People can move Mountains!

Among the various factors of production, which are used in an organisation, human resource is the most important. This is because the efficient use of physical resources (i.e. land, machinery, materials) ultimately depends on how the human factor is put to good use on various operations. The most efficient machinery in the world will not produce at an optimum level unless the people who operate the machinery know how to make it perform at its best and most importantly, are motivated to make their equipment produce efficiently.

America's Erick Weihen Mayer created history on 25-5-2001 by becoming the first blind person to scale Mount Everest. Erick at, 32, who lost his eyesight due to a degenerative disease at the age of 13, set foot on the 8,848 metre peak along with 17 other members of an expedition team after an unsuccessful attempt earlier due to bad weather conditions. An hour before Erick, Bradford Bull earned the distinction of being the oldest climber to set foot atop the world's highest peak at the age of 65-along with his son!

[Source: Times of India, 26/5/2001]

If the skill and the will are properly applied, wonderful things can happen:

- Human resources help in transforming the lifeless factors of production into useful products.
- They are capable of enlargement i.e. capable of producing an output that is greater than the sum of inputs. Once they get inspired, even ordinary people can deliver extraordinary results.
- They can help an organisation achieve results quickly, efficiently and effectively.[1]

To extract the best out of people, therefore, the organisation must provide a healthy work climate where they can exploit their talents fully while realising goals assigned to them. They must have requisite skills to handle their jobs in a competent way. Above all, to get the best out of people, they must be managed well and this requires leadership. This is where human resource managers play a critical role in bridging gaps between employee expectations and organisational needs by adopting appropriate human resource strategies and practices.

Box 1.1: HR: The New Hot Rod!

Over the past few years with the radically changing business environment, Human Resource have taken the centre-stage. Consider the following examples:

Adi Godrej: " it is really important for me to spend more time with my people. We have had a number of HRD consultants, but HRD initiatives are time-consuming and one has to be patient for cultural and mind-set changes"

Philips: According to Rama Chandran, MD, Philips India " my human resource department is the centre of competence"

A.F. Ferguson & Co: Arvind Mahajan, Director " the only way you can be different is in the way you manage people"

Brian Friedman: "It is important to realise that employees are your greatest asset. Unlike other assets, people are the only asset, which does not, depreciate over time. On the contrary, the more you use them, the better they get over time. Their value keeps on appreciating with the passage of time (on his visit to India, 1998)

HLL: "At Hindustan Lever the accent is on hiring people who are even better than the ones at HLL. HLL now is a people-and-strategy company"

Marico Industries: Harsh Mariwala, owner " I am very sensitive about losing star performers. If the guy is valuable, we give him far higher remuneration to keep him happy."[2]

Nature of HRM

Human Resource Management is a process of bringing people and organisations together so that the goals of each are met. It tries to secure the best from people by winning their wholehearted cooperation. In short, it may be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organisation in an effective and efficient manner. It has the following features[3]:

- **Pervasive force:** HRM is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organisation.
- **Action oriented:** HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees at work are solved through rational policies.
- **Individually oriented:** It tries to help employees develop their potential fully. It encourages them to give their best to the organisation. It motivates employees through a systematic process of recruitment, selection, training and development coupled with fair wage policies.
- **People oriented:** HRM is all about people at work, both as individuals and groups. It tries to put people on assigned jobs in order to produce good results. The resultant gains are used to reward people and motivate them toward further improvements in productivity.
- **Future-oriented:** Effective HRM helps an organisation meet its goals in the future by providing for competent and well-motivated employees.
- **Development oriented:** HRM intends to develop the full potential of employees. The reward structure is tuned to the needs of employees. Training is offered to sharpen and improve their skills. Employees are rotated on various jobs so that they gain experience and exposure. Every attempt is made to use their talents fully in the service of organisational goals.
- **Integrating mechanism:** HRM tries to build and maintain cordial relations between people working at various levels in the organisation. In short, it tries to integrate human assets in the best possible manner in the service of an organisation.
- **Comprehensive function:** HRM is, to some extent, concerned with any organisational decision which has an impact on the workforce or the potential workforce. The term 'workforce' signifies people working at various levels, including workers, supervisors, middle and top managers. It is concerned with managing people at work. It covers all types of personnel. Personnel work may take different shapes and forms at each level in the organisational hierarchy but the basic objective of achieving organisational effectiveness through effective and efficient utilisation of human resources, remains the same. "It is basically a method of developing potentialities of employees so that they get maximum satisfaction out of their work and give their best efforts to the organisation". (*Pigors and Myers*)
- **Auxiliary service:** HR departments exist to assist and advise the line or operating managers to do their personnel work more effectively. HR manager is a specialist advisor. It is a staff function.
- **Inter-disciplinary function:** HRM is a multi-disciplinary activity, utilising knowledge and inputs drawn from psychology, sociology, anthropology, economics, etc. To unravel the mystery surrounding the human brain, managers, need to understand and appreciate the contributions of all such 'soft' disciplines.
- **Continuous function:** According to *Terry*, HRM is not a one shot deal. It cannot be practised only one hour each day or one day a week. It requires a constant alertness and awareness of human relations and their importance in every day operations.

Scope of HRM

The scope of HRM is very wide. Research in behavioural sciences, new trends in managing knowledge workers and advances in the field of training have expanded the scope of HR function in recent years. The Indian Institute of Personnel Management has specified the scope of HRM thus:

- **Personnel aspect:** This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay off and retrenchment, remuneration, incentives, productivity, etc.
- **Welfare aspect:** It deals with working conditions and amenities such as canteens, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

- **Industrial relations aspect:** This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

Objectives of HRM

The principal objectives of HRM may be listed thus:

a. **To help the organisation reach its goals:** HR department, like other departments in an organisation, exists to achieve the goals of the organisation first and if it does not meet this purpose, HR department (or for that matter any other unit) will wither and die.

b. **To employ the skills and abilities of the workforce efficiently:** The primary purpose of HRM is to make people's strengths productive and to benefit customers, stockholders and employees.

c. **To provide the organisation with well-trained and well-motivated employees:** HRM requires that employees be motivated to exert their maximum efforts, that their performance be evaluated properly for results and that they be remunerated on the basis of their contributions to the organisation.

d. **To increase to the fullest the employee's job satisfaction and self-actualisation:** It tries to prompt and stimulate every employee to realise his potential. To this end suitable programmes have to be designed aimed at improving the quality of work life (QWL).

e. **To develop and maintain a quality of work life:** It makes employment in the organisation a desirable, personal and social, situation. Without improvement in the quality of work life, it is difficult to improve organisational performance.

f. **To communicate HR policies to all employees:** It is the responsibility of HRM to communicate in the fullest possible sense; tapping ideas, opinions and feelings of customers, non-customers, regulators and other external public as well as understanding the views of internal human resources.

g. **To be ethically and socially responsive to the needs of society:** HRM must ensure that organisations manage human resource in an ethical and socially responsible manner through ensuring compliance with legal and ethical standards.

Importance of HRM

People have always been central to organisations, but their strategic importance is growing in today's knowledge-based industries. An organisation's success increasingly depends on the knowledge, skills and abilities (KSAs) of employees, particularly as they help establish a set of *core competencies* that distinguish an organisation from its competitors. With appropriate HR policies and practices an organisation can hire, develop and utilise best brains in the marketplace, realise its professed goals and deliver results better than others.
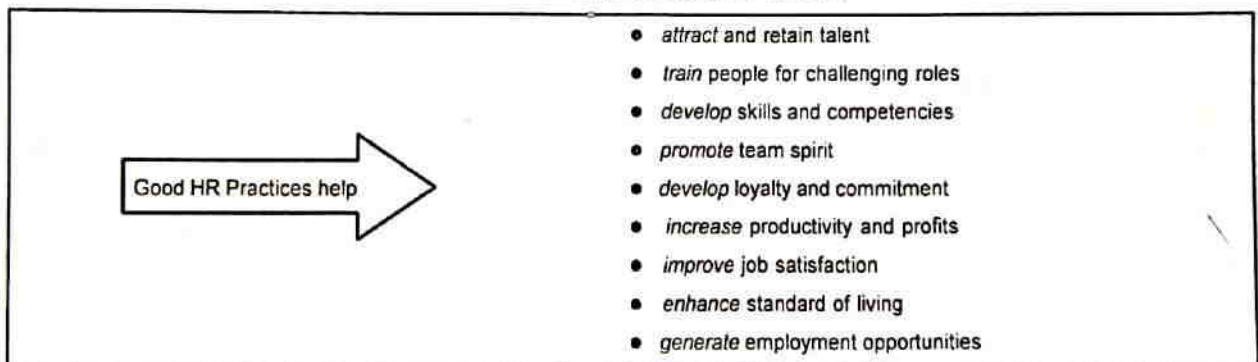
Box 1.2: Important Terms: Clearing the Fog

- **Human resource:** Knowledge, skill sets, expertise of employees, the adaptability, commitment and loyalty of employees.
- **Skills:** The individual abilities of human beings to perform a piece of work.
- **Resource:** The stock of assets and skills that belong to a firm at a point of time.
- **Capability:** The ability of a bundle of resources to perform an activity; a way of combining assets, people and processes to transform inputs into outputs.
- **Core competencies:** Activities that the firm performs especially well when compared to its competitors and through which the firm adds value to its goods and services over a long period of time.
- **Competitive advantage:** It comes from a firm's ability to perform activities more distinctively and more effectively than rivals. To attain competitive advantage, firms need to *add value* to customers and offer a product or service that cannot be easily imitated or copied by rivals (*Uniqueness*).
- **Value:** Sum total of benefits received and costs paid by the customer in a given situation.

Human Resource Management helps an organisation and its people to realise their respective goals thus:

i. **At the enterprise level:**

- Good human resource practices can help in attracting and retaining the best people in the organisation. Planning alerts the company to the types of people it will need in the short, medium and long run.

- It helps in training people for challenging roles, developing right attitudes towards the job and the company, promoting team spirit among employees and developing loyalty and commitment through appropriate reward schemes.

ii. **At the individual level:** Effective management of human resources helps employees thus:

- It promotes team work and team spirit among employees.

- It offers excellent growth opportunities to people who have the potential to rise.

- It allows people to work with diligence and commitment.

iii. **At the society level:** Society, as a whole, is the major beneficiary of good human resource practices.

- Employment opportunities multiply.

- Scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

iv. **At the national level:** Effective use of human resources helps in exploitation of natural, physical and financial resources in a better way. People with right skills, proper attitudes and appropriate values help the nation to get ahead and compete with the best in the world leading to better standard of living and better employment.

Box 1.3: Importance of HRM

Good HR Practices help ⟹
- *attract* and retain talent
- *train* people for challenging roles
- *develop* skills and competencies
- *promote* team spirit
- *develop* loyalty and commitment
- *increase* productivity and profits
- *improve* job satisfaction
- *enhance* standard of living
- *generate* employment opportunities

Systems Approach to HRM

A system is a set of interrelated but separate elements or parts working toward a common goal. A university, for example, is made up of students, teachers, administrative and laboratory staff who relate to one another in an orderly manner. What one group does has serious implications for others. So, they have to be communicating with each other in order to achieve the overall goal of imparting education. The enterprise operations, similarly, must be viewed in terms of interacting and interdependent elements. The enterprises procure and transform inputs such as physical, financial and human resources into outputs such as products, services and satisfactions offered to people at large. To carry out its operations, each enterprise has certain departments known as subsystems such as production subsystem, finance subsystem, marketing subsystem, HR subsystem, etc. Each subsystem consists of a number of other subsystems. For example, the HR subsystem may have parts such as procurement, training, compensation, appraisal, rewards, etc. If we were to view HR subsystem as crucial to organisational performance, an organisation presents itself thus:

Future of HRM: Influencing Factors

1. *Size of workforce:* Corporates have grown in size considerably in recent years, thanks to global competition in almost all fields. The size of the work force, consequently, has increased, throwing up additional challenges before HR managers in the form of additional demands for better pay, benefits and working conditions from various sections of the workforce constantly.

2. *Composition of workforce:* The workforce composition is also changing over the years. The rising percentage of women and minorities in the work force is going to alter workplace equations dramatically. Demands for equal pay for equal work, putting an end to gender inequality and bias in certain occupations, the breaking down of grass ceiling have already been met. Constitutional protection ensured to minorities has also been met to a large extent by HR managers in public sector units. The new equations may compel HR managers to pay more attention to protecting the rights of the other sex and ensure statutory protection and concessions to minorities and disadvantaged sections of society. The shifting character of workforce in terms of age, sex, religion, region, caste etc. is going to put pressures on HR managers trying to integrate the efforts of people from various places. Managing heterogeneous and culturally diverse groups is going to stretch the talents of HR managers fully. "

3. *Employee expectations:* "Instead of attempting to force employees to conform to a 'corporate mould' future managers may well have to make more allowances for individual differences in people". (*Mathis and Jackson* p. 616). Nowadays workers are better educated, more demanding and are ready to voice strong, violent and joint protests in case their expectations are not met. The list of financial and non-financial demands is ever-growing and expanding. In fast-changing industries such as software, telecom, entertainment and pharmaceuticals the turnover ratios are rising fast and if HR managers do not respond positively to employee expectations, the acquisition and development costs of recruits is going to mount up steadily. An efficient organisation is, therefore required to anticipate and manage turnover through human resource planning, training schemes followed by appropriate compensation packages.

4. *Changes in technology:* Increased automation, modernisation and computerisation have changed the way the traditional jobs are handled. In such a scenario unless employees update their knowledge and skills constantly, they cannot survive and grow. This will necessitate training, retraining and mid-career training of operatives and executives at various levels. Where such initiatives are missing, it becomes very difficult for employees to face the forces of technology with confidence and get ahead in their careers steadily.

Box 1.5: HR and ...

As we all know, the workspot of 2000 is significantly different from its counterpart in early 70s, chiefly because of computerisation. The invention and development of microchips has brought a dramatic revolution in workplace. Microchips are tiny components of electrical circuits which can be combined to form much larger and more complex electronic systems. They have made it possible to build such systems simply and cheaply at only tiny fraction of the weight and size that would formerly have been required. Industrial robots have begun to invade the assembly line in a big way-doing such tasks as welding, spray-painting, precision cutting or even playing snooker. Many cars are now fitted with on-board computers, especially in the developed world, that diagnose problems in seconds that used to take hours for mechanics. IBM has built a plant in Austin, Texas that can produce laptop computers without the help of a single worker. If you look at the banking industry, automated teller machines, for example, have replaced thousands of human tellers in banks. The impact of new technology on the total number of jobs available has been quite devastating. It has placed power in the hands of a small group of elite people in most large scale organisations. This has taken place because of deskilling of most jobs, where a few individuals tend to control the organisations through the increased availability of information. Lower and middle level positions are the worst hit in this scenario, because computers do the compilation and processing of information now. Work roles have also become more integrated. New technologies generally compel people to learn a new set of skills altogether and also learn to work together in project teams time and again.

In the present day world, information is the key resource. Organisations that employ appropriate technologies (to get the right information to the right people at the right time) will enjoy a competitive advantage. The only way to survive in an environment marked by constant changes is to convert the firm into a kind of learning organisation. A learning organisation encourages people to learn to produce the results they desire, nurtures creative and innovative patterns of collective learning and develops fresh organisational capabilities all the time.

5. *Life-style changes:* The life-style patterns of employees have undergone a rapid change in recent times. Unlike their predecessors people are now ready to change jobs, shift to new locations, take up jobs in start-up companies instead of manufacturing units and even experiment with untested ideas. A recent survey of young executives in four major metros (Chennai, Bombay, Bangalore and Delhi) (Business line, Urban pulse, Feb 2000) in India revealed several interesting things:

table 1.6

Sizing up Young Executives

Factor	Aspirations, preferences, attitudes, claims
Working Hours	Work for a little more than 8½ hours a day. None of the respondents spend weekends at traditional hang-outs such as discos and pubs
About choosing a job	Freshers wanted to jump jobs quickly; for them compensation was an important factor while choosing a job but as one progressed to higher levels compensation was replaced by factors such as job satisfaction, responsibilities etc., 30 to 40 per cent of young people grabbed the first job offer and changed jobs after acquiring some experience. Other important factors in valuing a job were type of organisation, benefits, pressure in job, working loans, training opportunities, work atmosphere etc.
Job Satisfaction	Awareness of global packages and practices made young executives look for high paying jobs, jobs that do not pay well are dissatisfying. Other factors determining satisfaction levels were: well established company, informal work atmosphere, training opportunities, flexible working hours, travel abroad, designation, job content etc.
Career goals	Making it big some day and going places in their careers. Most seem to have achieved their career goals.
Corporate Icons	Majority of young executives (55%) had no role model; others had role models like Bill Gates, Dhirubai Ambani, JRD Tata etc.
Preferred Industry	Information Technology, Advertising, Finance, Management consultancy, FMCG companies, Auto, Hospitality in that order.

Unlike the western world where dual careers are quite common, HR managers in India have not faced any additional challenges in the form of relocation efforts, job sharing and job hunting exercises etc. The situation, however, may change in the next couple of years especially in software, media, telecom sectors where the number of women employees is rising steadily.

The survey of young executives underlined the importance of designing jobs around the individual, taking his career expectations into account. Flexible working hours, attractive compensation packages, job content and growth opportunities etc. may occupy the centre-stage in HR strategies of Indian managers in the days ahead.

6. **Environmental challenges:** Privatisation efforts in India are likely to gather momentum in the coming years, as most public sector units face survival problems. (For example Air India has 750 employees per aircraft, which makes it the most over-staffed airline in the world. Air India's cost per employee is over Rs 5 lakh a year, perhaps highest among Indian public sector units. Likewise, Delhi Transport Corporation has 30,000 employees, of which 15,000 are excess and the annual expenditure on this excess staff works out to Rs 22 crore!) Mounting costs, rising wage bills, increased competition, inefficient operations, outdated technology, debt burden etc. will compel many public sector units to either draw the shutters down or seek private sector partners. The burden if training and retraining employees with a view to make them more productive and useful under the new set-up is going to fall on the shoulders of HR managers. With this the legal stipulations covering recruitment and selection of employees, employment of reserved category employees, minorities etc. are also likely to lose their importance over a period of time.

7. **Personnel function in future:** The personnel function in future is going to evolve thus:

   - *Job redesign:* The focus on job redesign will increase: Flexitime, job sharing and alternative work arrangements will come to occupy a centre-stage.

   - *Career opportunities:* Apart from compensation, personal growth and self-development may become primary motives for working. HR managers may have to restructure work so that employees may find expression of their needs for creativity, autonomy and entrepreneurship (For example NIIT has already started the Netpreneur scheme in 2000 to encourage budding net consultants – either from its own ranks or outside) in their jobs.

   - *Productivity:* "Productivity, efficiency, growth" are going to be the new mantras for corporate survival and growth.

   - *Recruitment and selection:* Effective selection devices are likely to be used, giving premium to employee skills, knowledge, experience, ability to get along with people etc.

   - *Training and development:* As technologies change rapidly, people need to update their skills continuously. A much broader range of abilities is required to keep pace with ever-present changes, forcing companies to spend increasing sums on training and development. (For instance pharmaceutical majors like Dr Reddy Labs, Ranbaxy, Cipla, Sun Pharma have increased their Research and Development budgets in response to WTO conditionalities in recent years).

   - *Rewards:* Rewards will be tied to performance. Benefits will accrue to those who show merit. Individually – designed packages recognising talent may out-number group compensation plans. Carrot and stick policies may not find a place in the new corporate lexicon in the days ahead.

   - *Safety and welfare:* Increasing investments may have to be made by companies to improve the work atmosphere, climate and job satisfaction levels of employees.

Introduction

In a labour surplus and capital hungry country like India, jobs are very important to individuals. They help determine standards of living, places of residence, status and even one's sense of self-worth. Jobs are important to organisations also because they are the means of accomplishing organisational objectives. Traditionally, organisations used to define jobs in a rigid way.[1] The popular view about a job was that what it requires does not change; it is designed to be immutable and unchanging, irrespective of the various incumbents who perform them. In reality, however jobs are not static. They are subject to change. Technological advances and competitive pressures may often force an organisation to put more emphasis on characteristics of successful performance rather than on standard job duties, tasks etc. Moreover, the some job might be handled differently at different times of the year (e.g., life guards, accountants, ski instructors, actors).[2] The job incumbent might declare, "I do what I believe right on the job". The job is what the incumbent makes of it. To understand the dynamic nature of jobs, managers gather information about jobs from time to time.

