through group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, coordinating and concluding skills.

**(b)In Basket:** Situational test is administered through â€˜in basketâ€™ The candidate, in this test, is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organization, adequate information about the job and organization. The candidates is asked to take decisions on various items based on the in basket information regarding requirements in the memoranda.

**4. Interest Test:** These tests are inventories of the likes and dislikes of candidates in relation to work, job, occupations, hobbies and recreational activities. The purposes of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/occupation the candidate is interested. The assumption of this test is that there is a high correlation between the interest of a candidate in a job and job success. Interest inventories are less faked and they may not fluctuate after the age of 30.

**5. Personality Tests:** These tests prove deeply to discover clues to an individualâ€™s value system, his emotional reactions and maturity and characteristic mood. They are expressed in such traits like self-confidence, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgment dominance or submission, impulsiveness, sympathy, integrity, stability and self-confidence.  
**(a) Objective Tests:** Most personality tests are objective tests as they are suitable for group testing and can be scored objectively.  
**(b) Projective Tests:** Candidates are asked to project their own interpretation of certain standard stimulus situations basing on ambiguous pictures, figures etc, under these tests.

Personality tests have disadvantage in the sense that they can be faked by sophisticated candidates and most candidates give socially acceptable answers. Further, personality inventories may not successfully predict job success.

**UNIT – IV**

**TRAINING:**

**MEANING:**

Training is the act of increasing the knowledge and skill of an employee for doing a particular job. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

#### DEFINITION :

* Dale S. Beach defines training as ‘the organized procedure by which people learn knowledge and/or skill for a definite purpose’.
* According to Edwin Flippo, ‘training is the act of increasing the skills of an employee for doing a particular job’.

#### NEED FOR TRAINING:

Every organization should provide training to all the employees irrespective of their qualifications and skills. Specifically the need for training arises because of following reasons:

**1. Environmental changes:**

Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.

**2. Organizational complexity:**

With modern inventions, technological upgradation, and diver­sification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.

**3. Human relations:**

Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.

**4. To match employee specifications with the job requirements and organizational needs:**

An employee’s specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee’s present specifications and the organization’s requirements. For filling this gap training is required.

**5. Change in the job assignment:**

Training is also necessary when the existing employee is pro­moted to the higher level or transferred to another department. Training is also required to equip the old employees with new techniques and technologies.

#### TYPES OF TRAINING:

Various types of training can be given to the employees such as induction training, refresher training, on the job training, vestibule training, and training for promotions. Some of the commonly used training programs are listed below:

**1. Induction training:**

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

**2. Job instruction training:**

This training provides an overview about the job and experienced trainers demonstrates the entire job. Addition training is offered to employees after evaluating their performance if necessary.

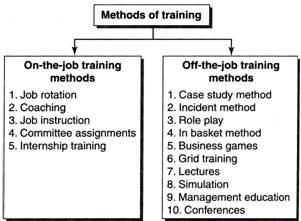
**3. Vestibule training:**

It is the training on actual work to be done by an employee but conducted away from the work place.

**4. Refresher training:**

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

**5. Apprenticeship training:**

Apprentice is a worker who spends a prescribed period of time under a supervisor[**.[](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image00219.jpg)**](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image00219.jpg)

## ****OBJECTIVES OF TRAINING****

* Increased Productivity
* Quality Improvement
* Learning time Reduction
* Safety First
* Labour Turnover Reduction
* Keeping yourself Updated with Technology
* Effective Management

Let’s discuss all of the above mentioned objectives in detail one by one.

**Increased Productivity**

For any company, keeping the productivity at its peak is as important as getting in new customers for business. Since even a slightest of the disturbance can take the business to the brink of huge losses. Moreover, to tackle with the immensely growing competition in the target market, it is important for one to increase the productivity of its workers while reducing the cost of production of the products.  So, that’s where the training comes as a savior of the company, jumps in the scenario and takes it out of the dangers bravely.

Training takes the current capabilities of the workers of a brand, polishes it and makes them learn and devise new and effective methods of doing the same thing, in a repeated manner. In other words, the training, if done in a proper way, can give your business a whole new look with a much powerful base as experienced workers at its core.