What is Job Analysis?

Job analysis is a formal and detailed examination of jobs. It is a systematic investigation of the tasks, duties and responsibilities necessary to do a job. A *task* is an identifiable work activity carried out for a specific purpose, for example, typing a letter. A *duty* is a larger work segment consisting of several tasks (which are related by some sequence of events) that are performed by an individual, for example, pick up, sort out and deliver incoming mail. Job responsibilities are obligations to perform certain tasks and duties.

figure 4.1

Nature of Job Analysis
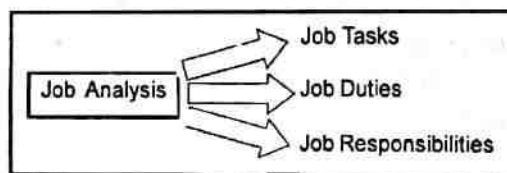
Job analysis is an important personnel activity because it identifies what people do in their jobs and what they require in order to do the job satisfactorily. The information about a job is usually collected through a structured questionnaire:

Box 4.1: Partial Job Analysis Questionnaire

JOB ANALYSIS INFORMATION FORMAT

Your Job Title_____
Class Title_____
Your Name_____._____
Superior's Title_____
Superior's Name_____

Code_____ Date_____
Department_____
Facility_____
Prepared by_____
Hours Worked_____AM_____to AM____
                           PM   PM

1. What is the general purpose of your job?
2. What was your last job? If it was in another organisation, please name it.
3. To what job would you normally expect to be promoted?
4. If you regularly supervise others, list them by name and job title.
5. If you supervise others, please check those activities that are part of your supervisory duties:
   ☐ Hiring   ☐ Coaching   ☐ Promoting

Contd...

☐ Orienting   ☐ Counselling   ☐ Compensating

☐ Training   ☐ Budgeting   ☐ Disciplining

☐ Scheduling   ☐ Directing   ☐ Terminating

☐ Developing   ☐ Measuring Performances   ☐ Other_____

6. How would you describe the successful completion and results of your work?

7. Job Duties – Please briefly describe WHAT you do and, if possible, How you do it. Indicate those duties you consider to be most important and/or most difficult:

    (a) Daily Duties

    (b) Periodic Duties (Please indicate whether weekly, monthly, quarterly, etc.)

    (c) Duties Performed at Irregular Intervals

8. Education – Please check the blank that indicates the educational requirements for the job, not your own educational background.

    ˮ No formal education required   ˮ College degree

    ˮ Less than high school diploma   ˮ Education beyond graduate

    ˮ High school diploma or equivalent   degree and/or professional license.

    ˮ College certificate or equivalent

List advanced degrees or specified professional license or certificate required.

Please indicate the education you had when you were placed on this job.

Source: Richard I Henderson, *Compensation Management* (Reston, Va.: Reston Publishing 1976), pp. 98-99.
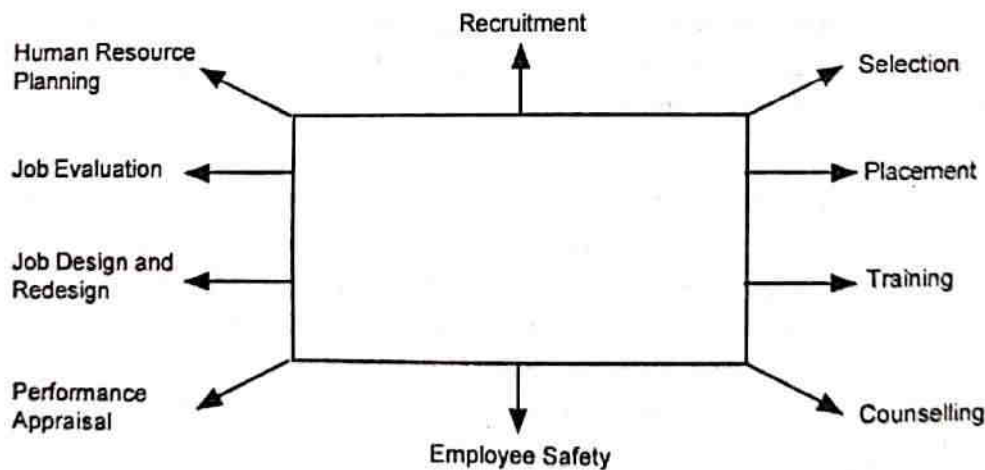
Uses of Job Analysis

Good human resource management demands of both the employee and the employer a clear understanding of the duties and responsibilities to be performed on a job. Job analysis helps in this understanding by drawing attention to a unit of work and its linkage with other units of work. More specifically, the uses of job analysis may be summarised thus:

a. *Human resource planning:* Job analysis helps in forecasting human resource requirements in terms of knowledge and skills. By showing lateral and vertical relationships between jobs, it facilitates the formulation of a systematic promotion and transfer policy. It also helps in determining quality of human resources needed in an organisation.

b. *Recruitment:* Job analysis is used to find out how and when to hire people for future job openings. An understanding of the skills needed and the positions that are vacant in future helps managers to plan and hire people in a systematic way. For example, a company might be traditionally hiring MBA students for equity research. A recent job analysis showed that the positions could be filled by graduates with an analytical bent of mind. Now, this would help the company hire equity analysts from a greater number of available graduates even by offering a slightly lower salary.

c. *Selection:* Without a proper understanding of what is to be done on a job, it is not possible to select the right person. If a Super Bazaar manager has not clearly identified what a clerk is to do, it is difficult to ascertain if the person selected is to position stores items, run a cash register, or keep the account books.

d. *Placement and orientation:* After selecting people, we have to place them on jobs best suited to their interests, activities and aptitude. If we are not sure about what needs to be done on a job, it is not possible to identify the right person suited for the job. Similarly, effective job orientation cannot be achieved without a proper understanding of the needs of each job. To teach a new employee how to handle a job, we have to clearly define the job.

e. *Training:* If there is any confusion about what the job is and what is supposed to be done, proper training efforts cannot be initiated. Whether or not a current or potential job holder requires additional training can be determined only after the specific needs of the jobs have been identified through a job analysis.

f.   **Counselling:** Managers can properly counsel employees about their careers when they understand the different jobs in the organisation. Likewise, employees can better appreciate their career options when they understand the specific needs of various other jobs. Job analysis can point out areas that an employee might need to develop to further a career.

g.   **Employee safety:** A thorough job analysis reveals unsafe conditions associated with a job. By studying how the various operations are taken up in a job, managers can find unsafe practices. This helps in rectifying things easily.

h.   **Performance appraisal:** By comparing what an employee is supposed to be doing (based on job analysis) to what the individual has actually done, the worth of that person can be assessed. Ultimately, every organisation has to pay a fair remuneration to people based on their performance. To achieve this, it is necessary to compare what individuals should do (as per performance standards) with what they have actually done (as per job analysis).

i.   **Job design and redesign:** Once the jobs are understood properly, it is easy to locate weak spots and undertake remedial steps. We can eliminate unnecessary movements, simplify certain steps and improve the existing ones through continuous monitoring. In short, we can redesign jobs to match the mental make-up of employees.

j.   **Job evaluation:** Job analysis helps in finding the relative worth of a job, based on criteria such as degree of difficulty, type of work done, skills and knowledge needed, etc. This, in turn, assists in designing proper wage policies, with internal pay equity between jobs.

f i g u r e 4.2

Multifaceted Nature of Job Analysis

Who should Conduct the Job Analysis?

It is always better to use supervisors, job incumbents or some combinations of these to obtain information about jobs in an organisation. The job incumbents offer a clear view of what work is actually done as against what work is supposed to be done. Further, involving job incumbents in the job analysis process might increase their acceptance of any work changes stemming from the results of analysis. However, on the negative side, job incumbents might exaggerate the responsibilities and importance of their work and , in the process, the whole effort might suffer due to lack of objectivity. External analysts help avoid such biased opinions. They tend to base their write-ups on a realistic view of the people, jobs and the total organisation system as a whole.[3] To be effective, external analysts should have considerable knowledge about how work is actually processed within the organisation while offering a 'snapshot' of the job; present requirements and expected changes in future must also be taken into account. The choice o

Methods of Collecting Job Analysis Data

A variety of methods, are used to collect information about jobs. None of them, however, is perfect. In actual practice, therefore, a combination of several methods is used for obtaining job analysis data. These are discussed below.[5]

1. **Job performance:** In this method, the job analyst actually performs the job in question. The analyst thus receives first-hand experience of contextual factors on the job including physical hazards, social demands, emotional pressures and mental requirements. This method is useful for jobs that can be easily learned. It is not suitable for jobs that are hazardous (e.g., fire fighters) or for jobs that require extensive training (e.g., doctors, pharmacists).

2. **Personal observation:** The analyst observes the worker(s) doing the job. The tasks performed, the pace at which activities are done, the working conditions, etc., are observed during a complete work cycle. During observation, certain precautions should be taken:

   - The analyst must observe average workers during average conditions.
   - The analyst should observe without getting directly involved in the job.
   - The analyst must make note of the specific job *needs* and not the *behaviours* specific to particular workers.
   - The analyst must make sure that he obtains a proper sample for generalisation.

   This method allows for a deep understanding of job duties. It is appropriate for manual, short period job activities. On the negative side, the method fails to take note of the mental aspects of jobs.

3. **Critical incidents:** The critical incident technique (CIT) is a qualitative approach to job analysis used to obtain specific, behaviourally focused descriptions of work or other activities. Here the job holders are asked to describe several incidents based on their past experience. The incidents so collected are analysed and classified according to the job areas they describe. The job requirements will become clear once the analyst draws the line between effective and ineffective behaviours of workers on the job. For example, if a shoe salesman comments on the size of a customer's feet and the customer leaves the store in a huff, the behaviour of the salesman may be judged as ineffective in terms of the result it produced. The critical incidents are recorded after the events have already taken place – both routine and non-routine. The process of collecting a fairly good number of incidents is a lengthy one. Since incidents of behaviour can be quite dissimilar, the process of classifying data into usable job descriptions can be difficult. The analysts overseeing the work must have analytical skills and ability to translate the content of descriptions into meaningful statements.

4. **Interview:** The interview method consists of asking questions to both incumbents and supervisors in either an individual or a group setting. The reason behind the use of this method is that job holders are most familiar with the job and can supplement the information obtained through observation. Workers know the specific duties of the job and supervisors are aware of the job's relationship to the rest of the organisation.

   Due diligence must be exercised while using the interview method. The interviewer must be trained in proper interviewing techniques. It is advisable to use a standard format so as to focus the interview to the purpose of the analyst.

Box 4.2: Guidelines for Conducting Job Analysis Interviews

- Put the worker at ease; establish rapport.
- Make the purpose of the interview clear.
- Encourage the worker to talk by using empathy creativity.
- Help the worker to think and talk according to the logical sequence of the duties performed.
- Ask the worker only one question at a time.

Contd...

- Phrase questions carefully so that the answers will be more than just "yes" or "no".
- Avoid asking leading questions.
- Secure specified and complete information pertaining to the work performed and the worker's traits.
- Conduct the interview in plain, easy language.
- Consider the relationship of the present job to other jobs in the department.
- Control the time and subject matter of the interview.
- Be patient and considerate to the worker.
- Summarise the information obtained before closing the interview.
- Close the interview promptly.

Although the interview method provides opportunities to elicit information sometimes not available through other methods, it has its limitations. First, it is time consuming and hence costly. Second, the value of data is primarily dependent on the interviewers' skills and may be faulty if they put ambiguous questions to workers. Last, interviewees may be suspicious about the motives and may distort the information they provide. If seen as an opportunity to improve their positions such as to increase their wages, workers may exaggerate their job duties to add greater weightage to their positions.

5. **Panel of experts:** This method utilises senior job incumbents and superiors with extensive knowledge of the job. To get the job analysis information, the analyst conducts an interview with the group.. The interaction of the members during the interview can add insight and detail that the analyst might not get from individual interviews.

6. **Diary method:** Several job incumbents are asked to keep diaries or logs of their daily job activities – according to this method – and record the amount of time spent on each activity. By analysing these activities over a specified period of time, a job analyst is able to record the job's essential characteristics. However, it is a time consuming and costly exercise in that the analyst has to record entries for a painfully long time.

7. **Questionnaire method:** The questionnaire is a widely used method of analysing jobs and work. Here the job holders are given a properly designed questionnaire aimed at eliciting relevant job-related information. After completion, the questionnaires are handed over to supervisors. The supervisors can seek further clarifications on various items by talking to the job holders directly. After everything is finalised, the data is given to the job analyst.

The success of the method depends on various factors. The structured questionnaire must cover all job related tasks and behaviours. Each task or behaviour should be described in terms of features such as importance, difficulty, frequency, relationship to overall performance, etc. The job holders should be asked to properly rate the various job factors and communicate the same on paper. The ratings thus collected are then put to close examination with a view to find out the actual job requirements.

The Questionnaire method is highly economical as it covers a large number of job holders at a time. The collected data can be quantified and processed through a computer. The participants can complete the items leisurely. Designing questionnaires, however, is not an easy task. Proper care must be taken to frame the questions in such a way that the respondents are unlikely to misinterpret the questions. Further, it is difficult to motivate the participants to complete the questionnaires truthfully and to return them.

Some of the standard questionnaires that are widely used are discussed below.

1.   The Position Analysis Questionnaire (PAQ)

The PAQ is a standardised questionnaire developed at Purdue University to quantitatively sample work-oriented job elements. It contains 194 items divided into six major divisions. The PAQ permits management to scientifically and quantitatively group interrelated job elements into job dimensions. These are explained below:

- **Overemphasis on current efforts:** Job analysis efforts should not place heavy emphasis on what the employees are currently doing. Some employees may be gifted with unique capabilities and given a chance they may expand the scope of the job and assume more responsibilities. The company may have difficulty in finding someone like that person if he or she were to leave the company. Therefore, "the job description and job specifications should not be merely a description of what the person currently filling the job does".

- **Management 'Strait-jacket':** Job analysis efforts may put managers in a 'Strait-jacket', limiting their freedom to adapt to changing needs from time to time. To avoid this, they may even refuse to appropriately describe what an employee is supposed to do in the company – creating, of course, further confusion in the minds of employees.

Job Description

A job description (JD) is a written statement of what the job holder does, how it is done, under what conditions it is done and why it is done. It describes what the job is all about, throwing light on job content, environment and conditions of employment. It is descriptive in nature and defines the purpose and scope of a job. The main purpose of writing a job description is to differentiate the job from other jobs and state its outer limits.

Contents: A job description usually covers the following information:

- **Job title:** Tells about the job title, code number and the department where it is done.
- **Job summary:** A brief write-up about what the job is all about.
- **Job activities:** A description of the tasks done, facilities used, extent of supervisory help, etc.
- **Working conditions:** The physical environment of job in terms of heat, light, noise and other hazards.
- **Social environment:** Size of work group and interpersonal interactions required to do the job.

t a b l e 4.2

Specimen of Job Description

Title	Compensation manager
Code	HR/2310
Department	Human Resource Department
Summary	Responsible for the design and administration of employee compensation programmes.
Duties	• Conduct job analysis. • Prepare job descriptions for current and projected positions. • Evaluate job descriptions and act as Chairman of Job Evaluation Committee. • Insure that company's compensation rates are in tune with the company's philosophy. • Relate salary to the performance of each employee. Conduct periodic salary surveys. • Develop and administer performance appraisal programme. • Develop and oversee bonus and other employee benefit plans. • Develop an integrated HR information system.
Working conditions	Normal. Eight hours per day. Five days a week.
Report to	Director, Human Resource Department.

Problems with Job Descriptions

Job Description serves as a valuable guide for both the employees and the employer. Employees know what they are supposed to do well in advance. Employers, on the other hand, can take collective steps when the duties covered by the job description are not performed as required. In actual practice, several problems crop up consciously or unconsciously while formulating job descriptions.

- It is not easy to reduce all the essential components of a job in the form of a clear and precise document.

- Job descriptions are sometimes not updated as job duties change.

- They can limit the scope of activities of the job holder, reducing organisational flexibility.[7]

Writing Clear and Specific Job Descriptions

According to Ernest Dale, the following guidelines should be kept in mind while writing job descriptions:

- The JD should indicate the nature and scope of the job, including all important relationships.

- It should be brief, factual and precise; use active verbs such as collect mail, sort out 'mail', 'distribute' mail, etc. Avoid statements of opinion. Give a clear picture of the job; explain all the duties and responsibilities of the job in greater detail.

- More specific words be chosen to show (i) the kind of work, (ii) the degree of complexity, (iii) the degree of skill required, (iv) the extent to which problems are standardised and (v) the degree and type of accountability.

- The extent of supervision available should also be clearly stated.

- The reporting relationships must also be clearly indicated (e.g., who reports to whom, frequency, etc.).

Mode of Writing

The job analyst has to write the JD after proper consultations with the worker and the supervisor. The preliminary draft about the job must be discussed in the presence of both the worker and the supervisor to uncover gaps, deficiencies, etc. The following method is suggested by an expert in this connection:

- Firstly, get the questionnaire about the job filled in by the immediate supervisor of the employee.

- Secondly, the job analyst must observe the actual work done by the employee and complete the job description form.

- Thirdly, every effort must be made to involve the employee and the supervisor while finalising the JD.

- Finally, keep the JD up-to-date by keeping track of changing conditions and incorporating the relevant ones as and when needed.

Job Specification

Job specification summarises the human characteristics needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully. It spells out the important attributes of a person in terms of education, experience, skills, knowledge and abilities (SKAs) to perform a particular job. The job specification is a logical outgrowth of a job description. For each job description, it is desirable to have a job specification. This helps the organisation to determine what kind of persons are needed to take up specific jobs. The personal attributes that are described through a job specification may be classified into three categories:

- *Essential attributes:* skills, knowledge and abilities (SKAs) a person must possess.

- *Desirable attributes:* qualifications a person ought to possess.

- *Contra-indicators:* attributes that will become a handicap to successful job performance.

Introduction

Human resource is an important corporate asset and the overall performance of companies depends upon the way it is put to use. In order to realise company objectives, it is essential to have a human resource plan. Human Resource Planning (also called employment or personnel planning) is essentially the process of getting the right number of qualified people into the right job at the right time so that an organisation can meet its objectives. It is a system of matching the supply of people (existing employees and those to be hired or searched for) with openings the organisation expects over a given time frame.

Human Resource Planning (HRP) is a forward looking function. It tries to assess human resource requirements in advance keeping the production schedules, market fluctuations, demand forecasts, etc., in the background. The human resource plan is subject to revision, of course, and is tuned to the requirements of an organisation from time to time. It is an integral part of the overall corporate plan and reflects the broad thinking of management about manpower needs within the organisation. The focus of the plan is always on getting right number of qualified people into the organisation at the right time. To this end, human resource plans are prepared for varying time periods, i.e., short term plans covering a time frame of 2 years and long term plans encompassing a period of 5 or more years.[1]

Objectives

The basic purpose of having a human resource plan is to have an accurate estimate of the number of employees required, with matching skill requirements to meet organisational objectives. It provides information about the manner in which existing personnel are employed, the kind of skills required for different categories of jobs and human resource requirements over a period of time in relation to organisational objectives. It would also give an indication of the lead time that is available to select and train the required number of additional manpower.

More specifically, HR planning is required to meet the following objectives[2]:

- **Forecast personnel requirements:** HR planning is essential to determine the future manpower needs in an organisation. In the absence of such a plan, it would be difficult to have the services of right kind of people at the right time.

- **Cope with changes:** HR planning is required to cope with changes in market conditions, technology, products and government regulations in an effective way. These changes may often require the services of people with the requisite technical knowledge and training. In the absence of an HR plan, we may not be in a position to enlist their services in time.

- **Use existing manpower productively:** By keeping an inventory of existing personnel in an enterprise by skill, level, training, educational qualifications, work experience, it will be possible to utilise the existing resources more usefully in relation to the job requirements. This also helps in decreasing wage and salary costs in the long run.

- **Promote employees in a systematic manner:** HR planning provides useful information on the basis of which management decides on the promotion of eligible personnel in the organisation. In the absence of an HR plan, it may be difficult to ensure regular promotions to competent people on a justifiable basis.

Importance

Human Resource Planning is a highly important and useful activity. If used properly, it offers a number of benefits:

- **Reservoir of talent:** The organisation can have a reservoir of talent at any point of time. People with requisite skills are readily available to carry out the assigned tasks.