**Quality Improvement**

Improving the quality of the product is obviously one of the main objectives of [training and development](http://www.businessstudynotes.com/category/training-development/) since it’s not like those times when customers weren’t such quality conscious. Today’s customer knows what’s better for him and what’s not. Simply said, those old methods of some sweet talk and business won’t work for much long, because once they know the reality behind the curtains through the services and products quality, they will leave the company as it is without giving it, even, a second thought.

Just think of it as if you and your competitor are competing for the same service with some difference in quality but at the same price, it is obvious that they will choose the one who is better at handling the task without any quality degradation. Even if your price is a little higher, then it is most likely the case that most of the customers will come to you.

**Learning time Reduction**

Keeping an eye on the learning capabilities of employees, and providing them the help which they need, can be highly beneficial in longer runs. This capability of theirs’ is what that determines how quickly an employee grabs the newly discovered fact and so, shape the future products on this discovery. The weaker the capability, the harder it is to learn. But this scenario can also be supported by the usage of proper learning material and experienced instructors who prefer real-life experience than cramming. So, reducing the learning time is also one of the main objectives of training and development.

**Safety First**

Safety of anyone, either he is a worker, an officer or even a customer, is not something that can be taken lightly, especially in cases, where one knows that even a minute mistake can even lead to life threats. Therefore, providing the knowledge, for using the equipment in a proper way and creating the life-friendly product, also belongs to one of the major objectives of training and development. The higher, the employees are better at handling equipment, the better it is both for the company and for the workers.

**Labor turnover Reduction**

No business can flourish well while it is regularly turning over its workforce since it is obvious that every new workforce will require some time to understand the type of work, its principle and safety precautions, which lead to decreased productivity. Moreover, it also diminishes the feeling of self-confidence among the workers, and this really isn’t a good thing.

On the contrary, training ensures that the company doesn’t need to turn over its workforce again and again because it prepares the employees to face any situation which proves helpful in bringing in the feeling of workers. Therefore, the workforce feels safe and secure at a particular job.

**Keeping oneself Updated with Technology**

 Computers and mobile phones are the miracles of the past but the world of today is far more advanced than that. It’s time for latest technologies capable of connecting the world in just a blink of an eye. Now, earthlings are trying to reach far off planets to get information about the life force present there. Newer technologies are rolling in and we could continue to list it down but we haven’t got time for that.

Training and education to the employees keep them updated with the latest of the additions to the technologies, methods, techniques and processes. Since it also opens a new gateway for them to look for a way which is greater in productivity and efficiency but decreases the need of manual work immensely.

**Effective Management**

One of the primary objectives of training and development process is to give rise to a new and improved management which is capable of handling the planning and control without any serious problem. With the knowledge and experience gathered through training, acting as the guiding light for this newly shaped management, it lets them handle the tough decisions and confusing realities thus opening the way for bigger and better opportunities for business for the cause of the brand.

**METHODS OF TRAINING:**

**(a). On-the-job Training (OJT) Methods:**

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

**The advantages of OJT are as follows:**

1. On the job method is a flexible method.

2. It is a less expensive method.

3. The trainee is highly motivated and encouraged to learn.

4. Much arrangement for the training is not required.

**On-the-job training methods are as follows:**

#### 1. Job rotation:

This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee under­stand the problems of other employees.

#### 2. Coaching:

Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.

#### 3. Job instructions:

Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

#### 4. Committee assignments:

A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

#### 5. Internship training:

Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

### (b). Off-the-job Methods:

On the job training methods have their own limitations, and in order to have the overall development of employee’s off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

**The following are some of the off-the-job techniques:**

#### 1. Case study method:

Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.

#### 2. Incident method:

Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.

#### 3. Role play:

In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

**4. In-basket method:**

The employees are given information about an imaginary company, its activi­ties and products, HR employed and all data related to the firm. The trainee (employee under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

#### 5. Business games:

According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

#### 6. Grid training:

It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

#### 7. Lectures:

This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

#### 8. Simulation:

Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

#### 9. Management education:

At present universities and management institutes gives great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns.

#### 10. Conferences:

A meeting of several people to discuss any subject is called conference. Each par­ticipant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

**Difference Between Training and Development**

Employee training and development is an indispensable part of human resource function and management. Both the activities aim at improving the performance and productivity of the employees. **Training** is a program organized by the organization to develop knowledge and skills in the employees as per the requirement of the job. Conversely, **Development** is an organized activity in which the manpower of the organization learn and grow; it is a self-assessment act.