- **Prepare people for future:** People can be trained, motivated and developed in advance and this helps in meeting future needs for high-quality employees quite easily. Likewise, human resource shortages can also be met comfortably (when people quit the organisation for various reasons) through proper human resource planning.

- **Expand or contract:** If the organisation wants to expand its scale of operations, it can go ahead easily. Advance planning ensures a continuous supply of people with requisite skills who can handle challenging jobs easily.

- **Cut costs:** Planning facilitates the preparation of an appropriate HR budget for each department or division. This, in turn, helps in controlling manpower costs by avoiding shortages/excesses in manpower supply. The physical facilities such as canteen, quarters, school, medical help, etc., can also be planned in advance.

- **Succession planning:** Human Resource Planning, as pointed out previously, prepares people for future challenges. The 'stars' can be picked up and kept ready for further promotions whenever they arise. All multinational companies for example, have this policy of having a 'hot list' of promising candidates prepared in advance e.g., HLL, Proctor & Gamble, Godrej consumer products etc.[3] Such candidates are rolled over various jobs and assessed and assisted continuously. When the time comes, such people 'switch hats' quickly and replace their respective bosses without any problem.

The Process of Human Resource Planning   *Imp*

The process of HRP usually followed in a large organisation, consists of the following steps:

1. Forecasting the Demand for Human Resources

Most firms estimate how many employees they require in future. The demand for human talent at various levels is primarily due to the following factors:

a. **External challenges:** These challenges arise from three important sources:

- *Economic developments:* Liberalisation, opening up of banking sector, capital market reforms, the on-line trading systems have created huge demand for finance professionals during 1990-1995 in India. The late 90s saw the rise of manufacturing, FMCG, Pharmaceuticals, Auto-components, Healthcare and Chemical Industries in a steady manner. Consequently, the demand for Engineering and Management graduates, Scientists and Healthcare professionals has picked up in recent times.

- *Political, legal, social and technical changes:* The demand for certain categories of employees and skills is also influenced by changes in political, legal and social structure in an economy. Likewise, firms employing latest technology in construction, power, automobiles, software, etc., have greatly enhanced the worth of technicians and engineers during the last couple of years. Technology, however, is a double-edged weapon and hence, its impact on HR plans is difficult to predict. For example, computerisation programme in Banks, Railways, Post and Telegraph Departments may reduce demand in one department (book keeping, for example) while increasing it in another (such as computer operations). High technology with all its attendant benefits may compel organisations to go lean and downsize workforce suddenly. Employment planning under such situations becomes complicated.

- *Competition:* Companies operating in fields where a large number of players are bent upon cutting each other's throat (with a view to enhance their market shares) often reduce their workforce. Competition is beneficial to customers but suicidal for companies operating on thin margins. Such companies have to necessarily go 'lean' by reducing their workforce. On the other hand, companies that are doing well and progressing smoothly will always look for people with critical skills.

b. **Organisational decisions:** The organisation's strategic plan, sales and production forecasts and new ventures must all be taken into account in employment planning. If Britannia Industries Ltd expects higher demand for biscuits and bread, the long-term HR plan must take this into consideration. Likewise, if it tries to venture into other lucrative fields such as milk based products and confectionery items, the demand for people possessing requisite skills in those areas in the next couple of years should be looked into carefully.

c. **Workforce factors:** Demand is modified by retirements, terminations, resignations, deaths and leaves of absence. Past experience, however, makes the rate of occurrence of these actions by employees fairly predictable.

d. **Forecasting techniques:** The manpower forecasting techniques commonly employed by modern organisations are given below:

- *Expert forecasts:* In this method, managers estimate future human resource requirements, using their experiences and judgements to good effect.

- *Trend analysis:* HR needs can be estimated by examining past trends. Past rates of change can be projected into the future or employment growth can be estimated by its relationship with a particular index.

Box 5.1: Trend Analysis (An Example)

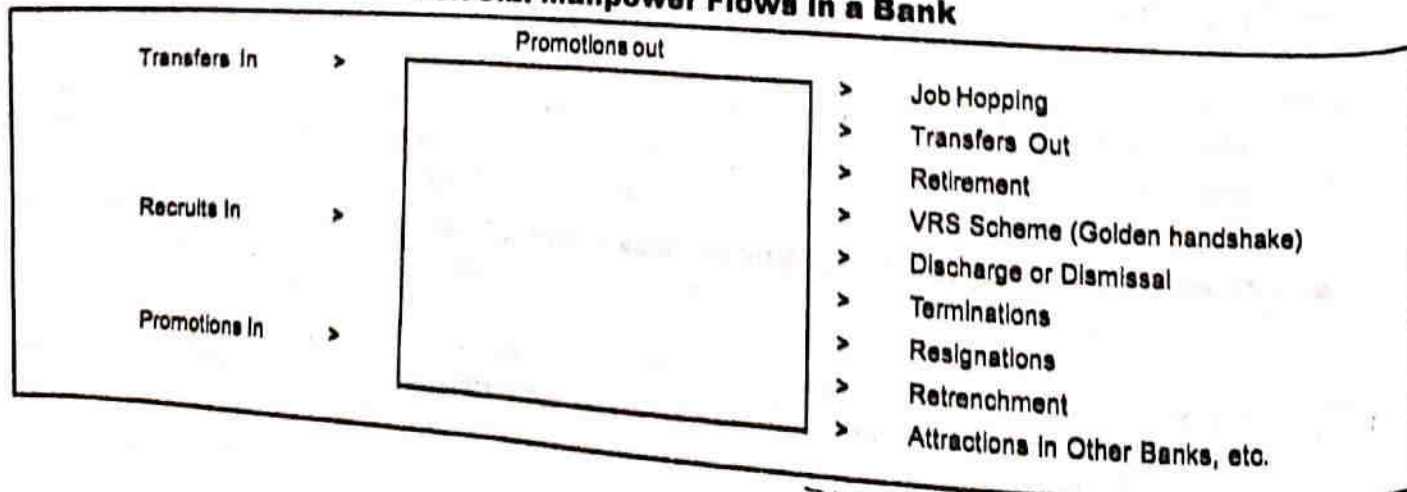|			
2001-02	Production of Units	:	5,000
2002-03	No. of Workers	:	100
	Ratio	:	100:5000
2003-04	Estimated Production	:	8,000
No. of Workers required		:	$8000 \times \dfrac{100}{5000} = 160$

If supervisors have a span of 20 workers, 8 supervisors are also needed in 2003-04.

e. **Other methods:** Several mathematical models, with the aid of computers are also used to forecast HR needs, e.g., regression, optimisation models, budget and planning analysis.

To proceed systematically, human resource professionals generally follow three steps. Let's examine these steps as applied in respect of, say a *commercial bank*.

- **Workforce analysis:** The average loss of manpower due to leave, retirement, death, transfer, discharge, etc., during the last 5 years may be taken into account. The rate of absenteeism and labour turnover should also be taken into account. The nature of competition say from foreign banks, other non-banking financial institutions may also be considered here to find out actual requirements in a year (Box. 5.2).

Box 5.2: Manpower Flows in a Bank

		Promotions out		
Transfers In	>		>	Job Hopping
			>	Transfers Out
			>	Retirement
Recruits In	>		>	VRS Scheme (Golden handshake)
			>	Discharge or Dismissal
			>	Terminations
Promotions In	>		>	Resignations
			>	Retrenchment
			>	Attractions in Other Banks, etc.

While some of the interchanges and external supply could be predicted (growth opportunities, promotions, transfers, retirements, etc.) others are not so easy to predict. Past experience and historical data may help bank managers in this regard.

- **Work load analysis:** The need for manpower is also determined on the basis of work-load analysis, wherein the company tries to calculate the number of persons required for various jobs with reference to a planned output – after giving weightage to factors such as absenteeism, idle time, etc. The following example would throw light on this:

Box 5.3: Work Load Analysis (An Example)

Planned output for the year	10,000	pieces
Standard hours per piece	3	hours
Planned hours required	30,000	hours
Productive hours per person per year	1,000	hours (estimated on annual basis)
(allowing for absenteeism, turnover, idle time etc.)		
No. of workers required	30	
If span of control in the unit is 10 per officer, then 3 officers are also required.		

While determining manpower requirements through work load analysis, commercial banks may have to take the following factors into consideration: (i) the number of transactions to be handled by an employee; (ii) the amount of deposits and advances per employee; (iii) special requirements in respect of managing extension counters, currency chests, mobile branches, etc.; (iv) future expansion plans of the bank concerned. Managerial judgement – a study of the past trends – may serve as a useful guide in this regard. Statistical and econometric models may also be pressed into service, sometimes, depending on the requirement(s).

- **Job analysis:** Job analysis helps in finding out the abilities or skills required to do the jobs efficiently. A detailed study of jobs is usually made to identify the qualifications and experience required for them. Job analysis includes two things: Job description and job specification. Job description is a factual statement of the duties and responsibilities of a specific job. It gives an indication of what is to be done, how it is to be done and why it is to be done. Job specification provides information on the human attributes in terms of education, skills, aptitudes and experience necessary to perform a job effectively.

2. Preparing Manpower Inventory (Supply Forecasting)

The basic purpose of preparing manpower inventory is to find out the size and quality of personnel available within the organisation to man various positions. Every organisation will have two major sources of supply of manpower: internal and external.

(a) **Internal labour supply:** A profile of employees in terms of age, sex, education, training, experience, job level, past performance and future potential should be kept ready for use whenever required. Requirements in terms of growth/diversification, internal movement of employees (transfer, promotions, retirement, etc.) must also be assessed in advance. The possibilities of absenteeism and turnover should be kept in mind while preparing the workforce analysis. Through replacement charts or succession plans, the organisation can even find out the approximate date(s) by which important positions may fall vacant. Frequent manpower audits may be carried out to find out the available talent in terms of skills, performance and potential.[4] (see Figure 5.1)

Some of the important forecasting techniques may be summarised thus:

Staffing table: It shows the number of employees in each job. It tries to classify employees on the basis of age, sex, position, category, experience, qualifications, skills, etc. A study of the table indicates whether current employees are properly utilised or not.

figure 5.1

Estimated Internal Labour Supply for a given Firm
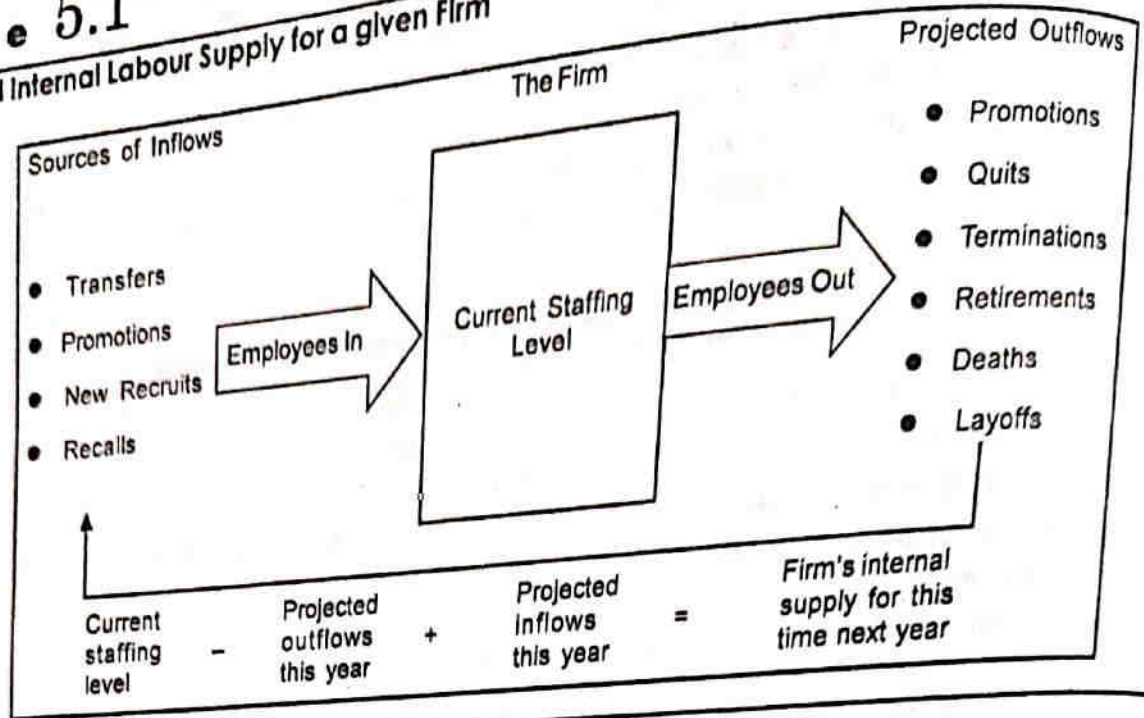
Markov analysis: This techniques uses historical rates of promotions, transfer and turnove estimate future availabilities in the workforce. Based on past probabilities, one can estimate number of employees who will be in various positions with the organisation in future[5].

figure 5.2

Marcov Analysis for a Hypothetical Retail Company

2003-2004	Store Managers	Asst. Store Managers	Section Heads	Dept. Heds	Sales Executives	Exit
Store Managers (n = 15)	80% 12					20% 3
Asst. Store Managers (n = 36)	11% 4	83% 30				6% 2
Section Heads (n = 94)		11% 11	66% 63	8% 8		15% 14
Departmental Heads (n = 288)			10% 29	72% 207	2% 6	16% 46
Sales Executives (n = 1440)				6% 86	74% 1066	20% 288
Forecasted Supply	16	41	92	301	1072	353

Figures in circles show the transition percentages

Skills inventory: A skills inventory is an assessment of the knowledge, skills, abilities, experience and career aspirations of each of the current employees. This record should be updated at least every 2 years and should include changes such as new skills, additional qualifications, changed job duties etc. Of course, confidentiality is an important issue in setting up such an inventory. Once established, such a record helps an organisation to quickly match forthcoming job openings with employee backgrounds.[6]
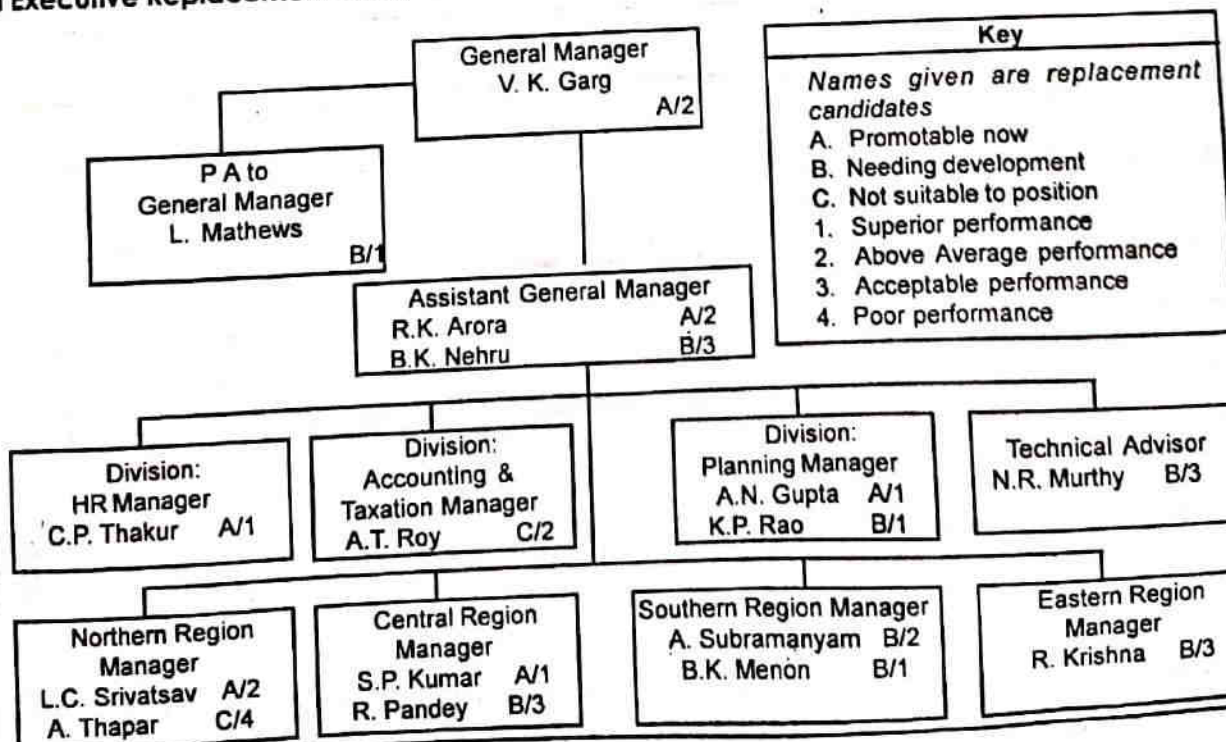
figure 5.3

An Example of a Skills Inventory

Name : A.K. Sen
Number : 429

Date printed : 1-4-2004
Department : 41

Key words

Word	Description	Activity
Accounting	Tax	Supervision and analysis
Book Keeping	Ledger	Supervision
Auditing	Computer records	Analysis

Work experience

From	To		
1998	2000	Tax clerk	ABC Company
2000	2002	Accountant	XYZ Co.
2002	2003	Chief Accounts Officer	TT Bank

Education

Degree	Major	Year
MBA	Finance	1998
B.Com	Accounts	1995

Special Qualifications

Course	Date
• DBF	1996
• Risk Management	1999

Memberships

1. AIMA
2. ISTD
3. ICA

Computer Literacy	Languages	Position preference	Location choice	Hobbies
• Tally • Banking Software	• French	Accounting Auditing	• Kolkata • Delhi • Bangalore	• Chess • Football • Boating

Employees Signature _____
Date _____

HR Department _____
Date _____

Replacement chart: It shows the profile of job holders department-wise and offers a snapshot of who will replace whom if there is a job opening. (See Figure 5.4).

figure 5.4

An Executive Replacement Chart

Key

Names given are replacement candidates
A. Promotable now
B. Needing development
C. Not suitable to position
1. Superior performance
2. Above Average performance
3. Acceptable performance
4. Poor performance

General Manager
V. K. Garg — A/2

P A to General Manager
L. Mathews — B/1

Assistant General Manager
R.K. Arora — A/2
B.K. Nehru — B/3

Division: HR Manager
C.P. Thakur — A/1

Division: Accounting & Taxation Manager
A.T. Roy — C/2

Division: Planning Manager
A.N. Gupta — A/1
K.P. Rao — B/1

Technical Advisor
N.R. Murthy — B/3

Northern Region Manager
L.C. Srivatsav — A/2
A. Thapar — C/4

Central Region Manager
S.P. Kumar — A/1
R. Pandey — B/3

Southern Region Manager
A. Subramanyam — B/2
B.K. Menon — B/1

Eastern Region Manager
R. Krishna — B/3

(b) *External labour supply:* When the organisation grows rapidly, diversifies into newer areas of operations (merchant banking, capital market operations, mutual funds, etc. in the case of a bank) or when it is not able to find the people internally to fill the vacancies, it has to look into outside sources. To the extent an organisation is able to anticipate its outside recruitment needs and looks into the possible sources of supply keeping the market trends in mind, its problem in finding the right personnel with appropriate skills at the required time would become easier. (see Box 5.4)

Organisations, nowadays, do not generally track the qualifications of thousands of employees manually. Details of employees in terms of knowledge, skills, experience, abilities etc., are computerised, using various packaged software systems. [There are over 300 computerised human resource informations systems now available].

Box 5.4: Important Barometers of Labour Supply

1. Net migration into and out of the area
2. Education levels of workforce
3. Demographic changes in population
4. Technological developments and shifts
5. Population Mobility
6. Demand for specific skills
7. National, regional unemployment rates
8. Actions of competing employers
9. Government policies, regulations, pressures
10. Economic Forecasts for the next few years
11. The attractiveness of an area
12. The attractiveness of an industry in a particular place

3. Determining Manpower Gaps

The existing number of personnel and their skills (from human resource inventory) are compared with the forecasted manpower needs (demand forecasting) to determine the quantitative and qualitative gaps in the workforce. A reconciliation of demand and supply forecasts will give us the number of people to be recruited or made redundant as the case may be. This forms the basis for preparing the HR plan. Box 5.5 shows how demand and supply forecasts can be related over a period of three years.

Box 5.5: Determining Human Resource Requirements

		Year 1	2	3
1.	Number required at the beginning of the year			
2.	Changes to requirements forecast during the year			
3.	Total requirements at the end of the year (1+2)		DEMAND	
4.	Number available at the beginning of the year			
5.	Additions (transfers, promotions)			
6.	Separations (retirement, wastage, promotions out and other losses)			
7.	Total available at the end of year (4+5+6)		SUPPLY	
8.	Deficit or surplus (3-7)			
9.	Losses of those recruited during the year			
10.	Additional numbers needed during the year (8+9)		RECONCILIATION OF THE ABOVE MANPOWER NEEDED	

4. Formulating HR Plans

Organisations operate in a changing environment. Consequently, Human resource requirements also change continually. Changes in product mix, union agreements, competitive actions are some of the important things that need special attention. The human resource requirements identified along the procedure outlined in the above box need to be translated into a concrete HR plan, backed up by detailed policies, programmes and strategies (for recruitment, selection, training, promotion, retirement, replacement, etc.).

- **Recruitment plan:** Will indicate the number and type of people required and when they are needed; special plans to recruit right people and how they are to be dealt with via the recruitment programme.

- **Redeployment plan:** Will indicate the programmes for transferring or retraining existing employees for new jobs.

- **Redundancy plan:** Will indicate who is redundant, when and where; the plans for retraining, where this is possible; and plans for golden handshake, retrenchment, lay-off, etc.

- **Training plan:** Will indicate the number of trainees or apprentices required and the programme for recruiting or training them; existing staff requiring training or retraining; new courses to be developed or changes to be effected in existing courses.

- **Productivity plan:** Will indicate reasons for employee productivity or reducing employee costs through work simplification studies, mechanisation, productivity bargaining; incentives and profit sharing schemes, job redesign, etc.

- **Retention plan:** Will indicate reasons for employee turnover and show strategies to avoid wastage through compensation policies; changes in work requirements and improvement in working conditions.

- **Control points:** The entire manpower plan be subjected to close monitoring from time to time. Control points be set up to find out deficiencies, periodic updating of manpower inventory, in the light of changing circumstances, be undertaken to remove deficiencies and develop future plans.

Responsibility for HRP

Top level executives are responsible for HR planning as it is one of the important factors influencing the success of an organisation. The plans are usually prepared by the Human Resource Division in consultation with other corporate heads. The responsibility and accountability for manpower aspects of various divisions is on their respective heads. They should undertake their own appraisals of future needs in such a way as to provide a concrete basis for organisation-wide forecasting and planning. The Human Resource Division must offer counsel and advice to various divisional heads and coordinate the various manpower estimates from time to time. Prof. Geisler outlined the responsibilities of Human Resource Department in respect of HR planning thus:

- Assist and counsel operating managers to plan and set objectives.

- Collect and summarise manpower data keeping long-run objectives and broad organisational interests in mind.

- Monitor and measure performance against the plan and keep top management informed about it.

- Provide proper research base for effective manpower and organisational planning.

Limitations

The problems faced by human resource professionals while preparing or administering HR Plans may be summarised thus:

Box 5.6: Problems in HRP

- **Accuracy:** Projecting manpower needs over a period of time is a risky one. It's not possible to track the current and future trends correctly and convert the same into meaningful action guidelines. Factors such as absenteeism, labour turnover, seasonal trends in demand, competitive pressures, technological changes and a host of other factors may turn the best of manpower plans into fashionable, decorative pieces.

Contd...

Introduction

The human resources are the most important assets of an organisation. The success or failure of an organisation is largely dependent on the calibre of the people working therein. Without positive and creative contributions from people, organisations cannot progress and prosper. In order to achieve the goals or perform the activities of an organisation, therefore, we need to recruit people with requisite skills, qualifications and experience. While doing so, we have to keep the present as well as the future requirements of the organisation in mind.

Definition

Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings.[1] It is actually a linking function, joining together those with jobs to fill and those seeking jobs. Recruitment, logically, aims at (i) attracting a large number of qualified applicants who are ready to take up the job if it's offered and (ii) offering enough information for unqualified persons to self-select themselves out (for example, the recruitment ad of a foreign bank may invite applications from chartered accountants who have cleared the CA examination in the first attempt only).

Constraints and Challenges

In actual practice, it is always not easy to find and select a suitable candidate for a job opening. The recruiter's choice of a communication medium (e.g. advertising in a trade journal read by the prospective candidate) may not be appropriate. Some of the bright candidates may begin to view the vacancy as not in line with their current expectations (e.g. challenging work, excellent rewards, flexible schedules and so on).[2]

The most suitable ones may not have been motivated to apply due to several other constraints.[3]

- *Poor image:* If the image of a firm is perceived to be low (due to factors such as operating in a declining industry, earning a bad name because of environmental pollution, poor quality products, nepotism, insider trading allegations against promoters etc.), the likelihood of attracting a large number of qualified applicants is reduced.

- *Unattractive job:* If the job to be filled is not very attractive, most prospective candidates may turn indifferent and may not even apply. This is especially true in case of jobs that are dull, boring, anxiety producing, devoid of career growth opportunities and generally do not reward performance in a proper way. (e.g., jobs in departmental undertakings such as Railways, Post and Telegraphs, public sector banks and Insurance companies failing to attract talent from premier management institutes.)

- *Conservative internal policies:* A policy of filling vacancies through internal promotions based on seniority, experience, job knowledge etc. may often come in the way of searching for qualified hands in the broader job market in an unbiased way. Likewise, in firms where powerful unions exist, managers may be compelled to pick up candidates with questionable merit, based on issues such as caste, race, religion, region, nepotism, friendship etc.

- *Limited budgetary support :* Recruiting efforts require money. Sometimes because of limited resources, organisations may not like to carry on the recruiting efforts for long periods of time. This can, ultimately, constrain a recruiter's efforts to attract the best person for the job.

- *Restrictive policies of government:* Governmental policies often come in the way of recruiting people as per the rules for company or on the basis of merit/seniority, etc. For example, reservations for special groups (such as scheduled castes, scheduled tribes, backward classes, physically handicapped and disabled persons, ex-servicemen, etc.) have to be observed as per Constitutional provisions while filling up vacancies in government corporations, departmental undertakings, local bodies, quasi-government organisations, etc.

The Contract Labour Act, 1970: The Act is applicable to every establishment (contractor) employing 20 or more persons. It tries to regulate the employment conditions of contract labour in certain establishments and also provides for the abolition of contract labour in certain circumstances.

Bonded Labour System (Abolition) Act, 1976: The Act provides for the abolition of bonded labour (system of forced labour to liquidate debts payable to parties who are bent on exploiting the vulnerability of the victim) or his family members.

The Child Labour Act, 1986: The Act prohibits the employment of children below 14 years of age in certain employments. This has become a serious issue in India recently when German firms refused to accept carpets exported from Uttar Pradesh, objecting to the employment of child labour in the carpet industry.

Sources of Recruitment

The sources of recruitment may be broadly divided into two categories: internal sources and external sources. Both have their own merits and demerits. Let's examine these.

Internal Sources

· Persons who are already working in an organisation constitute the 'internal sources'. Retrenched employees, retired employees, dependents of deceased employees may also constitute the internal sources. Whenever any vacancy arises, someone from within the organisation is upgraded, transferred, promoted or even demoted.

table 6.1

Merits and Demerits of 'Recruiting People from Within'

Merits	Demerits
(i) **Economical:** The cost of recruiting internal candidates is minimal. No expenses are incurred on advertising.	(i) **Limited choice:** The organisation is forced to select candidates from a limited pool. It may have to sacrifice quality and settle for less qualified candidates.
(ii) **Suitable:** The organisation can pick the right candidates having the requisite skills. The candidates can choose a right vacancy where their talents can be fully utilised.	(ii) **Inbreeding:** It discourages entry of talented people, available outside an organisation. Existing employees may fail to behave in innovative ways and inject necessary dynamism to enterprise activities.
(iii) **Reliable:** The organisation has knowledge about the suitability of a candidate for a position. 'Known devils are better than unknown angels!'.	(iii) **Inefficiency:** Promotions based on length of service rather than merit, may prove to be a blessing for inefficient candidates. They do not work hard and prove their worth.
(iv) **Satisfying:** A policy of preferring people from within offers regular promotional avenues for employees. It motivates them to work hard and earn promotions. They will work with loyalty, commitment and enthusiasm.	(iv) **Bone of contention:** Recruitment from within may lead to infighting among employees aspiring for limited, higher-level positions in an organisation. As years roll by, the race for premium positions may end up on a bitter note.

External Sources

External sources lie outside an organisation. Here the organisation can have the services of: (a) Employees working in other organisations; (b) Job aspirants registered with employment exchanges; (c) Students from reputed educational institutions; (d) Candidates referred by unions, friends, relatives and existing employees; (e) Candidates forwarded by search firms and contractors; (f) Candidates responding to the advertisements, issued by the organisation; and (g) Unsolicited applications/walk-ins.

The merits and demerits of recruiting candidates from outside an organisation may be stated thus:

table 6.2

Merits and Demerits of External Sources of Recruitment

Merits	Demerits
Wide choice: The organisation has the freedom to select candidates from a large pool. Persons with requisite qualifications could be picked up.	**Expensive:** Hiring costs could go up substantially. Tapping multifarious sources of recruitment is not an easy task, either.
Injection of fresh blood: People with special skills and knowledge could be hired to stir up the existing employees and pave the way for innovative ways of working.	**Time consuming:** It takes time to advertise, screen, to test and to select suitable employees. Where suitable ones are not available, the process has to be repeated.
Motivational force: It helps in motivating internal employees to work hard and compete with external candidates while seeking career growth. Such a competitive atmosphere would help an employee to work to the best of his abilities.	**Demotivating:** Existing employees who have put in considerable service may resist the process of filling up vacancies from outside. The feeling that their services have not been recognised by the organisation, forces them to work with less enthusiasm and motivation.
Long term benefits: Talented people could join the ranks, new ideas could find meaningful expression, a competitive atmosphere would compel people to give of their best and earn rewards, etc.	**Uncertainty:** There is no guarantee that the organisation, ultimately, will be able to hire the services of suitable candidates. It may end up hiring someone who does not 'fit' and who may not be able to adjust in the new set-up.

Methods of Recruitment

The following are the most commonly used methods of recruiting people.

Internal Methods

Promotions and Transfers

Many organisations prefer to fill vacancies through promotions or transfers from within wherever possible. Promotion involves movement of an employee from a lower level position to a higher level position accompanied by (usually) changes in duties, responsibilities, status and value. The Tatas, the Birlas and most multinationals (e.g. HLL's Lister programme tracking star performers at an early stage and offering stimulating opportunities to grow vertically) have fast-track promotion systems in place. The credo now is reward performance, but promote competency. In the recent past, the AV Birla group has placed over 200 people through the fast-tracker system (promoting star performers quickly). A transfer, on the other hand, involves lateral movement within the same grade, from one job to another. It may lead to changes in duties and responsibilities, working conditions, etc., but not necessarily salary. Internal promotions and transfers certainly allow people greater scope to experiment with their careers, kindling ambitions and motivating them to take a shot at something they might otherwise never have considered. The system, of course, works best for young executives who are willing to take risks.[4]

Job Posting

Job posting is another way of hiring people from within. In this method, the organisation publicises job openings on bulletin boards, electronic media and similar outlets. Hindustan Lever introduced its version of open job postings in early 2002 and over 40 positions have since been filled through the process. HLL even allows its employees to undertake career shifts, for example from technical positions to non-technical jobs such as marketing, market research etc., through the open job posting system. The AV Birla group allows its employees an opportunity to apply not just for jobs within their own companies, but for jobs in any company in the Birla group both in India and abroad.[5]

Box 6.1: Moulding Talent for all Systems

Texas Instruments (India) is willing to back employees who want to make the career shift. It recently created a new group in the wireless domain and first advertised for the jobs internally. Several hardware designers applied for the jobs which were essentially software. Even though these are advertised internally, TI ensures that the selection process is fair. An employee's boss does not know, he is applying for a job until the person accepts the offer [See Great Places to Work Survey 2004, B World, 6.12.2004]

One of the important advantages of this method is that it offers a chance to highly qualified applicants working within the company to look for growth opportunities within the company without looking for greener pastures outside.

Employee Referrals

Employee referral means using personal contacts to locate job opportunities. It is a recommendation from a current employee regarding a job applicant. The logic behind employee referral is that "it takes one to know one". Employees working in the organisation, in this case, are encouraged to recommend the names of their friends working in other organisations for a possible vacancy in the near future. In fact, this has become a popular way of recruiting people in the highly competitive Information Technology industry nowadays. Companies offer rich rewards also to employees whose recommendations are accepted – after the routine screening and examining process is over – and job offers extended to the suggested candidates. Citibank, for example, offers Rs. 50,000 to its employees for every vacancy filled up by the bank on the basis of their referral. Birla 3M also has an incentive-based employee referral programme in place. Infotech companies such as Polaris Software Labs, Cognizant Technology Solutions, Cisco Systems etc., have even discovered that the stickiness of employees joining through referral scheme is quite high.

Box 6.2: Possible Benefits and Costs of Employee Referrals

- Recommender gives a realistic picture about the job. The applicant can weigh the pros and cons carefully before handing over the CV. The applicant is more likely to accept an offer if one is made and once employed, to have a higher job survival.
- It's an excellent means of locating potential employees in those hard-to-fill positions. The recommender earns a reward and the company can avoid expensive recruiting search – in case the candidate gets selected.
- Recommenders may confuse friendship with job competence. Factors such as bias, nepotism, and eagerness to see their friends in the company may come in the way of hiring a suitable candidate.

To obtain effective results, the details of a referral scheme should percolate down to all levels using various means such as posters, e-mails, kick off parties etc. Employees should understand that they are being entrusted with a critical task. And those making a referral should get prompt feedback so that they come back with more referrals. An upper limit for the number of referrals and the rewards to be doled out could be fixed in advance to avoid any disappointment in this regard later on. Every attempt, however should be made to ensure quality. The firm should constantly measure the quality and performance of employees recruited through the programme. Finally, when the firm decides to shut down the programme, it should give advance notice and clearly communicate the reason for doing so.

Direct Methods

Campus Recruitment

It is a method of recruiting by visiting and participating in college campuses and their placement centres. Here the recruiters visit reputed educational institutions such as IITs, IIMs, colleges and universities with a view to pick up job aspirants having requisite technical or professional skills. Job seekers are provided information about the jobs, and the recruiters, in turn, get a snapshot of job seekers through constant interchange of information with respective institutions. A preliminary screening is done within the campus and the shortlisted students are then subjected to the remainder of the selection process. In view of the growing demand for young managers, most reputed organisations (such as Hindustan Lever Ltd, Proctor & Gamble, Citibank, State Bank of India, Tata and Birla group companies) visit IIMs and IITs regularly and even sponsor certain popular campus activities with a view to earn goodwill in the job market. Advantages of this method include: the placement centre helps locate applicants and provides resumes to organisations; applicants can be prescreened; applicants will not have to be lured away from

a current job and lower salary expectations. On the negative front, campus recruiting means hiring people with little or no work experience. The organisations will have to offer some kind of training to the applicants, almost immediately after hiring. It demands careful advance planning, looking into the 'placement weeks' of various institutions in different parts of the country. Further, campus recruiting can be costly for organisations situated in another city (airfare, boarding and lodging expenses of recruiters, site visit of applicants if allowed, etc.).

If campus recruiting is used, steps should be taken by the Human Resource Department to ensure that recruiters are knowledgeable concerning the jobs that are to be filled in the organisation and understand and employ effective interviewing skills. Campus recruiting, however, is not easy. Some common mistakes committed by recruiters may be listed thus:

Box 6.3: Common Mistakes made in Campus Recruiting

- **Failure to utilise a full-time professional recruiter:** Often recruitment is used as a training experience for new employees. This results in rapid turnover in the recruitment office.
- **The recruiter is not professionally trained in interviewing:** Professionally trained as used here means a minimum training period of three days of principles and practices using live interviews that are audio or videotaped and critiqued.
- **The recruiter does not have the authority to make decisions with regard to hiring:** Often this is reserved for the boss, who does not know how to conduct an evaluation interview.
- **The actual plant visit is mishandled:** Recruits are left waiting for scheduled appointments, constant interruptions occur during the visit, arrangements by the institute may not be upto the mark, prior shortlisting of students is not arranged, etc.
- **The recruiter does not get involved in the development of the new employee:** Because the recruiter often has the best rapport with the new employee, he or she should become involved.

Source: R. W. Walen, "Want to be a Pro?" J1 Of College Placement, 1976

Guidelines for Campus Recruiting: Radhika Dhawan offered the following guidelines covering campus recruitment efforts of well known companies in India thus:[7]

- **Shortlist campuses:** The campuses whose curricula and specialisation match the needs of a company are short listed in advance. Asian Paints, for instance, evaluates the education standards of all leading B-Schools, including the quality of classroom education, the strengths of the faculty, and the depth of support systems like libraries, computerised referencing etal. It also scans the entrance tests of these schools to find whether the admitted students are intellectually superior. The schools that fit its stringent standards are on its list every year.

- **Choose recruiting team carefully:** The recruiting team should consist of senior executives, having a thorough knowledge of the company and the job. The composition of the team generally shows how seriously the management takes campus recruitment. To create a favourable impression, for example, HCL Technologies Ltd CEO Shiv Nadar addresses the students himself. Alumni from the B-school from which the firm wants to hire people could also be used to get a positive response.

- **Pay smartly, not highly:** Since compensation is not the most important factor at the beginning of one's career, the recruiting firm should focus attention on a compensation package that is competitive and in line with industry practices. For example, there is one thing all prospective Honeywell Technology Solutions Lab (HTSL) employees in Bangalore are told clearly while they are being interviewed: the company is not trying to match the best salaries in the industry. But then the company has something that other companies can't offer. New recruits find the recognition system, the work culture and the learning opportunities a big attraction.

- **Present a clear image:** Companies such as Procter and Gamble, Nestle present a clear image of how they help the new recruits build a promising career within short span of time "come, grow with us" is the theme that they sell to prospective candidates who are in search of interesting, challenging work assignments. (Rather than assignments cushioned with rewards and benefits).

- **Do not oversell yourself:** These is no point in overselling the idea of a learning environment or a best pay master etc., through inflated claims. Instead, facts must be presented in a frank way, throwing light on how performance gets rewarded and competencies are nurtured carefully.

- *Get in early:* Leading companies try to identify their students as early as possible and build fruitful relationships with them through various ways (like selecting summer trainees carefully, putting the trainees on live projects, assessing their abilities early, offering job offers on the spot etc., as in the case of P&G). Offering scholarships, endowing chairs, sending managers as coaches to teach on campus are also being passionately pursued with a view to forge a bond with students.

- *Not everyone fits the bill:* To avoid disappointments as a later stage, the recruiting company should try to verify the career plans, aspirations and expectations of recruit-elects and recheck everything objectively before extending the job offers.

Indirect Methods

Advertisements

These include advertisements in newspapers; trade, professional and technical journals; radio and television; etc. In recent times, this medium has become just as colourful, lively and imaginative as consumer advertising. The ads generally give a brief outline of the job responsibilities, compensation package, prospects in the organisation, etc. This method is appropriate when (a) the organisation intends to reach a large target group and (b) the organisation wants a fairly good number of talented people – who are geographically spread out. To apply for the advertised vacancies, let's briefly examine the wide variety of alternatives available to a company – as far as ads are concerned:

- *Newspapers ads:* Here it's easy to place job ads without much of a lead time. It has flexibility in terms of information and can conveniently target a specific geographic location. On the negative side, newspaper ads tend to attract only those who are actively seeking employment at that point of time, while some of the best candidates who are well paid and challenged by their current jobs may not be aware of such openings. As a result, the company may be bombarded with applications from a large number of candidates who are marginally qualified for the job – adding to its administrative burden. To maintain secrecy for various reasons (avoiding the rush, sending signals to competitors, cutting down expenses involved in responding to any individual who applies, etc.), large companies with a national reputation may also go in for blind-box ads in newspapers, especially for filling lower level positions. In a blind-box ad, there is no identification of the advertising organisation. Job aspirants are asked to respond to a post office box number or to an employment firm that is acting as an agent between the job seeker and the organisation.

- *Television and radio ads:* These ads are more likely to reach individuals who are not actively seeking employment; they are more likely to stand out distinctly, they help the organisation to target the audience more selectively and they offer considerable scope for designing ads creatively. However, these ads are expensive. Also, because television or radio is simply seen or heard, potential candidates may have a tough time remembering the details, making application difficult.