In training, the employees are imparted technical knowledge and skills related to the particular job and stresses on improving the abilities of each worker. In contrast, development is a sort of educational process which focuses on the growth and maturity of the managerial personnel. Check out the article given below, that elucidates the difference between training and development, in tabular form.

## Content: Training Vs Development

1. [Comparison Chart](https://keydifferences.com/difference-between-training-and-development.html#ComparisonChart)
2. [Definition](https://keydifferences.com/difference-between-training-and-development.html#Definition)
3. [Key Differences](https://keydifferences.com/difference-between-training-and-development.html#KeyDifferences)
4. [Conclusion](https://keydifferences.com/difference-between-training-and-development.html#Conclusion)

### Comparison Chart

| **BASIS FOR COMPARISON** | **TRAINING** | **DEVELOPMENT** |
| --- | --- | --- |
| Meaning | Training is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirement. | Development is an educational process which is concerned with the overall growth of the employees. |
| Term | Short Term | Long Term |
| Focus on | Present | Future |
| Orientation | Job oriented | Career oriented |
| Motivation | Trainer | Self |
| Objective | To improve the work performances of the employees. | To prepare employees for future challenges. |
| Number of Individuals | Many | Only one |
| Aim | Specific job related | Conceptual and general knowledge |

**EXECUTIVE DEVELOPMENT PROGRAMME**

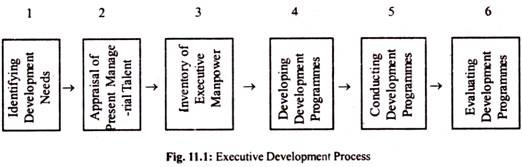
**Definition:** Flippo has viewed that “executive/management development includes the process by which managers and executives acquire not only skills and competency in their present jobs but also capa­bilities for future managerial tasks of increasing difficulty and scope”.

**Meaning:** Any activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organisational requirements is called management development”.

**OBJECTIVES OF EXECUTIVE DEVELOPMENT:**

* Improve the performance of managers at all levels.
* Identify the persons in the organisation with the required potential and prepare them for higher positions in future.
* Ensure availability of required number of executives / managers succession who can take over in case of contingencies as and when these arise in future.
* Improve the thought processes and analytical abilities.
* Provide opportunities to executives to fulfill their career aspirations.
* Understand the problems of human relations and improve human relation skills.

**EXECUTIVE DEVELOPMENT PROCESS:**

Executive development also involves a process consisting of certain steps. **[](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image002338.jpg)**

These steps, also called the components of the executive development programme, have been- discussed in the succeeding paragraphs.

1. **Identifying Development Needs:**

Once the launching of an executive development programme (EDP) is decided, its implementation begins with identifying the developmental needs of the organisation concern. For this, first of all, the present and future developmental needs for executives/ managers ascertained by identifying how many and what type of executives will be required in the organisation at present and in future.

This needs to be seen in the context of organisational as well as individual, i.e. manager needs. While organisational needs may be identified by making organisational analysis in terms of organisation’s growth plan, strategies, competitive environment, etc., individual needs to be identified by the individual career planning and appraisal.

1. **Appraisal of Present Managerial Talent:**

The second step is an appraisal of the present managerial talent for the organisation. For this purpose, a qualitative assessment of the existing executives/managers in the organisation is made. Then, the performance of every executive is compared with the standard expected of him.

1. **Inventory of Executive Manpower:**

Based on information gathered from human resource planning, an inventory is prepared to have complete information about each executive in each position. Information on the executive’s age, education, experience, health record, psychological test results, performance appraisal data, etc. is collected and the same is maintained on cards and replacement tables.

An analysis of such inventory shows the strengths and also discloses the deficiencies and weaknesses of the executives in certain functions relative to the future needs of the concern organisation. From this executive inventory, we can begin the fourth step involved in the executive development process.

1. **Developing Development Programmes:**

Having delineated strengths and weaknesses of each executive, the development programmes are tailored to fill in the deficiencies of executives. Such tailormade programmes of development focus on individual needs such as skill development, changing attitudes, and knowledge acquisition.