Third Party Methods

Private Employment Search Firms

A search firm is a private employment agency that maintains computerised lists of qualified applicants and supplies these to employers willing to hire people from the list for a fee. Firms like Arthur Anderson, Noble and Hewitt, ABC consultants, SB Billimoria, KPMG, Ferguson Associates offer specialised employment-related services to corporate houses for a fee, especially for top and middle level executive vacancies. At the lower end, a number of search firms operate – providing multifarious services to both recruiters and the recruitees.

Private search firms have many plus points to their credit. They have many contacts and are especially good at contacting qualified, currently employed candidates who are not actively looking to change jobs. They can keep the firm's name confidential till the deal is struck. They can advertise vacancies on their own, pre-screen hundreds of applicants and identify the right candidates in a highly professional way. On the negative side, the fees charged by search firms could be very high, sometimes over 30 per cent of

the annual salary for the position to be filled. Again, some search firms [...] persuading a firm to hire a candidate than in finding one who can deliver the results.[8] To get the best out of a search firm, it is necessary to follow certain guidelines: (i) Make sure the firm is capable of carrying out a thorough search (ii) Meet the person(s) who actually handle the assignment and explain fully what sort of candidate is required and why (iii) Find how much the search firm charges and get everything in writing (iv) Before striking the deal, meet the search firm's clients and find whether the firm has completed recent assignments satisfactorily, in a silent and secret way.

Employment Exchanges

As a statutory requirement, companies are also expected to notify (wherever the Employment Exchanges Act, 1959, applies) their vacancies through the respective Employment Exchanges, created all over India for helping unemployed youth, displaced persons, ex-military personnel, physically handicapped, etc. As per the Act, all employers are supposed to notify the vacancies arising in their establishments from time to time – with certain exemptions – to the prescribed employment exchanges before they are filled. The Act covers all establishments in public sector and nonagricultural establishments employing 25 or more workers in the private sector. However, in view of the practical difficulties involved in implementing the provisions of the Act (such as filing a quarterly return in respect of their staff strength, vacancies and shortages, returns showing occupational distribution of their employees, etc.) many organisations have successfully fought court battles when they were asked to pick up candidates from among those sponsored by the employment exchanges.

Gate Hiring and Contractors

Gate hiring (where job seekers, generally blue collar employees, present themselves at the factory gate and offer their services on a daily basis), hiring through contractors, recruiting through word-of-mouth publicity are still in use – despite the many possibilities for their misuse – in the small scale sector in India.

Unsolicited Applicants/Walk-ins

Companies generally receive unsolicited applications from job seekers at various points of time. The number of such applications depends on economic conditions, the image of the company and the job seeker's perception of the types of jobs that might be available etc. Such applications are generally kept in a data bank and whenever a suitable vacancy arises, the company would intimate the candidate to apply through a formal channel. One important problem with this method is that job seekers generally apply to a number of organisations and when they are actually required by the organisation, either they are already employed in other organisations or are simply not interested in the position. The walk-ins, in any case, should be treated courteously and diplomatically, for the sake of both the recruiting company's community image and the applicant's self-esteem.

Internet Recruiting

In recent years most companies have found it useful to develop their own website and list job openings on it. The website offers a fast, convenient and cost effective means for job applicants to submit their resume through the Internet. Infosys Technologies Ltd., for example, gets over 1000 resumes a day from prospective candidates through the Net. The resumes are then converted into a standard format using the software that the company has developed for short listing candidates according to a set criteria such as alma mater, qualifications, experience etc. The HR manager has to key in his or her requirement and 'profiles' of candidates from the company's database get generated.[9] There are a variety of websites available – in addition to a company's own website – where applicants can submit their resumes and potential employers can check for qualified applicants. (such as (i) www.jobsahead.com (ii) www.headhunters.com (iii) www.naukri.com (iv) www.monsterindia.com (v) www.mafoi.com (vi) www.abcconsultants.net (vii) www.datamaticsstaffing.com (viii) www.timesjobs.com etc.) Internet recruiting, as mentioned earlier, generates fast, cost-effective, timely responses from job applicants from

Introduction

The size of the labour market, the image of a company, the place of posting, the nature of job, the compensation package and a host of other factors influence the manner in which job aspirants are likely to respond to the recruiting efforts of a company. Through the process of recruitment, a company tries to locate prospective employees and encourages them to apply for vacancies at various levels. Recruiting, thus, provides a pool of applicants for selection.

Definition

To select means to choose. Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organisation. The basic purpose is to choose the individual who can most successfully perform the job, from the pool of qualified candidates.

Purpose

The purpose of selection is to pick up the most suitable candidate who would best meet the requirements of the job and the organisation - in other words, to find out which job applicant will be successful, if hired. To meet this goal, the company obtains and assesses information about the applicants in terms of age, qualifications, skills, experience, etc. The needs of the job are matched with the profile of candidates. The most suitable person is then picked up after eliminating the less suitable applicants through successive stages of the selection process. How well an employee is matched to a job is very important because it directly affects the amount and quality of the employee's work. Any mismatch in this regard can cost an organisation a great deal in terms of money, time and trouble, especially, by way of training and operating costs. In course of time, the employee may find the job distasteful and leave in frustration. He may even circulate 'hot news' and juicy bits of negative information about the company, causing incalculable harm in the long run. Effective selection, therefore, demands constant monitoring of the 'fit' between the person and the job.[1]

The Process

Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next. Figure 7.1 outlines the important steps in the selection process of a typical organisation. The time and emphasis placed on each step will of course vary from one organisation to another and, indeed, from job to job within the same organisation. The sequencing of steps may also vary from job to job and organisation to organisation. For example, some organisations may give importance to testing, while others may emphasise interviews and reference checks. Similarly, a single brief selection interview might be enough for applicants for lower level positions, while applicants for managerial jobs might be interviewed by a number of people.

Reception

A company is known by the people it employs. In order to attract people with talent, skills and experience, a company has to create a favourable impression on the applicants right from the stage of reception. Whoever meets the applicant initially should be tactful and able to extend help in a friendly and courteous way. Employment possibilities must be presented honestly and clearly. If no jobs are available at that point of time, the applicant may be asked to contact the HR department after a suitable period of time has elapsed.

Screening Interview

A preliminary interview is generally planned by large organisations to cut the costs of selection by allowing only eligible candidates to go through the further stages in selection. A junior executive from the HR

figure **7.1**
HRM as a Central Subsystem In an Enterprise

Hiring Decision	Step 8
Reference Checks	Step 7
Medical Examination	Step 6
Selection Interview	Step 5
Selection Tests	Step 4
Application Blank	Step 3
Screening Interview	Step 2
Reception	Step 1
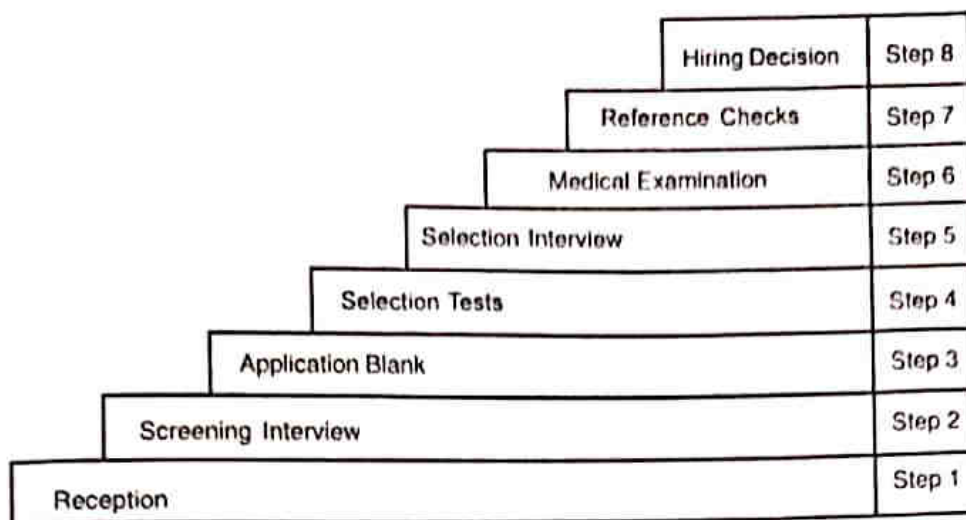
Department may elicit responses from applicants on important items determining the suitability of an applicant for a job such as age, education, experience, pay expectations, aptitude, location choice etc. This 'courtesy interview', as it is often called, helps the department screen out obvious misfits. If the department finds the candidate suitable, a prescribed application form is given to the applicants to fill and submit.

Application Blank

Application blank or form is one of the most common methods used to collect information on various aspects of the applicants' academic, social, demographic, work-related background and references. It is a brief history sheet of an employee's background, usually containing the following things:

table **7.1**

Contents of Application Blanks

- Personal data (address, sex, identification marks)
- Marital data (single or married, children, dependents)
- Physical data (height, weight, health condition)
- Educational data (levels of formal education, marks, distinctions)
- Employment data (past experience, promotions, nature of duties, reasons for leaving previous jobs, salary drawn, etc.)
- Extra-curricular activities data (sports/games, NSS, NCC, prizes won, leisure-time activities)
- References (names of two or more people who certify the suitability of an applicant to the advertised position)

Even when applicants come armed with elaborate resumes, it is important to ask the applicants to translate specific resume material into a standardised application form. Job seekers tend to exaggerate, or overstate their qualifications on a resume.[3] So it's always better to ask the applicant to sign a statement that the information contained on the resume or application blank is true and that he or she accepts the employer's right to terminate the candidate's employment if any of the information is found to be false at a later date.[4]

Weighted Application Blanks (WABs)

To make the application form more job-related, some organisations assign numeric values or weights to responses provided by applicants. Generally, the items that have a strong relationship to job performance

Selection Testing

Another important decision in the selection process involves applicant testing and the kinds of tests to use. A test is a standardised, objective measure of a person's behaviour, performance or attitude. It is standardised because the way the test is carried out, the environment in which the test is administered and the way the individual scores are calculated – are uniformly applied. It is objective in that it tries to measure individual differences in a scientific way, giving very little room for individual bias and interpretation.

Over the years, employment tests have not only gained importance but also a certain amount of inevitability in employment decisions. Since they try to objectively determine how well an applicant meets job requirements, most companies do not hesitate to invest their time and money in selection testing in a big way. Some of the commonly used employment tests may be stated thus:[7]

1. **Intelligence tests:** These are mental ability tests. They measure the incumbent's learning ability and also the ability to understand instructions and make judgements. The basic objective of intelligence tests is to pick up employees who are alert and quick at learning things so that they can be offered adequate training to improve their skills for the benefit of the organisation. Intelligence tests do not measure any single trait, but rather several abilities such as memory, vocabulary, verbal fluency, numerical ability, perception, spatial visualisation, etc., Stanford-Binet test, Binet-Simon test, The Wechsler Adult Intelligence Scale are examples of standard intelligence tests. Some of these tests are increasingly used in competitive examinations while recruiting graduates and post-graduates at entry level management positions in Banking, Insurance and other Financial Services sectors.

2. **Aptitude tests:** Aptitude tests measure an individual's potential to learn certain skills – clerical, mechanical, mathematical, etc. These tests indicate whether or not an individual has the ability to learn a given job quickly and efficiently. In order to recruit efficient office staff, aptitude tests are necessary. Clerical tests, for example, may measure the incumbent's ability to take notes, perceive things correctly and quickly locate things, ensure proper movement of files, etc. Aptitude tests, unfortunately, do not measure on-the-job motivation. That is why the aptitude test is administered in combination with other tests, like intelligence and personality tests.

3. **Personality tests:** Of all the tests required for selection, personality tests have generated lot of heat and controversy. The definition of personality, methods of measuring personality factors and the relationship between personality factors and actual job criteria have been the subject of much

Selection Interview

Interview is the oral examination of candidates for employment. This is the most essential step in the selection process. In this step, the interviewer tries to obtain and synthesise information about the abilities of the interviewee and the requirements of the job. Interview gives the recruiter an opportunity to[12]:

- size up the interviewee's agreeableness;
- ask questions that are not covered in tests;
- obtain as much pertinent information as possible;
- assess subjective aspects of the candidate – facial expressions, appearance, nervousness and so forth;
- make judgements on interviewee's enthusiasm and intelligence;
- give facts to the candidate regarding the company, its policies, programmes, etc., and promote goodwill towards the company.

Types of Interviews

Several types of interviews are commonly used depending on the nature and importance of the position to be filled within an organisation.

- **The non-directive interview:** In a *non-directive interview* the recruiter asks questions as they come to mind. There is no specific format to be followed. The questions can take any direction. The interviewer asks broad, open-ended questions such as 'tell me more about what you did on your last job' – and allows the applicant to talk freely with a minimum of interruption. Difficulties with a non-directive interview include keeping it job related and obtaining comparable data on various applicants.

- **The directive or structured interview:** In the directive interview, the recruiter uses a predetermined set of questions that are clearly job related. Since every applicant is asked the same basic questions, comparison among applicants can be made more easily. Structured questions improve the reliability of the interview process, eliminate biases and errors and may even enhance the ability of a company to withstand legal challenge. On the negative side, the whole process is somewhat mechanical, restricts the freedom of interviewers and may even convey disinterest to applicants who are used to more flexible interviews. Also, designing a structured interview may take a good amount of time and energy.

- **The situational interview:** One variation of the structured interview is known as the situational interview. In this approach, the applicant is confronted with a hypothetical incident and asked how

interview process, which may be to wait for a call or letter. Regardless of the interview performance of the candidate and interviewer's personal opinion, the applicant should not be given any indication of his prospects at this stage.

e. **Evaluation:** After the interview is over, summarise and record your observations carefully, constructing the report based on responses given by applicant, his behaviour, your own observations and the opinions of other experts present during the interview. Better to use a standardised evaluation form for this purpose.

Medical Examination

Certain jobs require physical qualities like clear vision, acute hearing, unusually high stamina, tolerance of arduous working conditions, clear tone of voice, etc. Medical examination reveals whether or not a candidate possesses these qualities. Medical Examination can give the following information:

i. Whether the applicant is medically suitable for the specific job or not;

ii. Whether the applicant has health problems or psychological attitudes likely to interfere with work efficiency or future attendance;

iii. Whether the applicant suffers from bad health which should be corrected before he can work satisfactorily (such as the need for spectacles);

iv. Whether the applicant's physical measurements are in accordance with job requirements or not.

Reference Checks

Once the interview and medical examination of the candidate is over, the personnel department will engage in checking references. Candidates are required to give the names of two or three references in their application forms. These references may be from individuals who are familiar with the candidate's academic achievements, or from applicant's previous employer, who is well-versed with the applicant's job performance, and sometimes from co-workers. In case the reference check is from the previous employer, information in the following areas may be obtained. They are: job title, job description, period of employment, pay and allowances, gross emoluments, benefits provided, rate of absence, willingness of the previous employer to employ the candidate again, etc. Further, information regarding candidate's regularity at work, character, progress, etc., can be obtained. Often a telephone call is much quicker. The method of mail query, provides detailed information about the candidate's performance, character and behaviour. However, a personal visit, is superior to the mail and telephone methods and is used where it is highly essential to get a detailed, first-hand information which can also be secured by observation. Reference checks are taken as a matter of routine and treated casually or omitted entirely in many organisations. But a good reference check, when used sincerely, will fetch useful and reliable information to the organisation.

Box 7.4: Guidelines for Seeking Information about a Candidate from References

- Request job related information only in a written form so that you can justify the reasons behind your 'hire or no-hire decision'
- Obtain job applicant's written permission to check references prior to doing so
- Make no subjective statements
- Evaluate the credibility of the source providing the reference material
- Seek opinions from those who are familiar with the candidate and his actual performance on the job
- Always verify all key aspects of an applicant's previous history including the reasons for leaving a job.15

Hiring Decision

The Line Manager concerned has to make the final decision now – whether to select or reject a candidate after soliciting the required information through different techniques discussed earlier. The line manager

has to take adequate care in taking the final decision because of economic, behavioural and social implications of the selection decisions. A careless decision of rejecting a candidate would impair the morale of the people and cause them to suspect the selection procedure and the very basis of selection in a particular organisation. A true understanding between line managers and HR managers should be established so as to facilitate good selection decisions. After taking the final decision, the organisation has to intimate this decision to the successful as well as unsuccessful candidates. The organisation sends the appointment order to the successful candidates either immediately or after some time, depending upon its time schedule.

Box 7.5: Model Appointment Order

XYZ Company Limited
Appointment Order

Date ....

Shri ....

....

....

Sub: Offer of appointment for the post of ....

Dear Sir,

1. With reference to the interview test you had with us on .... we have pleasure in offering you the post of .... on the following terms and conditions.

2. Your continuation/confirmation of appointment will be subject to satisfactory verification of your credentials/character and antecedents.

3. Your pay will be Rs .... per month in the scale of Rs .... plus D.A. Rs .... and H.R.A. Rs .... as admissible from time to time under the Company's rules.

4. Your appointment will be temporary for a period of 12 months from the date of your joining and this period may be extended, if considered necessary by the Company. You will be deemed as confirmed in your appointment only if you are intimated to that effect in writing.

5. You have to obtain a satisfactory report of physical fitness from the Company's Medical Officer before joining duty.

6. During your employment you will be governed by the Standing Orders, Rules and Regulations of the service of the Company that are in force and which may be amended, altered or extended from time to time in respect of workers.

7. The undermentioned documents enclosed, shall be duly filled in and submitted before joining duty:

   (i) Gratuity Nomination Form

   (ii) Provident Fund Form

   (iii) Personal Data Form

   (iv) Home town declaration Form.

8. Your duties and responsibilities will be such as may be specified from time to time by the Management, such duties being inclusive of all duties and responsibilities relating to your substantive and other grades/designations depending upon the exigencies of work.

9. If the above terms and conditions are agreeable to you, please sign and return the duplicate copy of this letter and the Appendix 'A' in token of your acceptance of the appointment. You should report for duty on or before .... at your own expense, failing which the offer made to you automatically stands cancelled.

Yours faithfully,

Summary

- Selection is the process of choosing individuals who have relevant qualifications to fill jobs in an organisation. The primary purpose of selection activities is to predict which job applicant will be successful if hired

- Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next

- The selection process – from reception through initial screening, application, testing, interview, medical and reference checking – must be handled by trained, knowledgeable individuals

Placement

After a candidate has been selected, he should be placed on a suitable job. Placement is the actual posting of an employee to a specific job. It involves assigning a specific rank and responsibility to an employee. The placement decisions are taken by the line manager after matching the requirements of a job with the qualifications of a candidate. Most organisations put new recruits on probation for a given period of time, after which their services are confirmed. During this period, the performance of the probationer is closely monitored. If the new recruit fails to adjust himself to the job and turns out poor performance, the organisation may consider his name for placement elsewhere. Such second placement is called 'differential placement'. Usually the employees' supervisor, in consultation with the higher levels of line management, takes decisions regarding the future placement of each employee.

Placement is an important human resource activity. If neglected, it may create employee adjustment problems leading to absenteeism, turnover, accidents, poor performance, etc. The employee will also suffer seriously. He may quit the organisation in frustration, complaining bitterly about everything. Proper placement is, therefore, important to both the employee and the organisation. The benefits of placements may be summarised thus:

t a b l e 8.1

Major Benefits of Proper Placement
The employee is able to: • Show good results on the job. • Get along with people easily. • Keep his spirits high, report for duty regularly. • Avoid mistakes and accidents.

Placement, it should the remembered, should be made with as little disruption to the employee and organisation as possible. To this end, new recruits must be oriented properly so that they become productive contributors. There should be a conscious and determined effort to adapt the new recruit to the organisation's culture (the rules, jargon, customs and other traditions that clarify acceptable and unacceptable behaviour in an organisation) by conveying to the employee how things are done and what matters. When new employees know what is expected of them, they have better organisational performance and less frustration and uncertainty.[1]

Induction/Orientation

Meaning

Orientation or induction is the task of introducing the new employees to the organisation and its policies, procedures and rules. A typical formal orientation programme may last a day or less in most organisations. During this time, the new employee is provided with information about the company, its history, its current position, the benefits for which he is eligible, leave rules, rest periods, etc. Also covered are the more routine things a newcomer must learn, such as the location of the rest rooms, break rooms, parking spaces, cafeteria, etc. In some organisations, all this is done informally by attaching new employees to their seniors, who provide guidance on the above matters. Lectures, handbooks, films, groups, seminars are also provided to new employees so that they can settle down quickly and resume the work.