1. **Conducting Development Programmes:**

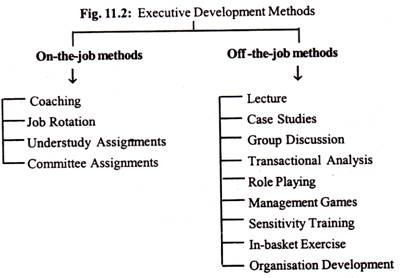
At this stage, the manager actually participates in development programmes. It is worth mention­ing that no single development programme can be adequate for all managers. The reason is that each manager has a unique set of physical, intellectual and emotional characteristics.

As such, there can be different development programmes to uniquely suit to the needs of an executive/ manager. These development programmes may be on-the-job or off-the-job programmes organised either by the organisation itself or by some outside agencies.

1. **Evaluating Development Programmes:**

Just as with employee training programme, executive development programme is evaluated to see changes in behaviour and executive performance. Evaluation of programme enables to appraise programme’s effectiveness, highlight its weaknesses and aids to determine whether the development should be continued or how it can be improved.

**EXECUTIVE DEVELOPMENT METHODS :**

Various methods/ techniques of executive/management development may be classified into two broad categories as shown in the following figure.**[](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image004155.jpg)**

**On The Job Techniques:**

**1. Coaching:**

In this method, the superior guides and instructs the trainee as a coach. The coach or counselor sets mutually agreed upon goals, suggests how to achieve these goals, periodically

reviews the trainee’s progress and suggests changed required in behavior and performance.

**2. Under Study:**

An understudy is a person selected and being trained as the heir apparent to assume at the future time the full duties and responsibilities of the position presently held by his superior. In this way, a fully trained person becomes available to replace a manager during his long absence or illness, on his retirement, transfer, promotion or death. The superior routes much of the department work through juniors ,discusses problems with him and allows him to participate in the decision-making process as often as possible.

**3. Position Rotation:**

It involves movement or transfer of executives from one position or job to another on some planned basic. These persons are moved from one managerial position to another according to the rotation schedule..Position rotation is also called job rotation. The aim is to broaden knowledge, skills and outlook of executives. Job rotation or position is often designed for junior executives. It may continue for a period ranging from six months to two years.

**4. Project Assignments:**

Under this method a number of trainee executives are put together to work on a project directly related to their functional area. The group called project team or task force will study the problem and find appropriate solution. For instance, accounts officers may be assigned the tasks of designing and developing an effective budgetary control system. By working on this project, the trainees learn the work procedures and techniques of budgeting. They also come to learn the interrelationship between accounts and other department. This is a flexible training device due to temporary nature of assignments.

**5. Selected Readings:**

Managing has become a specialized job requiring a close touch with the latest developments in the field. By reading selected professional books and journals managers can keep in touch with the latest research findings, theories and techniques management. No executive can afford to rely solely on others to keep in informed on innovations in management.

**6. Multiple Management:**

The technique was developed by Charles P. McCormick of the McCormick Corporationof Baltimore, USA. Under it, a junior board of young executives is constituted. Major problems are analyzed in the junior board which makes recommendations of the Board of Directors. The young executives learn decision-making skill and the Board of Director receives the collective wisdom of the executive team. Vacancies in the Board of Directors can be filled from the junior board members who have received considerable exposure to problems and issues.

**Off The Job Techniques:**

**1. Lectures:**

These are formally organized talks by an instructor on specific topics. Lectures essential when technical or special information of a complex nature is to be provided. These can be supplemented by discussion, case studies, demonstrations, audio-visual aids and film shows.

**2. Case Studies:**

Under this method, a real or hypothetical business problem or situation demanding solution is presented in writing to the trainees. They are required to identify and analyze the problem, suggest and evaluate alternatives courses of action and choose the most appropriate solution.

**3. Group Discussion:**

It is a variant of lecture method under it – paper Is prepared and presented by one or more trainees on the selected topic. This is followed by a critical discussion. The chair man of discussion or seminar summarise the contents of the papers and discussion which follows. Often the material to be discussed is distributed in advance. Seminars and conferences enable executive to learn from the experience of each other and have become quite popular.

**4. Role Playing** :

In this method the trainees act out a given role as they would in a stage play. Two or more trainees are assigned part to play before the rest of the class. Thus, it is a method of human interaction which involves realistic behavior in a imaginary or hypothetical situation.

**5. Management Games:**

Management or business games are designed to be representative of real life situation. These are classroom simulation exercise in which teams of individual compete one another or against an environment in order to achieve a given objective. In this exercise, the participants play a dynamic role , and enrich their skills through involvement and simulated exercise. Management games can be of interactive or non interacting types. In the interacting types of games, the decisions of one team influence the performance of other teams. In the non interacting games each team is independent and its performance entirely depends upon its on competence.

**6. Sensitivity training:**

This method is also called T-group training and laboratory training. He purpose is to increase self awareness. Develop inter personal competence and sharpen team work skills. The trainees are brought together in a free and open environment where in participants discuss themselves. The discussion is lightly directed by a behavioral expert who creates the opportunities to express their ideas, beliefs and attitudes.

**UNIT – V**

**PERFORMANCE EVALUATION:**

A performance evaluation system is a systematic way to examine how well an employee is performing in his or her job.

Performance appraisal can be described as a systematic evaluation of performances of several employees so that they can understand all abilities of a person and their development and growth.

## OBJECTIVE OF PERFORMANCE APPRAISAL:

### a. Summary of the goals:

Some of the basic objectives of performance appraisals include maintenance of records so that all packages of compensation, wage structures, salaries and raises have been determined, seeking and identifying the weaknesses and strengths of all employees for better development and growth, providing essential feedback towards employees concerning performance and related statuses. Not only that, it helps in influencing the work habits of other employees and can also retain the training programmes of others.

### b. Setting goals:

One of the most valuable goals of all performance appraisals is to teach the goals of the company. There could be metrics which are established on the basis of performance or even a percentage which increases the revenue dollars. [Evaluation of performances](https://content.wisestep.com/employee-performance-appraisal-useful-tips/) must be timed by the manager so that they can discuss matters of professional development and be able to come up with goals that are strategic and may be used for measuring development. Both the manager and the employee must keep working together on the lines of success so that they can improve relationships and make it more effective.

## PERFORMANCE APPRAISAL METHODS:

### 1. The method of grading:

In the method of grading, some of the categories have been made in advance and must be defined in a careful manner. Three categories can exist in total. They should be named as outstanding, unsatisfactory and satisfactory. There could be several more columns for the grades if you want it that way. The performance of the employees have often been compared with the definition of grades. The employee then has to be allocated which describes them the best in terms of performance. Such type of grading can be done in the method of semester especially when it comes to selection of candidates in the public service sector. The only negativity about this method is that all employees could be placed in the better side in terms of performance.

### 2. [Forced-Choice Method](http://www.mbaskool.com/business-concepts/human-resources-hr-terms/15125-forced-choice-appraisal.html):

The method of forced choice came into existence years ago and is being practised till today. It comes with a bunch of statements and the rater is expected to show how effectively every statement will describe every individual and how it must be evaluated. Common methods or choice methods come with two statements which could be negative or positive. A few examples of positive statement include giving proper and clear instructions, can be relied on whenever a task has been assigned. Negative statements makes such promises which are beyond his limit, favours some of the employees.

### 3. Method of check listing:

This is another traditional method you can try for measuring appraisals of your employees today. You must utilize the method of check listing so that the burden of evaluation is eased. In this method, statements and questions which come with answers such as no or yes must be prepared by human resource department members. The check list must then be given to the one who is rating so that they can tick the box that is correct. All questions are important and must be answered very carefully.

### 4. Method of cost accounting:

This method will evaluate the performance of the employee from the benefits that have been yielded by the organization. This has to be ascertained by simply establishing a relationship between costs which are involved in helping the employee as well as the benefits which an organization derives. When you are evaluating the performance of the employee by using this method, you must take a few points down. They include quality of the products that have been produced and the service which has been rendered, the human relationship they share with others, the cost of time every supervisor spends in appraising their employees, damages, spoilages, errors, accidents etc.

## 5.Self-Evaluation

The self-evaluation is often effective when teamed up with a performance review. The employee is asked to judge his own performance by using a form that requires multiple choice answers, essay-type answers or a combination of the two. One of the benefits of a self-evaluation is that a manager can compare the self-evaluation to the manager's own appraisal and see the areas where there is a discrepancy in an understanding of employee performance. This opens up conversation between the manager and the employee that can be beneficial to employee development.

## 6. 360 Evaluation

An employee's development consists of progress made within his own department, and the effectiveness of his interaction with the rest of the company. A 360 degree performance evaluation is one that involves input from managers in other departments that the employee works with on a regular basis, according to the Missouri Small Business and Technology Development Centers. Employees are evaluated on their effectiveness within their own department based on their job descriptions, and they are also evaluated based on how effectively they work with the rest of the company.