Box 8.1: Flowers for Attending an Interview!

"I came for an interview here in 2000. At that time Mind Tree Consulting (1045 employees software consulting outfit with nearly $29 million global sales) had about a hundred employees," says a Senior Consultant. "I had not made up my mind about the company, and had a few other offers. Soon after the inter interview the company sent me a bouquet of flowers, thanking me for attending the interview. For me that was the 'clincher' – after all how many companies would do that, just for attending an interview? [see B. World, 6.12.2004]

Objectives

Induction serves the following purposes:

a. **Removes fears:** A newcomer steps into an organisation as a stranger. He is new to the people, workplace and work environment. He is not very sure about what he is supposed to do. Induction helps a new employee overcome such fears and perform better on the job.

It assists him in knowing more about:

- The job, its content, policies, rules and regulations.
- The people with whom he is supposed to interact.
- The terms and conditions of employment.

b. **Creates a good impression:** Another purpose of induction is to make the newcomer feel at home and develop a sense of pride in the organisation. Induction helps him to:

- Adjust and adapt to new demands of the job.
- Get along with people.
- Get off to a good start.

Through induction, a new recruit is able to see more clearly as to what he is supposed to do, how good the colleagues are, how important is the job, etc. He can pose questions and seek clarifications on issues relating to his job. Induction is a positive step, in the sense, it leaves a good impression about the company and the people working there in the minds of new recruits. They begin to take pride in their work and are more committed to their jobs.

c. **Acts as a valuable source of information:** Induction serves as a valuable source of information to new recruits. It classifies many things through employee manuals/handbook. Informal discussions with colleagues may also clear the fog surrounding certain issues. The basic purpose of induction is to communicate specific job requirements to the employee, put him at ease and make him feel confident about his abilities.[2]

Induction Programme: Steps

The HR department may initiate the following steps while organising the induction programme:

- Welcome to the organisation.
- Explain about the company.
- Show the location/department where the new recruit will work.
- Give the company's manual to the new recruit.
- Provide details about various work groups and the extent of unionism within the company.
- Give details about pay, benefits, holidays, leave, etc. Emphasise the importance of attendance or punctuality.
- Explain about future training opportunities and career prospects.
- Clarify doubts, by encouraging the employee to come out with questions.
- Take the employee on a guided tour of buildings, facilities, etc. Hand him over to his supervisor.

(a) **Content:** The topics covered in employee induction programme may be stated thus[3]:

t a b l e 8.2

Induction Programme: Topics	
1. Organisational issues	● Overview of production process
● History of company	● Company policies and rules
● Names and titles of key executives	● Disciplinary procedures
● Employees' title and department	● Employees' handbook
● Layout of physical facilities	● Safety steps
● Probationary period	
● Products/services offered	
2. Employee benefits	● Training avenues
● Pay scales, pay days	● Counselling
● Vacations, holidays	● Insurance, medical, recreation, retirement benefits
● Rest pauses	
3. Introductions	● To trainers
● To supervisors	● To employee counsellor
● To co-workers	
4. Job duties	● Overview of jobs
● Job location	● Job objectives
● Job tasks	● Relationship with other jobs
● Job safety needs	

(b) **Socialisation:** Socialisation is a process through which a new recruit begins to understand and accept the values, norms and beliefs held by others in the organisation. HR department representatives help new recruits to "internalise the way things are done in the organisation". Orientation helps the newcomers to interact freely with employees working at various levels and learn behaviour that are acceptable. Through such formal and informal interaction and discussion, newcomers begin to understand how the department/company is run, who holds power and who does not, who is politically active within the department, how to behave in the company, what is expected of them, etc. In short, if the new recruits wish to survive and prosper in their new work home, they must soon come to 'know the ropes'. Orientation programmes are effective socialisation tools because they help the employees to learn about the job and perform things in a desired way.[4]

(c) **Follow up:** Despite the best efforts of supervisors, certain dark areas may still remain in the orientation programme. New hires may not have understood certain things. The supervisors, while covering a large ground, may have ignored certain important matters. To overcome the resultant communication gaps, it is better to use a supervisory checklist as shown in Table 8.2 and find out whether all aspects have been covered or not. Follow up meetings could be held at fixed intervals, say after every three or six months on a face-to-face basis. The basic purpose of such follow up orientation is to offer guidance to employees on various general as well as job related matters – without leaving anything to chance.[5] To improve orientation, the company should make a conscious effort to obtain feedback from everyone involved in the programme. There are several ways to get this kind of feedback: through round table discussions with new hires after their first year on the job, through in-depth interviews with randomly selected employees and superiors and through questionnaires for mass coverage of all recent recruits.

Internal Mobility

The lateral or vertical movement (promotion, transfer, demotion or separation) of an employee within an organisation is called 'internal mobility'. It may take place between jobs in various departments or divisions. Some employees may leave the organisation for reasons such as better prospects, retirement, terminations, etc. Such movements are known as 'external mobility'.

Purposes of Internal Mobility

The purposes of internal mobility may be stated thus:

a. *Improve organisational effectiveness:* Organisations want to be lean and clean. To this end, structural defects may have to be eliminated; unwanted positions removed and other jobs redesigned. Internal mobility increases every such change within an organisation.

b. *Improve employee effectiveness:* Knowledge, skills and abilities (KSAs) can be put to use if there is a good equation between what the person has and what the organisation demands. Through promotions and transfers, organisations try to bridge such gaps.

c. *Adjust to changing business operations:* During a boom, there might be a phenomenal demand for new skills. Finance professionals were in great demand, for example, during the early 90s. In a recession, layoffs may be needed to cut down costs and survive. Likewise, short-term adjustments may have to be carried out in case of death or illness of an employee.

d. *Ensure discipline:* Demotion causes loss of status and earning capacity. A demoted employee has to learn new ways of getting things done and adjust to a new setting. Demotions can be used to ensure discipline and to correct wrong placements and job assignments.

Internal mobility, as stated previously, includes a cluster consisting of transfer, promotion and demotion, each of which are briefly discussed here. Separations and terminations (discharge, dismissal) which form a part of mobility in general are discussed later on.

Transfer

A transfer is a change in job assignment. It may involve a promotion or demotion or no change at all in status and responsibility. A transfer has to be viewed as a change in assignment in which an employee moves from one job to another in the same level of hierarchy, requiring similar skills, involving approximately same level of responsibility, same status and same level of pay. A transfer does not imply any ascending (promotion) or descending (demotion) change in status or responsibility.

Purposes of Transfer

Organisations resort to transfers with a view to serve the following purposes:

a. *To meet the organisational requirements:* Organisations may have to transfer employees due to changes in technology, changes in volume of production, production schedule, product line, quality of products, changes in the job pattern caused by change in organisational structure, fluctuations in the market conditions like demands fluctuations, introduction of new lines and/or dropping of existing lines. All these changes demand the shift in job assignments with a view to place the right man on the right job.

b. *To satisfy the employee needs:* Employees may need transfers in order to satisfy their desire to work under a friendly superior, in a department/region where opportunities for advancement are bright, in or near their native place or place of interest, doing a job where the work itself is challenging, etc.

c. **To utilise employees better:** An employee may be transferred because management feels that his skills, experience and job knowledge could be put to better use elsewhere.

d. **To make the employee more versatile:** Employees may be rolled over different jobs to expand their capabilities. Job rotation may prepare the employee for more challenging assignments in future.

e. **To adjust the workforce:** Workforce may be transferred from a plant where there is less work to a plant where there is more work.

f. **To provide relief:** Transfers may be made to give relief to employees who are overburdened or doing hazardous work for long periods.

g. **To reduce conflicts:** Where employees find it difficult to get along with colleagues in a particular section, department or location – they could be shifted to another place to reduce conflicts.

h. **To punish employees:** Transfers may be effected as disciplinary measures – to shift employees indulging in undesirable activities to remote, far-flung areas.

Types of Transfers

Transfers can be classified thus:

a. *Production transfers*   :   Transfers caused due to changes in production.

b. *Replacement transfers* :   Transfers caused due to replacement of an employee working on the same job for a long time.

c. *Rotation transfers*   :   Transfers initiated to increase the versatility of employees.

d. *Shift transfers*   :   Transfers of an employee from one shift to another.

e. *Remedial transfers*   :   Transfers initiated to correct the wrong placements.

f. *Penal transfers*   :   Transfers initiated as a punishment for indisciplinary action of employees.

Benefits and Problems

A summary of benefits and problems associated with transfers is given below:

t a b l e 8.3

Benefits and Problems Associated with Transfers

Benefits	Problems
• Improve employee skills	• Inconvenient to employees who otherwise do not want to move
	• Employees may or may not fit in the new location/department
• Reduce monotony, boredom	• Shifting of experienced hands may affect productivity
• Remedy faulty placement decisions	• Discriminatory transfers may affect employee morale.
• Prepare the employee for challenging assignments in future	
• Stabilise changing work requirements in different departments/locations	
• Improve employee satisfaction and morale	
• Improve employer-employee relations	

Transfers have to be carried out in a systematic way, with a view to avoid allegations of discrimination and favouritism. Some of the above cited problems associated with transfers could be avoided, if organisations formulate a definite transfer policy, for use at different points of time.

Transfer Policy

Organisations should clearly specify their policy regarding transfers. Otherwise, superiors may transfer their subordinates arbitrarily if they do not like them. It causes frustration among employees. Similarly, subordinates may also request for transfers even for the petty issues. Most of the people may ask for transfer to riskless and easy jobs and places. As such, organisation may find it difficult to manage such transfers. Hence, an organisation should formulate a systematic transfer policy. A systematic transfer policy should contain the following items:

1. Specification of circumstances under which an employee will be transferred in the case of any company initiated transfer.

2. Name of the superior who is authorised and responsible to initiate a transfer.

3. Jobs from and to which transfers will be made, based on the job specification, description and classification, etc.

4. The region or unit of the organisation within which transfers will be administered.

5. Reasons which will be considered for personal transfers, their order of priority, etc.

6. Reasons for mutual transfer of employees.

7. Norms to decide priority when two or more employees request for transfers like priority of reason, seniority.

8. Specification of basis for transfer, like job analysis, merit, length of service.

9. Specification of pay, allowances, benefits, etc., that are to be allowed to the employee in the new job.

10. Other facilities to be extended to the transferee like special level during the period of transfer, special allowance for packaging luggage, transportation, etc.

Generally, line managers administer the transfers and HR managers assist the line managers in this respect.

Promotion

Promotion refers to upward movement of an employee from current job to another that is higher in pay, responsibility and/or organisational level. Promotion brings enhanced status, better pay, increased responsibilities and better working conditions to the promotee. There can, of course, be 'dry promotion' where a person is moved to a higher level job without increase in pay. Promotion is slightly different from upgradation which means elevating the place of the job in the organisational hierarchy (a better title is given now) or including the job in higher grade (minor enhancement in pay in tune with the limits imposed within a particular grade). A transfer implies horizontal movement of an employee to another job at the same level. There is no increase in pay, authority or status. Hence, it cannot act as a motivational tool. Promotion, on the other hand, has in-built motivational value, as it elevates the status and power of an employee within an organisation[8].

Purposes and Advantages of Promotion

Promotion, based either on meritorious performance or continuous service, has powerful motivational value. It forces an employee to use his knowledge, skills and abilities fully and become eligible for vertical growth. It inspires employees to compete and get ahead of others. Those who fall behind in the race are also motivated to acquire the required skills to be in the reckoning. Promotion thus, paves the way for employee self development. It encourages them to remain royal and committed to their jobs and the organisation. The organisation would also benefit immensely because people are ready to assume challenging roles by improving their skills constantly. Interest in training and development programmes would improve. The organisation would be able to utilise the skills and abilities of its personnel more effectively.

Bases of Promotion

Organisations adopt different bases of promotion depending upon their nature, size, management, etc. Generally, they may combine two or more bases of promotion. The well-established bases of promotion are seniority and merit.

Merit-based promotions: Merit based promotions occur when an employee is promoted because of superior performance in the current job. Merit here denotes an individual's knowledge, skills, abilities and efficiency as measured from his educational qualifications, experience, training and past employment record. The advantages of this system are fairly obvious :

● It motivates employees to work hard, improve their knowledge, acquire new skills and contribute to organisational efficiency.

● It helps the employer to focus attention on talented people, recognise and reward their meritorious contributions in an appropriate way.

● It also inspires other employees to improve their standards of performance through active participation in all developmental initiatives undertaken by the employer (training, executive development, etc.)

However, the system many fail to deliver the results, because:

● It is not easy to measure merit. Personal prejudices, biases and union pressures may come in the way of promoting the best performer.

● When young employees get ahead of other senior employees in an organisation (based on superior performance), frustration and discontentment may spread among the ranks. They may feel insecure and may even quit the organisation.

● Also, past performance may not guarantee future success of an employee. Good performance in one job (as a Foreman, for example) is no guarantee of good performance in another (as a supervisor).

Seniority-based promotions: Seniority refers to the relative length of service in the same organisation. Promoting an employee who has the longest length of service is often widely welcomed by unions because it is fairly objective. It is easy to measure the length of service and judge the seniority. There is no scope for favouritism, discrimination and subjective judgement. Everyone is sure of getting the same, one day.

In spite of these merits, this system also suffers from certain limitations. They are:

● The assumption that the employees learn more with length of service is not valid as employees may learn upto a certain stage, and learning capabilities may diminish beyond a certain age.

● It demotivates the young and more competent employees and results in greater employee turnover.

● It kills the zeal and interest to develop, as everybody will be promoted without showing any all-round growth or promise.

● Judging the seniority, though it seems to be easy in a theoretical sense, is highly difficult in practice as the problems like job seniority, company seniority, zonal/regional seniority, service in different organisations, experience as apprentice trainee, trainee, researcher, length of service not only by days but by hours and minutes will crop up.

Promotion Policy

Seniority and merit, thus, suffer from certain limitations. To be fair, therefore, a firm- should institute a promotion policy that gives due weightage to both seniority and merit. To strike a proper balance between the two, a firm could observe the following points:

● Establish a fair and equitable basis for promotion i.e., merit or seniority or both.

- A promotion policy established thus, should provide equal opportunities for promotion in all categories of jobs, departments and regions of an organisation.

- It should ensure an open policy in the sense that every eligible employee is considered for promotion rather than a closed system which considers only a particular class of employees. It must tell the employees the various avenues for achieving vertical growth through career maps, charts etc.

- The norms for judging merit, length of service, potentiality, etc., must be established beforehand. The relative weightage to be given to merit or seniority or both should also be spelt out clearly.

- The mode of acquiring new skills, knowledge, etc., should be specified to all employees so that they can prepare themselves for career advancement.

- Appropriate authority should be entrusted with the responsibility of taking a final decision on promotion.

- Detailed records of service, performance, etc., should be maintained for all employees, to avoid charges of favouritism, nepotism etc.

- It should be consistent in the sense that it is applied uniformly to all employees, inspective of their background.

- Promotion policy should contain alternatives to promotion when deserving candidates are not promoted due to lack of vacancies at higher level. These alternatives include upgradation, redesignation, sanctioning of higher pay or increments or allowances assigning new and varied responsibilities to the employee by enriching the job or enlarging the job.

- A provision for appeal against (alleged) arbitrary actions of management and its review should be there.

- Promotions initially may be for a trial period so as to minimise the mistakes of promotion.

- Promotion policy, once it is formulated, should be communicated to all employees, particularly to the trade union leaders. It should be reviewed periodically, based on the experiences and findings of the attitude and morale surveys.

Demotion

Demotion is the downward movement of an employee in the organisational hierarchy with lower status and pay. It is a downgrading process where the employee suffers considerable emotional and financial loss in the form of lower rank, power and status, lower pay and poor working conditions.

Causes

There are several factors responsible for demotions:

- A promotee is unable to meet the challenges posed by a new job (technically superior, administratively complex, involving multifarious responsibilities etc.)

- Due to adverse business conditions, organisations may decide to lay off some and downgrade other jobs.

- Demotions may be used as disciplinary tools against errant employees.

Policy

Demotion may turn employees into mental wrecks. It may have a devastating impact on employee morale. It is an extremely painful action, impairing relationships between people permanently. While effecting demotions, therefore, a manager should be extremely careful not to place himself on the wrong side of the fence. A clear cut policy may save the day for him in most cases.9

1. A clear list of rules along with punishable offences be made available to all the employees.

2. Any violation be investigated thoroughly by a competent authority.

3. In case of violations, it is better to state the reasons for taking such a punitive step clearly and elaborately.

4. Once violations are proved, there should be a consistent and equitable application of the penalty.

5. There should be enough room for review.

Employee Separations

Employee separations occur when employees cease to be members of an organisation. The service agreement between the employee and the employer comes to an end and the employee decides to leave the organisation. Separations can take several forms such as:[10]

1. **Resignation:** An employee may decide to quit an organisation voluntarily on personal or professional grounds such as getting a better job, changing careers, wanting to spend more time with family, or leisure activities. The decision could, alternatively, be traced to the employee's displeasure with the current job, pay, working conditions or colleagues. Sometimes an employee may be forced to quit the organisation compulsorily on grounds of negligence of duty, insubordination, misuse of funds, etc. The resignation in this case, unlike voluntary separation, is initiated by the employer. If the employee refuses to quit, he may have to face disciplinary action.

When employees resign or quit an organisation, there will be a certain amount of disruption to the normal flow of work. Replacing an experienced and talented person may not be easy in a short span of time. Training new recruits would take time and may even prove to be a prohibitive exercise in terms of costs. The HR Department, therefore, should examine the factors behind resignations carefully. Whenever possible, exit interviews must be conducted to findout why a person has decided to call it a day. To get at the truth behind the curtain, departees must be encouraged to speak openly and frankly. The interviewer must ensure confidentiality of the information leaked out by the employee. The purpose of the interview must be explained clearly and the interviewer must listen to the departee's views, opinions, critical remarks patiently and sympathetically. Every attempt must be made to make the parting of ways more pleasant (e.g., conducting interview in a place where the employee is comfortable, giving a patient and sympathetic hearing to the employee, wishing him success after settling all the dues, etc.) There should, however, be no attempt to (a) defend the company against criticism or attacks (b) justify actions which may have annoyed the employee (c) attack the departee's views or choice of new company or job (d) convince the employee to change his mind about leaving etc.

Box 8.3: Possible Exit Interview Questions to Get to the 'Truth' Behind the Curtain

1. Was the job challenging? Satisfying? Did it add value to you?
2. Was the location comfortable? Was the working environment enjoyable? Were you respected as an individual?
3. What were the three positive elements you saw in the organisation?
4. What are the major drawbacks and weaknesses of the organisation?
5. Did you experience growth in terms of level and responsibilities?
6. Did the organisation provide you with sufficient inputs to grow as a professional?
7. Did you feel your boss/organisation provided you with enough freedom and space to allow your creativity to blossom?
8. What changes would you like to see in this company if you were to reconsider joining it at some point of time in future?
9. How does your new assignment/job compare with your assignment here, in terms of job specifications, designation, and compensation?
10. Did the organisation treat you well after you decided to quit? Where did it go wrong?
11. Would you like to rejoin the organisation? Why/why not?
12. What are the two most crucial reasons for your quitting?

Source: S Khanna, 'The EXIT Interview Technique,' *Business Today*, Jan. 7-21, 1996.

2. **Retirement:** Like a quit, a retirement is normally initiated by the employee. However, a retirement differs from a quit in a number of ways. First, a retirement usually occurs at the end of an employee's career. A quit can happen at any time. Second, retirements usually result in the retiree's receiving benefits in the form of provident fund, pension, gratuity, encashment of earned leave etc., from the organisation. People who quit do not receive these benefits, (without a minimum qualifying service period in case of voluntary separations). Finally, the organisation normally plans retirements in advance. HR staff can groom current employees or recruit new ones during the intervening period in a methodical way. Quits are not easy to estimate and plan for. Employees retire from service on account of two reasons:

- *Compulsory retirement:* Government employees retire compulsorily after attaining the age of superannuation (either 58 or 60). In the private sector, the retirement age may well go beyond 60, depending on a person's ability to perform well in a competitive scenario.

- *Voluntary retirement:* In case of voluntary retirement, the normal retirement benefits are calculated and paid to all such employees who put in a minimum qualifying service. Sometimes, the employer may encourage the employee to retire voluntarily–with a view to reduce surplus staff and cut down labour costs. Attractive compensation benefits are generally in-built in all such plans (referred to as golden handshake scheme). To reduce post-retirement anxieties, companies these days organise counselling sessions, and offer investment related services (e.g., Citibank, Bank of America). Some companies extend medical and insurance benefits to the retirees also, e.g., Indian Oil Corporation.

Box 8.4: Why Employees Love NTPC?

A wide-eyed recruit talks about an employee who was in coma for four months before passing away. The medical bills come to Rs. 1.5 crore NTPC took care of it. Another talks about how it takes care of all hospitalisation expenses for employees and their families. A third talks about how the company sets up townships before beginning to work on a new plant. Last year NTPC spent Rs. 102 crore (17 hospitals run by the company with over 3000 doctors) on medical infrastructure and recovered just Rs. 2 crore of that. The attrition rate, not surprisingly is very low at NTPC. [BT-Mercer-TNS Study, Business Today, 21-11-2004]

- **Death:** Some employees may die in service. When the death is caused by occupational hazards, the employee gets compensation as per the provisions of Workmen's Compensation Act, 1923. On compassionate grounds, some organisations offer employment to the spouse/child/dependent of the employee who dies in harness.

The normal separation of people from an organisation owing to resignation, retirement or death is known as 'attrition'. It is initiated by the individual employee, not by the company.

3. **Lay off:** A layoff is a temporary removal of an employee from the payroll of an organisation due to reasons beyond the control of an employer. Global competition, reductions in product demand, changing technologies that reduce the need for workers, and mergers and acquisitions are the primary factors behind most layoffs. The services of the employees are not utilised during the layoff periods. If the layoff is for a temporary period (sometimes it could the indefinite) the employee is likely to be called back to join the ranks once again. The employer-employee relationship, therefore, does not come to an end but is merely suspended during the period of layoff. The purpose of layoff is to trim the extra fat and make the organisation lean and competitive.

Under the Industrial Disputes Act, 1947, a lay-off implies the following things (Section 2 KKK)

- The employer is temporarily unable to employ some workers on a full-time basis.
- The reasons for the refusal of employment could be traceable to shortage of inputs, power, accumulation of stocks, breakdown of machinery etc.
- The employer-employee relationship stands suspended during the period of lay off.
- The employee gets (excluding holidays) only fifty per cent of his normally eligible total basic wages plus dearness allowance during the period of lay off. (Section 25 C)

- To claim this compensation, the laid off workman (a) should not be a casual worker (b) his name must be there on the muster rolls (c) he must have one year's continuous service (d) he must report for work at the appointed time at least once a day.

These conditions, however, do not apply when (i) the worker is able to find alternative employment in a nearby location (within 5 miles), (ii) the lay off is due to strike or slowing down of production by workers in another part of the establishment (iii) the industrial establishment is seasonal in character, and (iv) where less than 20 workers are normally employed therein.

Layoffs have a powerful impact on the organisation. They bring down the morale of the organisation's remaining employees, who are forced to live in an environment of uncertainty and insecurity. Sometimes, even employees whose services may be essential for the organisation, may quit fearing loss of membership – thus causing further damage to the organisation. The company's standing as a good place to work may suffer. It may be difficult for the company to have the services of talented people afterwards. Layoffs, therefore, have to be carried out in a cautious way keeping the financial, psychological and social consequences in mind.

table 8.4

The Do's and Don'ts of Laying off or Terminating Employees

Consulting firms offer the following advice for telling employees that they will be laid off	
Do's	**Dont's**
• Give as much warning as possible for mass layoffs	• Don't leave the room, creating confusion. Tell the employee that he or she is laid off or terminated.
• Sit down one-to-one with the individual in a private office	• Don't allow time for debate
• Complete the firing session quickly	• Don't make personal comments; keep the conversation professional
• Prepare the individual who is being asked to leave to cope with his emotions	• Don't rush the employee off-site unless security is really an issue
• Offer written explanations of severance benefits	• Don't fire people on important dates (birthdays, anniversary of their employment, the day their mother died, etc.)
• Provide outplacement assistance away from company headquarters	• Don't fire employees when they are on vacation or have just returned
• Be sure the employee learns about the layoff from a manager, not a colleague	• Employees who continue to work with the company should not be ignored. They are as vulnerable to the changes as the ones being let go.
• Appreciate the contributions made by the employee – if they are appropriate	

(S. Alexander, *The Wall Street Journal* 81, 1991. Also see *"Easing the Exit"*, B. World, 1.9.2003)

4. **Retrenchment:** Retrenchment is the permanent termination of an employee's services due to economic reasons (such as surplus staff, poor demand for products, general economic slow down, etc.) It should be noted here that termination of services on disciplinary grounds, illness, retirement, winding up of a business does not constitute retrenchment. In respect of organisations employing 100 or more persons, the Industrial Disputes Act, 1947, makes it obligatory for the employer to give advance notice or pay equivalent wages before the actual lay off date. To claim 50 per cent of basic wages plus dearness allowances, the workman (who is not a casual worker, whose name appears on pay roll, who has completed 12 months of continuous service) must present himself on each working day at the appointed time inside the factory/office premises during the lay off period. If necessary, he might be asked to report a second time during the same day. While laying off workman, the employer is expected to follow the first-in-last-out principle. He should give preference to such workmen if he advertises for re-employment against future openings. The employer has to give three months' notice before retrenching the worker and get prior approval from the government as well.

t a b l e 8.5

How to Trim the Workforce?

- Stop hiring people when the first signals of trouble ahead surface. This would send the right message to the trade unions.
- Better to be on good terms with all the trade unions.
- Allay the workers' suspicions by communicating with them directly.
- Design a severance package with incentives for training and redeployment.
- Never use pressure tactics to intimidate your workers into leaving.

Examples. JK Synthetics closed down its polyester staple fibre plant in 1981. A 14-year long legal battle followed. The closure was declared illegal in 1995. Now 1100 workers may have to be reinstated along with their salaries for 14 years! Companies have therefore started the voluntary retirement schemes. NTC has shed 45,000 workers, ACC, British Oxygen, Premier Automobiles-9,000, 3,700 and 3,500 employees respectively – after obtaining support from unions. HMT, Caltex have gone a step ahead and offered the chance to workers who opt for VRS to start retail and ancillary activities on behalf of these companies! Caltex sold petrol pumps to workers accepting VRS: others like Philips, Sandoz, TISCO are trying to come out with more attractive VRS packages.

Source. Business India Jan 7-21, 1996 pp. 284-288

- **Outplacement:** Employees who are retrenched/laid off may have difficulty in finding an alternative job if the market conditions are adverse. There might be a demand for certain category of employees possessing multiple skills, but the retrenched employees may not have those 'marketable skills'. To fill this vacuum, some organisations offer training in such skills and assist the retrenched employees in finding a suitable job elsewhere. Outplacement assistance includes 'efforts made by employer to help a recently separated worker find a job' (Davis, p.269). Apart from training, some multinational firms offer assistance in the form of paid leave, travel charges for attending interviews, search firm charges, waiving bond requirements to the retrenched employees. Bank of America has given a 'fat sum' as liberal retrenchment compensation running into several lakhs of rupees to all eligible retrenched officers in 1998. It has also held counselling sessions for those officers on issues such as how to repay their car/ house loans, where for invest their money, etc. Search firms were also hired to find suitable employment. When the downsizing effort stabilised, Bank of America had even extended the former employees' a 'warm welcome back home!' Such outplacement assistance, in whatever form it is available, assures the remaining employees of the management's commitment towards their welfare if a further downsizing ever happens to take place in future.

t a b l e 8.6

Merits and Demerits of Outplacement

Merits	Demerits
• Shows the human face of the company.	• May be time consuming and costly.
• Eases the pain of retrenchment.	• Maintaining databases on other jobs is not easy.
• Preserves the morale of those who remain with the company.	• Can work only when retrenching a few managers at a time.
• Smoothens the way for future downsizing moves.	• Can be turned down by angry, disillusioned employees.
• Helps you retain your former employees' respect.	• Difficult to convince and implement at the level of workers.

Source: Business India Jan 7-21, 1996 pp. 300-504

- **Suspension:** Suspension means prohibiting an employee from attending work and performing normal duties assigned to him. It is a sort of punishment for a specified period and is generally

resorted to only after a proper inquiry has been conducted. During suspension, the employee receives a subsistence allowance. If the charges against the suspended employee are serious and are proved, suspension may lead to termination also.

5. **Discharge and dismissal:** Dismissal is the termination of the services of an employee as a punitive measure for some misconduct. Discharge also means termination of the services of an employee, but not necessarily as a punishment. A discharge does not arise from a single, irrational act. There could be many reasons for it such as:

Table 8.7

Reasons for Discharge

● Inebriation and alcoholism	● Dishonesty
● Wilful violation of rules	● Violent and aggressive acts
● Carelessness	● Inefficiency
● Insubordination	● Unauthorised absence from duty for a long time
● Physical disability	

Discharge/dismissal is a drastic measure seriously impairing the earnings potential and the image of an employee. It should be used sparingly, in exceptional cases where the employee has demonstrated continued inefficiency, gross insubordination or continued violating rules even after several warnings. Before discharging the employee, advance notice of the impending danger must be given and the reasons of discharge must be stated clearly. The employee should be given the opportunity to defend himself. If the grounds under which an employee has been discharged are not strong enough, there should be a provision for reviewing the case. In any case, the punishment should not be out of proportion to the offence.

Terminology

- **Placement:** Actual posting of an employee to a specific job – with rank and responsibilities attached to it.

- **Induction:** Introduction of a person to the job and the organisation.

- **Socialisation:** The process through which the new recruit begins to understand and accept the values, norms and beliefs held by others in the organisation.

- **Buddy System:** An orientation programme where an experienced employee is asked to show the new workers around, conduct the introductions for the supervisor and answer the newcomer's questions.

- **Internal mobility:** The lateral or vertical movement of an employee within an organisation.

- **Transfer:** Employee movement that occurs when an employee is moved from one job to another that is relatively equal in pay, responsibility and/or organisational level.

- **Promotion:** Employee movement from current job to another that is higher in pay, responsibility and/or organisation level.

- **Demotion:** Employee movement that occurs when an employee is moved from one job to another that is lower in pay, responsibility and/or organisational level.

- **Merit based promotion:** An upward movement based on superior performance in the present job.

- **Separation:** A separation is a decision that the individual and the organisation should part.

- **Resignation:** A voluntary separation initiated by the employee himself.

- HR policies are jointly developed and implemented by HR and operating managers.
- HR puts focus on quality, customer service, employee involvement, teamwork and productivity.
- HRM strategies and practices are in tune with employee expectations, customer needs and changing competitive requirements. To be effective, HR strategies must fit with overall organisational strategies, the environment in which the firm is operating, unique organisational characteristics and organisational capabilities (G. Mejia et al.)

Strategic Human Resources Management

SHRM is the pattern of planned human resource developments and activities intended to enable an organisation to achieve its goals (Wright and McMahan). This means accepting the HR function as a *strategic partner* in both the formulation of the company's strategic, as well as in the implementation of those activities through HR activities. While formulating the strategic plan HR management can play a vital role, especially in identifying and analysing external threats and opportunities. (Environmental scanning) that may be crucial to the company's success. HR management can also offer competitive intelligence (like new incentive plans being used by competitors, data regarding customer complaints etc.) that may be helpful while giving shape to strategic plans. HR function can also throw light on company's internal strengths and weaknesses. For example, IBM's decision to buy Lotus was probably prompted in part by IBM's conclusion that its own human resources were inadequate for the firm to reposition itself as an industry leader in networking systems (*Dessler*). Some firms even develop their strategies based on their own HR- based competitive advantage. Software Majors, Wipro, TCS have not slowed down their recruitment efforts during the lean periods, pinning hopes on their own exceptionally talented employee teams. In fact they have built their strategic and operating plans around outsourcing sourcing contracts from US, Europe, Japan and Germany-which would help them exploit the capabilities of their employees fully.

HR has a great role to play in the execution of strategies. For example, HDFC's competitive strategy is to differentiate itself from its competitors by offering superior customer service at attractive rates (searching the right property, finishing legal formalities, offering expert advice while negotiating the deal, competitive lending rates, fast processing of applications, offering other financial products of HDFC at concessional rates, door-to-door service as per customers' choice etc. (*HDFC's growth architecture, Business Today*, Jan 6, 2001). Since the same basic services are offered by HDFC's competitors such as LIC Housing Finance GIC Housing Finance, banks and private sector, players like Dewan Housing Finance, Ganesh Housing, Live Well Home, Peerless Abassan etc. HDFC's workforce offers a crucial competitive advantage (highly committed, competent and customer-oriented workforce). HR can help strategy implementation in other ways. It can help the firm carry out restructuring and downsizing efforts without rubbing employees on the wrong side- say, through outplacing employees, linking rewards to performance, reducing welfare costs, and retraining employees. HR can also initiate systematic efforts to enhance skill levels of employees so that the firm can compete on quality.

Globalisation, deregulation and technological innovation have- in recent times- created the need for rather, faster and more competitive organisations. Under the circumstances, employee behaviour and performance is often seen as the best bet to push competitors to a corner and enhance productivity and market share. HR practices build competitiveness because they allow for strategic implementation, create a capacity for change and instil strategic unity.

Traditional HR Versus Strategic HR

SHRM realises that people can make or break an organisation because all decisions made regarding finance, marketing operations or technology are made by an organisation's people. So it accords highest priority to managing people and tries to integrate all HR programmes and policies with the overall corporate strategy. It compels people at all levels to focus more on strategic issues rather than operational issues. More importantly, it believes that there is no best way to manage people in any given organisation. Even

within a given industry, HR practices can vary extensively, from one organisation to another. Armed with such a flexible approach, SHRM tries to develop a consistent, aligned collecting of practices, programmes and policies to facilitate the achievement of the organisation's strategic objectives.[4]

figure 1.2

The evolving Strategic Role of Human Resource Management

Strategic HR shifts attention, as against the traditional HR's focus on employee relations, to partnerships with internal and external groups. The focus on managing people is more systemic with an understanding of the myriad factors that impact employees and the organisation and how to manage multiple relationships to ensure satisfaction at all levels of the organisation, Strategic HR is transformational in nature, in that it helps the people and the organisation to adopt, learn and act quickly." It will make sure that change initiatives that are focused on creating high performance teams, reducing cycle time for innovation, or implementing new technology are defined, developed and delivered in a timely way" (ULRICH, 1998). Strategic HR is proactive and considers various time frames in a flexible manner. Likewise it permits employees to process work and carry out job responsibilities in a free-flowing way. Rather than being enveloped by tight controls and excessive regulations, operations are controlled by whatever is necessary to succeed, and control systems are modified as needed to meet changing conditions. Job design is organic, specialisation is replaced by cross training and independent tasks are replaced by teams, encouraging autonomy at various levels. Above all, strategic HR believes that the organisation's key assets are its people. It realises that an organisation can have competitive edge over its rivals if it is able to attract and retain knowledge workers who can optimally utilise and manage the organisation's critical resources. In the final analysis people are the organisation's only sustainable competitive advantage [Pfeffer, 1994]. While running the show, strategic HR, of course, argues that any individual in an organisation who has responsibility for people is an HR manager, regardless of the technical area in which he or she works. (see Table 1.1) Strategic HR offers three critical outcomes: increased performance, enhanced customer and employee satisfaction and increased shareholder value. These outcomes are accomplished through effective management of staffing, retention and turnover processes, selection of employees that fit with both the organisational strategy and culture, cost-effective utilisation of employees through investment in identified human capital with the potential for higher return; integrated HR programmes and policies that clearly follow from corporate strategy; facilitation of change and adaptation through a flexible, more dynamic organisation; and tighter focus on customer needs, emerging markets and quality. (See Figure 1.3)

History of Personnel/Human Resource Management (P/HRM)

The field of P/HRM as it currently exists, represents a crystallisation of a variety of historical and contemporary factors:

1. **The industrial revolution:** During this period machines were brought in; technology made rapid progress; jobs were more fragmented where the worker did only a small portion of the total job; and specialisation increased speed and efficiency but left workers with dull, boring and monotonous

table 1.1

Traditional HR versus Strategic HR

Point of distinction	Traditional HR	Strategic HR
Focus	Employee Relations	Partnerships with internal and external customers
Role of HR	Transactional change follower and respondent	Transformational change leader and initiator
Initiatives	Slow, reactive, fragmented	Fast, proactive and integrated
Time horizon	Short-term	Short, medium and long (as required)
Control	Bureaucratic-roles, policies, procedures	Organic-flexible, whatever is necessary to succeed
Job design	Tight division of labour, independence, specialisation	Broad, flexible, cross-training teams
Key investments	Capital, products	People, knowledge
Accountability	Cost centre	Investment centre
Responsibility for HR	Staff specialists	Line managers

jobs. Workers were treated like 'glorified machine tools'. Employers were keen to meet production targets rather than satisfy workers' demands. Government did very little to protect the interests of workers.

2. **Scientific management:** To improve efficiency and speed *F W Taylor* advocated scientific management. Scientific management is nothing but a systematic analysis and breakdown of work into its smallest mechanical elements and rearranging them into their most efficient combination. In addition to the scientific study of the task itself, Taylor argued that individuals selected to perform the tasks should be as perfectly matched, physically and mentally, to the requirements of the task as possible and that overqualified individuals should be excluded. Employees should also be trained carefully by supervisors to ensure that they performed the task exactly as specified by prior scientific

figure 1.3

A Model of Strategic Human Resources Management (adopted from Mello)
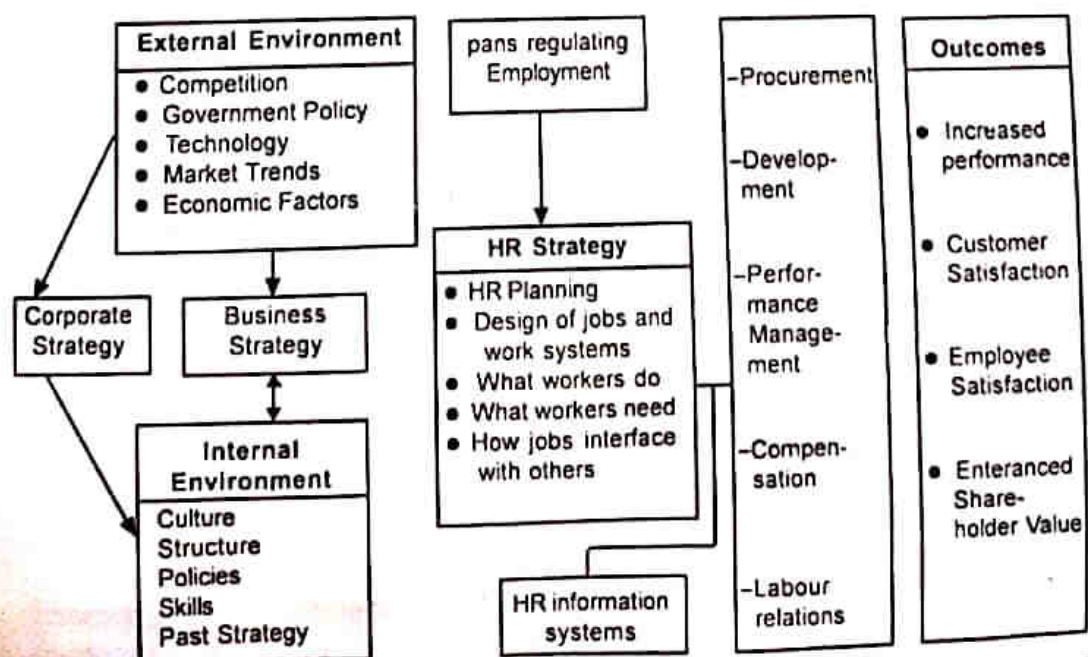
analysis. A differential piece rate system was also advocated by Taylor to provide an incentive for employees to follow the detailed procedures specified by supervisors.

3. **Trade unionism:** Workers joined hands to protect against the exploitative tendencies of employers and the prohibitive, unfair labour practices through unions. Unions tried to improve the lot of workers through collective bargaining, resolving the grievances of workers relating to working conditions, pay and benefits, disciplinary actions, etc.