## 7.Graphic Scale

According to the Food and Agricultural Organization of the United Nations, the graphic scale of performance evaluation is one of the more common ones used by managers. The employee's performance in various areas of her job duties is graded on a scale. The value in a graphic evaluation system is that it allows managers to compare the performance of several employees simultaneously. The system can be done with numbers or letters, and it usually consists of a range, running from poor to excellent.

## 8.Checklists

A checklist evaluation method is simplistic but effective. It consists of a series of performance questions that are traditionally given the option of yes or no, according to online educational resource Open Learning World. An excessive number of negative responses indicates developmental training is needed for that employee. The checklist can be used as a quick way to identify employees that have deficiencies in too many performance areas.

## 9. Critical Incident

A proactive manager keeps an ongoing log throughout the year of an employee's performance, and then uses that information to fuel discussion during the employee performance review. This method of keeping a list of good and bad incidents of employee performance is known as critical incident evaluation.

**Modern Methods:**

**Management by Objectives (MBO):**

Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book.

The Practice of management. The concept of MBO as was conceived by Drucker, can be described as a “process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members”.

**Behaviourally Anchored Rating Scales (BARS):**

The problem of judgmental performance evalu­ation inherent in the traditional methods of performance evaluation led to some organisations to go for objective evaluation by developing a technique known as “Behaviourally Anchored Rating Scales (BARS)” around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension.

It combines the benefits of narratives, critical incidents, and quan­tified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance. The proponents of BARS claim that it offers better and more equitable appraisals than do the other techniques of performance appraisal we discussed so far.

**Assessment Centres:**

The introduction of the concept of assessment centres as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s.

In business field, assessment centres are mainly used for evaluating executive or supervisory potential. By definition, an assessment centre is a central location where managers come together to participate in well-designed simulated exercises. They are assessed by senior managers supple­mented by the psychologists and the HR specialists for 2-3 days.

**360 – Degree Appraisal:**

Yet another method used to appraise the employee’s performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

## PERFORMANCE APPRAISAL PROCESS:

Here are six steps which are required during the process of performance appraisal. Every step is crucial so read all of them thoroughly before making any important changes in your regular methods.

### 1. Establishing high standards of performance:

The process of appraisal starts when the standards of performance has been established. The senior managers have to determine what kind outputs, accomplishments and skills need to evaluated. All of these standards must be evolved out of job descriptions and analysis. The standard of performance should always be concise and clear so that the objective can be measured and understood accordingly. The standards must not ever be expressed in a manner that is vague or clear enough. Don’t use words such as good job which explain nothing about the appraisal at all.

### 2. Communicating expectations towards all employees:

Once the standards of performance have been built, you must remember to communicate the matter accordingly to all employees so that they may know what is expected out of them. The old experiences also show that not being able to communicate towards the employees so that they know what must be expected. Apart from that, it has also been stated that the standards of communication towards all employees will compound the problem of appraisal. However it must be noted that transferring information from your manager towards the employees is not exactly communication. It could become communication only when transferring information has taken place and has been understood by all employees.

### 3. Measuring the real performance:

The third step that must be taken during the process of appraisal is measuring of the actual performance. During this stage, the real performance of all employees is measured on the sort of information that is available from different kinds of resources for example oral reports, written reports and even statistical reports. Personal observation also matters in matters like these. The feeling of the evaluator shall never influence the measurement of performance of the employees. Measurements have to be based on objectives, findings and facts stated. The reason behind this is that what we will measure becomes more important to the process of evaluation than how we are measuring it.

### 4. Comparing performance with the standards:

During this stage, the real performance is always compared with standards that are predetermined. Such comparisons could reveal deviations between actual and standard performance and will also allow the evaluator that will proceed to the other steps of the entire process. In short, having a proper and detailed discussion with those who are concerned in the matter!

### 5. Discussing with all employees:

Next what you must do in the process of appraisal is communicate and discuss what the results of the appraisal are with the employees concerned. This happens to be quite a difficult and challenging task to accomplish for the manager who is expected to present an appraisal that is accurate for all employees and make them understand and accept their appraisal in a realistic manner. When you discuss matters like these with them, you are able to understand and assess their strengths and weaknesses in a much better way. It will also help them perform better in the near future. The impact could be either negative or positive depending on how it has been shown to the employees and discussed with them.

### 6. Corrective actions:

The final and most important step in the process of appraisal is initiating the corrective action whenever it is needed. The areas which need any improvement must be identified and then the measures have to be improved and corrected so that the performance improves with time and has been identified at the same time. Corrective action again could be divided in two. The first one deals with symptoms mostly. It is called putting out fires. The second one is about what causes such deviations and looks for adjustment of differences.

# PRE-REQUISITES FOR PERFORMANCE APPRAISAL

The essentials of an effective performance system are as follows:

**Documentation Effective Performance Appraisal** means continuous noting and documenting the performance. It also helps the evaluators to give a proof and the basis of their ratings.  
**Standards / Goals –** the standards set should be clear, easy to understand, achievable, motivating, time bound and measurable.

**Practical and simple format**The appraisal format should be simple, clear, fair and objective. Long and complicated formats are time consuming, difficult to understand, and do not elicit much useful information.

**Evaluation Technique Effective Performance Appraisal** An appropriate evaluation technique should be selected; the appraisal system should be performance based and uniform. The criteria for evaluation should be based on observable and measurable characteristics of the behavior of the employee.

### [Know the Performance Appraisal Process](http://www.naukrihub.com/appraisals/process.html)

**Communication Effective Performance Appraisal** Communication is an indispensable part of the Performance appraisal process. The desired behavior or the expected results should be communicated to the employees as well as the evaluators. Communication also plays an important role in the review or feedback meeting. Open communication system motivates the employees to actively participate in the appraisal process.

**Feedback for Effective Performance Appraisal**The purpose of the feedback should be developmental rather than judgmental. To maintain its utility, timely feedback should be provided to the employees and the manner of giving feedback should be such that it should have a motivating effect on the employees’ future performance.

**Personal Bias Effective Performance Appraisal** Interpersonal relationships can influence the evaluation and the decisions in the performance appraisal process. Therefore, the evaluators should be trained to carry out the processes of appraisals without personal bias and effectively.

**PROBLEMS IN PERFORMANCE APPRAISAL  
(LIMITATIONS OF PERFORMANCE APPRAISAL)**

The main problems involved in performance appraisal are as follows :

**1.      Errors in Rating**

            Performance appraisal may  not be valid indicator of performance and potential of employees due to the following types o errors:

**2.      Halo effect :**

It is the tendency to rate an employee consistently high or low on the basis of overall impression. One trait of the employee influences the rater’s appraisal on all other traits.

      For example, an employee ay be rated high on performance just because he sits on the job late in the evening. Similarly, a person who does not shave regularly may be rating all the employees on one trait before taking up another trait.

**3.      Stereotyping :**

this implies forming a mental picture of a person on the basis of his age, sex, caste or religion. It results in an over-simplified view and blurs the assessment of job performance.

**4.      Central Tendency :**

it means assigning average ratings to all the employees in order to avoid commitment or involvement. This is adopted because the rater has not to justify or clarify the average ratings. As a results, the ratings are clustered around the midpoint.

**5.      Constant error :**

some evaluators tend to be lenient while others are strict in assessing performance. In the first case, performance is overrated (leniency error) while in the second type it is underrated (strictness error). This tendency may be avoided by holding meetings so that the raters understand what is required of them.

**6.      Personal Bias :**

 Performance appraisal may become invalid because the rater dislikes an employee. Such bias or prejudice may arise on the basis of regional or religious beliefs and habits or interpersonal conflicts. Bias may also be the result of time. Recent experience or first impression of the rater may affect the evaluation.

**7.      Spill over effect :**

This arises when past performance affects assessment of present performance. For instance, recent behaviour or performance of an employee may be used to judge him. This is called recency.

**8.      Lack of Reliability**

                  Reliability implies stability and consistency in the measurement. Lack of consistency over time and among different raters may reduce the reliability of performance appraisal. Inconsistent use of measuring standards and lack of training in appraisal techniques may also reduce reliability. Different qualities may not be given proper weight age. Factors like initiative are highly subjective and cannot be quantified.

**9.      Incompetence**

                 Raters may fail to evaluate performance accurately due to lack of knowledge and experience. Post appraisal interview is often handled ineffectively.

**10.  Negative Approach**

            Performance appraisal loses most of its value when the focus of management is on punishment rather than on development of employees