4. **Human relations movement:** The famous Hawthorne experiments conducted by *Elton Mayo* and his Harvard colleagues during 1930s and 1940s demonstrated that employee productivity was affected not only by the way the job was designed and the manner in which employees were rewarded economically, but by certain social and psychological factors as well. The human relations movement led to the wide scale implementation of behavioural science techniques in industry for the first time which included supervisory training programmes, emphasising support and concern for workers, programmes to strengthen the bonds between labour and management and counselling programmes whereby employees were encouraged to discuss both work and personal problems with trained counsellors. The movement was also influenced by the growing strength of unions during the late 1930s and 1940s. The rise of unionism during this period was due to the passage of the Wagner Act which gave workers the legal right to bargain collectively with employers over matters concerning, wages, job security, benefits and many other conditions of work.

5. **Human resources approach:** However, during early 60s the 'pet milk theory', (advocating that happy workers are productive workers or happy cows give more milk) of human relationists had been largely rejected. Recognising the fact that workers are unique in their own way – having individual needs. It was recognised that each employee is a unique and highly complex individual with different wants, needs and values. What motivates one employee may not motivate another and being happy or feeling good may have little or no impact on the productivity of certain employees. Slowly but steadily, the trend towards treating employees as resources or assets emerged.

"The Human Resource Approach assumes that the job or the task itself is the primary source of satisfaction and motivation to employees ... The emphasis in the human resource approach is on individual involvement in the decisions made in the organisation". In addition, this approach emphasises the following things.

*   People do not inherently dislike work and if they are helped establish objectives they want to achieve them.

*   Most people can exercise a great deal more self-direction, self-control and creativity than are required in their current jobs (Theory Y).

*   The managers' basic job is to use the untapped human potential in the service of the organisation.

*   The manager should create a healthy environment wherein all subordinates can contribute to the best of their capacities. The environment should provide a healthy, safe, comfortable and convenient place to work.

*   The manager should provide for self-direction by the subordinates and they must be encouraged to participate fully in all important matters.

*   Expanding subordinates' influence, self-direction and self-control will lead to direct improvements in operating efficiency.

*   Work satisfaction may improve as a 'by-product' of subordinates making full use of their potential.

The contribution of behavioural science to management practice consists primarily of producing new insights rather than new techniques. It has developed and expanded into a useful way of

thinking, about the role of the manager, the nature of organisations and the behaviour of an individual within an organisation.

Evolution of the Concept of HRM

The early part of the century saw a concern for improved efficiency through careful design of work. During the middle part of the century emphasis shifted to the availability of managerial personnel and employee productivity. Recent decades have focused on the demand for technical personnel, responses to new legislation and governmental regulations, increased concern for the quality of working life, total quality management and a renewed emphasis on productivity. Let us look into these trends more closely by examining the transformation of personnel function from one stage to another in a chronological sequence:

table 1.2

Evolution of the Personnel Function

Concept	What is it all about?
The Commodity concept	Labour was regarded as a commodity to be bought and sold. Wages were based on demand and supply. Government did very little to protect workers.
The Factor of Production concept	Labour is like any other factor of production, viz, money, materials, land, etc. Workers are like machine tools.
The Goodwill concept	Welfare measures like safety, first aid, lunch room, rest room will have a positive impact on workers' productivity
The Paternalistic concept/ Paternalism	Management must assume a fatherly and protective attitude towards employees. Paternalism does not mean merely providing benefits but it means satisfying various needs of the employees as parents meet the requirements of the children.
The Humanitarian concept	To improve productivity, physical, social and psychological needs of workers must be met. As Mayo and others stated, money is less a factor in determining output, than group standards, group incentives and security. The organisation is a social system that has both economic and social dimensions.
The Human Resource concept	Employees are the most valuable assets of an organisation. There should be a conscious effort to realise organisational goals by satisfying needs and aspirations of employees.
The Emerging concept	Employees should be accepted as partners in the progress of a company. They should have a feeling that the organisation is their own. To this end, managers must offer better quality of working life and offer opportunities to people to exploit their potential fully. The focus should be on Human Resource Development.

Growth in India[5]

Early phase: Though it is said that P/HRM a discipline is of recent growth, it has had its origin dating back to 1800 B.C. For example: the minimum wage rate and incentive wage plans were included in the Babylonian Code of Hammurabi around 1800 B.C. The Chinese, as early as 1650 B.C. had originated the principle of division of labour and they understood labour turnover even in 400 B.C. The span of management and related concepts of organisation were well understood by Moses around 1250 B.C. and the Chaldeans had incentive wage plans around 400 B.C. Kautilya, in India (in his book Arthasastra) made reference to various concepts like job analysis, selection procedures, executive development, incentive system and performance appraisal.

Legal phase: The early roots of HRM in India could be traced back to the period after 1920. The Royal commission on labour in 1931 suggested the appointment of labour officer to protect workers' interests and act as a spokesperson of labour. After Independence, The Factories Act 1948, made it obligatory for factories employing 500 or more workers.

table 1.3

Responsibilities of the Welfare Officer

The model rules framed under the Factories Act, 1948, which was the pioneering legislation to provide for the appointment of Welfare Officers, had laid down a chart of responsibilities for them. These responsibilities are:

1. Supervision of
   (a) Safety, health and welfare programmes; such as housing, recreation, sanitation services as provided under law or otherwise.
   (b) Working of joint committees,
   (c) Grant of leave with wages as provided and
   (d) Redressal of workers' grievances

2. Counselling workers in
   (a) personal and family problems,
   (b) adjusting to the work environment and
   (c) understanding rights and privileges

3. Advising the management in
   (a) formulating labour and welfare policies,
   (b) apprenticeship-training programmes,
   (c) meeting the statutory obligation to workers,
   (d) developing fringe benefits and
   (e) workers' education and the use of communication media.

4. Liaison
   (a) with workers so as to
      (i) understand various limitations under which they work,
      (ii) appreciate the need for harmonious industrial relations in the plant,
      (iii) interpret company policies to workers and
      (iv) persuade them to come to a settlement in case of a dispute.
   (b) with the management so as to
      (i) appreciate the workers' viewpoints in various matters in the plant,
      (ii) intervene on behalf of the workers in matters under consideration of the management,
      (iii) help different departmental heads to meet their obligations under the Act,
      (iv) maintain harmonious industrial relations in the plant and
      (v) suggest measures for promoting the general well-being of workers.
   (c) with workers and the management so as to
      (i) maintain harmonious industrial relations in the plant,
      (ii) have the way for prompt redressal of grievances and the quick settlement of disputes and
      (iii) improve the productive efficiency of the enterprise.
   (d) with outside agencies, such as
      (i) factory inspectors, medical officers and other inspectors for securing the people by enforcement of various acts as applicable to the plant and
      (ii) other agencies in the community, with a view to helping workers to make used of community services.

"In view of legal compulsions and the enumeration of duties the entire approach of organisations toward their personnel was to comply with the laws and keep the welfare officers busy with routine functions" Meanwhile two professional bodies, viz., the Indian Institute of Personnel Management (IIPM) Kolkatta and the National Institute of Labour Management (NILM) Mumbai have come into existence in 1950s.

Welfare phase: During the 1960s the scope of personnel function has expanded a bit, covering labour welfare, participative management, industrial harmony, etc. "In this period, the human relations movement of the West had also had its impact on Indian organisations". The legalistic preoccupations slowly gave way to harmonious industrial relations and good HR practices.

Development phase: In 1960s and 70s the HR professionals focused more on developmental aspects of human resources. The emphasis was on striking a harmonious balance between employee demands and organisational requirements. HRD has come to occupy a centre stage and a focal point of discussion in

C h a r t 1.1

Functions of P/HRM (See Chapter 2 for explanation)

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                              ┌──────────┐
                              │  P/HRM   │
                              └──────────┘
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Managerial functions:	Operative Functions					
	Procurement	Development:	Motivation and Compensation:	Maintenance:	Integration:	Emerging Issues:
– Planning	Job Analysis	Training	Job design	Health	Grievances	• Personnel records
	HR planning	Executive development	Work scheduling	Safety	Discipline	• Personnel audit
					Teams and teamwork	
– Organising	Recruitment	Career planning	Motivation	Welfare		• Personnel research
	Selection	Succession	Job evaluation	Social security	Collective bargaining	• HR accounting
– Directing	Placement	planning	Performance and potential appraisal		Participation	• HRIS
	Induction	Human resources development strategies	Compensation administration		Empowerment	• Job stress
– Controlling					Trade unions	• Counseling
	Internal mobility		Incentives benefits and services		Employers' associations	• Mentoring
					Industrial relations	• International HRM

h.   It is concerned mostly with managing human resources at work.

i.   Personnel management is the central sub-system of an organisation and it permeates all types of functional management viz., production management, marketing management and financial management.

j.   Personnel management aims at securing unreserved cooperation from all employees in order to attain predetermined goals.

Looking at the comprehensive nature of the function, most writers prefer to use the term in a broad way. In this book the terms Personnel Management and HRM have been used synonymously signifying "*a set of activities in all organisations intended to influence the effectiveness of human resources and organisations*" (*Glueck*). Of all, the most comprehensive definition has been advanced by a renowned scholar, Michael Jucius, who defined personnel management as a field of management which has to do with planning and controlling various operative functions of procuring, developing, maintaining and utilising a labour force, such that the: (i) Objectives for which the company is established are attained economically and effectively; (ii) objectives of all levels of management are served to the highest possible degree; (iii) objectives of the community are duly considered and served.

Personnel/Human Resource Management – Functions

P/HRM is concerned with two sets of functions, namely – managerial functions and operative functions.

Managerial Functions

The basic managerial functions comprise planning, organising, directing and controlling.

* *Planning:* This function deals with the determination of the future course of action to achieve desired results. Planning of personnel today prevents crises tomorrow. The personnel manager is expected to determine the personnel programme regarding recruitment, selection and training of employees.

* *Organising:* This function is primarily concerned with proper grouping of personnel activities, assigning of different groups of activities to different individuals and delegation of authority. Creation of a proper structural framework is his primary task. Organising, in fact, is considered to be the wool of the entire management fabric and hence cannot afford to be ignored.

* *Directing:* This involves supervising and guiding the personnel. To execute plans, direction is essential for without direction there is no destination. Many a time, the success of the organisation depends on the direction of things rather than their design. Direction then consists of motivation and leadership. The personnel manager must be an effective leader who can create winning teams. While achieving results, the personnel manager must, invariably, take care of the concerns and expectations of employees at all levels.

* *Controlling:* Controlling function of personnel management comprises measuring the employee's performance, correcting negative deviations and industrial assuring an efficient accomplishment of plans. It makes individuals aware of their performance through review reports, records and personnel audit programmes. It ensures that the activities are being carried out in accordance with stated plans.

Operative Functions

The operative functions of P/HRM are related to specific activities of personnel management, viz., employment, development, compensation and industrial relations. These functions are to be performed in conjunction with managerial functions.

1. **Procurement function:** The first operative function of personnel management is procurement. It is concerned with procuring and employing people who possess necessary skill, knowledge and aptitude. Under its purview you have job analysis, manpower planning, recruitment, selection, placement, induction and internal mobility.

   i. *Job analysis:* It is the process of collecting information relating to the operations and responsibilities pertaining to a specific job.

   ii. *Human resources planning:* It is a process of determining and assuring that the organisation will have an adequate number of qualified persons, available at proper times, performing jobs which would meet their needs and provide satisfaction for the individuals involved.

   iii. *Recruitment:* It is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.

   iv. *Selection:* It is the process of ascertaining qualifications, experience, skill and knowledge of an applicant with a view to appraising his/her suitability to the job in question.

   v. *Placement:* It is the process that ensures a 360° fit, matching the employee's qualifications, experience, skills and interest with the job on offer. It is the personnel manager's responsibility to position the right candidate at the right level.

   vi. *Induction and orientation:* Induction and orientation are techniques by which a new employee is rehabilitated in his new surroundings and introduced to the practices, policies, and people. He must be acquainted with the principles which define and drive the organisation, its mission statement and values which form its backbone.

   vii. *Internal Mobility:* The movement of employes from one job to another through transfers and promotions is called internal mobility. Some employees leave an organisation due to various reasons leading to resignation, retirement and even termination. These movements are known as external mobility. In the best interest of an organisation and its employees, such job changes should be guided by well-conceived principles and policies.

2. **Development:** It is the process of improving, moulding, changing and developing the skills, knowledge, creative ability, aptitude, attitude, values and commitment based on present and future requirements both at the individual's and organisation's level. This function includes:

   i. *Training:* Training is a continuous process by which employees learn skills, knowledge, abilities and attitudes to further organisational and personnel goals.

   ii. *Executive development:* It is a systematic process of developing managerial skills and capabilities through appropriate programmes.

   iii. *Career planning and development:* It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes succession planing which implies identifying developing and tracking key individuals for executive positions

   iv. *Human resource development:* HRD aims at developing the total organisation. It creates a climate that enables every employee to develop and use his capabilities in order to further both individual and organisational goals.

3. **Motivation and compensation:** It is a process which inspires people to give their best to the organisation through the use of intrinsic (achievement, recognition, responsibility) and extrinsic (job design, work scheduling, appraisal based incentives) rewards.

   i. *Job design:* Organising tasks, and responsibilities towards having a productive unit of work is called job design. The main purpose of job design is to integrate the needs of employers to suit the requirements of an organisation.

ii. **Work scheduling:** Organisations must realise the importance of scheduling work to motivate employees through job enrichment, shorter work weeks flexi-time, work sharing and home work assignments. Employees need to be challenged at work and the job itself must be one that they value. Work scheduling is an attempt to structure work, incorporating the physical, physiological and behavioural aspects of work.

iii. **Motivation:** Combining forces that allow people to behave in certain ways is an integral aspect of motivation. People must have both the ability and the motivation if they are to perform at a high level. Managers generally try to motivate people through properly administered rewards (financial as well as non-financial).

iv. **Job evaluation:** Organisations formally determine the value of jobs through the process of job evaluation. Job evaluation is the systematic process of determining the relative worth of jobs in order to establish which jobs should be paid more than others within the organisation. Job evaluation helps to establish internal equality between various jobs.

v. **Performance appraisal:** After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance evaluation or appraisal is the process of deciding how employees do their jobs. It is a method of evaluating the behaviour of employees at the workplace and normally includes both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating work-related behaviour and potential of employees. It is a process that involves determining and communicating to an employee how he or she is performing and ideally, establishing a plan of improvement.

The appraisal process consists of six steps: (1) establish performance standards with employees; (2) set measurable goals (manager and employee); (3) measure actual performance; (4) compare actual performance with standards; (5) discuss the appraisal with the employees and (6) if necessary initiate corrective action.

vi. **Compensation administration:** Compensation administration is the process of dividing how much an employee should be paid. The important goals of compensation administration are to design a low-cost pay plan that will attract, motivate and retain competent employees-which is also perceived to be fair by these employees.

vii. **Incentives and benefits:** In addition to a basic wage structure, most organisations nowadays offer incentive compensation based on actual performance. Unlike incentives, benefits and services are offered to all employees as required by law including social security, insurance, workmen's compensation, welfare amenities etc.)Organisations have been offering a plethora of other benefits and services as well as a means of 'sweetening the pot'. (employee stock options, birthday gifts, anniversary gifts, paid holidays, club membership)

4. **Maintenance:** It aims at protecting and preserving the physical and psychological health of employees through various welfare measures.

i. **Health and safety:** Managers at all levels are expected to know and enforce safety and health standards throughout the organisation. They must ensure a work environment that protects employees from physical hazards, unhealthy conditions and unsafe acts of other personnel. Through proper safety and health programmes, the physical and psychological well-being of employees must be preserved and even improved.

ii. **Employee welfare:** Employee welfare includes the services, amenities and facilities offered to employees within or outside the establishment for their physical, psychological and social well being. Housing, transportation, education and recreation facilities are all included in the employee welfare package.

iii. *Social security measures:* Managements provide social security to their employees in addition to fringe benefits. These measures include: (a) Workmen's compensation to those workers (or their dependents) who are involved in accidents; (b) Maternity benefits to women employees; (c) Sickness benefits and medical benefits; (d) Disablement benefits/allowance; (e) Dependent benefits; (f) Retirement benefits like Provident Fund, Pension, Gratuity, etc.

5. **Integration function:** This tries to integrate the goals of an organisation with employee aspirations through various employee-oriented programmes, like redressing grievances promptly, instituting proper disciplinary measures, empowering people to decide things independently, encouraging a participative culture, offering constructive help to trade unions etc.

i. *Grievance redressal:* A grievance is any factor involving wages, hours or conditions of employment that is used as a complaint against the employer. Constructive grievance handling depends first on the manager's ability to recognise, diagnose and correct the causes of potential employee dissatisfaction before it converts into a formal grievance.

ii. *Discipline:* It is the force that prompts an individual or a group to observe the rules, regulations and procedures, which are deemed necessary for the attainment of an objective.

iii. *Teams and teamwork:* Self-managed teams have emerged as the most important formal groups in today's organisations. They enhance employee involvement and have the potential to create positive synergy. By increasing worker interaction, they create camaraderie among team members. They encourage individuals to sublimate their individual goals for those of the group. Teams have inherent strengths which ultimately lead to organisational success at various levels.

iv. *Collective bargaining:* It is the process of agreeing on a satisfactory labour contract between management and union. The contract contains agreements about conditions of employment such as wages, hours, promotion, and discipline; lay off, benefits, vacations, rest pauses and the grievance procedure. The process of bargaining generally takes time, as both parties tend to make proposals and counter- proposals. The resulting agreement must be ratified by unions, workers and management.

v. *Employee participation and empowerment:* Participation means sharing the decision-making power with the lower ranks of an organisation in an appropriate manner. When workers participate in organisational decisions they are able to see the big picture clearly and also how their actions would impact the overall growth of the company. They can offer feedback immediately based on their experiences and improve the quality of decisions greatly. Since they are now treated with respect, they begin to view the job and the organisation as their own, and commit themselves to organisational objectives whole-heartedly.

vi. *Trade unions and employees association:* Trade union is an association either of employees or employers or independent workers. It is a relatively permanent a body formed by workers with the objective of countering exploitation and harassment. It strives towards providing economic and social benefits to the labour community. Trade unions have always played a powerful role in improving the lot of workers in India, using aggressive bargaining tactics. However since the 90's, the situation changed dramatically. Unable to fight the forces of competition, many employers have been forced to shutdown units and scale down operations. This has made both parties realise the importance of bargaining for their rights in an atmosphere of 'give and take'.

vii. *Industrial relations:* Harmonious industrial relations between labour and management are essential to achieve industrial growth and higher productivity. When the relationship between the parties is not cordial, discontentment develops and conflicts erupt abruptly. It is not always easy to put out the fires with the existing dispute-settlement-machinery, created by the government. Hence both labour and management must appreciate the importance of openness, trust and collaboration in their day-to-day dealings.

6. **Emerging issues:** Effective management of human resources depends on refining HRM practices to changing conditions. Hence the need to look at other important issues that can motivate people to give their best in a dynamic and ever-changing environment.

   i. *Personnel records:* Personnel records such as papers, files, cards, cassettes and films are maintained to have tangible record of what is actually happening in an organisation and to formulate appropriate HR policies and programmes (based on historical records, actual experience and future trends) from time to time.

   ii. *Human resource audit:* Human resource audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of HRM. Personnel audit (a) measures the effectiveness of personnel programmes and practices and (b) determines what should or should not be done in future.

   iii. *Human resources research:* It is the process of evaluating the effectiveness of human resource policies and practices and developing more appropriate ones.

   iv. *Human resources accounting (HRA):* It is a measurement of the cost and value of human resources to the organisation. Human resource management is said to be effective if its value and contribution in any organisation is more than its cost.

   v. *Human resource information system:* HRIS is an integrated system designed to improve the efficiency with which HR data is compiled. It makes HR records more useful to the management by serving as a source of information.

   vi. *Stress and counseling:* Stress is the psychological and physical reaction to certain life events or situations. At an organisational level, stress results in burn out, substance abuse in the form of alcohol or drug use/dependence reduced job satisfaction, increased absenteeism and increased turnover. Companies, therefore, are closely looking at what should be done to promote the physical and mental well being of employees through proper counseling and employee development programmes.

   vii. *International human resource management:* International business is important to almost every business today and so firms must increasingly be managed with a clear global focus. This of course, poses many challenges before managers including coordinating production, sales and financial operations on a worldwide basis. International HRM places greater emphasis on a number of responsibilities and functions such as relocation, orientation and training services to help employees adapt to a new and different environment outside their own country.