

MODULE 3 STAFFING AND RELATED HRD FUNCTIONS

Introduction

Progressive employers and senior managers all over the world often say *that people are their most important resource or asset* of any Organisation/Company. But, this is never found to appear as a distinct item in the balance sheet of their business. The famous American Social-Psychologist Renesis Likert and his associates suggested the necessity for "human resource accounting". This module lays emphasis on Staffing and HRD and its related functions, through which managers can decide the success or failure of an enterprise.

The great management guru Peter F. Drucker assigned 3 major responsibilities to management, namely, (i) Managing work ; (ii) Managing workers and (iii) Managing Managers. The Staffing and related HRD functions involves the discharge of the last responsibility— Managing Managers.

Meaning

The term 'Staffing' relates to the recruitment, selection, development, training and compensation of the managerial personnel. Staffing, like all other managerial functions, is the duty which the apex management performs at all times. In a newly created enterprise, the staffing would come as a third step—next to planning and organizing, but in a going enterprise the staffing process is continuous. In order to define and clarify the group of employees included in the staffing concept, it must be stated that the staffing function is concerned with the placement, growth and development of all of those members of the organization whose function it is to get things done through one effort of other individuals.

According to Koontz and O'Donnell "Staffing involves manning the organisational structure through effective and proper selection, appraisal, and development of personnel to fill the roles designed into the structure."

According to Theo Haimann, "Staffing pertains to recruitment, selection, development and compensation of subordinates."

In short, The managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of the personnels to fill the roles assigned to the employers/workforce.

Nature

Staffing function is the most important managerial act along with planning, organizing, directing and controlling. The operations of these four functions depend upon the manpower which is available through staffing function. It facilitates procurement and placement of right people on the right jobs.

The nature of staffing is discussed below:

1. Staffing is People Centred: Staffing is people centred and is relevant in all types of organisations. It is concerned with all categories of personnel from top to bottom of the organisation.

The broad classification of personnel may be as follows:

- (i) Blue collar workers (i.e., those working on the machines and engaged in loading, unloading etc.) and white collar workers (i.e., clerical employees).
- (ii) Managerial and non-managerial personnel.
- (iii) Professionals (such as Chartered Accountant, Company Secretary, Lawyer, etc.).

2. Staffing is Responsibility of Every Manager: Staffing is a basic function of management. Every manager is continuously engaged in performing the staffing function. He is actively associated with recruitment, selection, training and appraisal of his subordinates. These activities are performed by the chief executive, departmental managers and foremen in relation to their subordinates. Thus, staffing is a pervasive function of management and is performed by the managers at all levels.

It is the duty of every manager to perform the staffing activities such as selection, training, performance appraisal and counseling of employees. In many enterprises. Personnel Department is created to perform these activities.

But it does not mean that the managers at different levels are relieved of the responsibility concerned with staffing. The Personnel Department is established to provide assistance to the managers in performing their staffing function. Thus, every manager has to share the responsibility of staffing.

3. Staffing deals with Human Skills: Staffing function is concerned with training and development of human resources. Every manager should use human relations skill in providing guidance and training to the subordinates. Human relations skills are also required in performance appraisal, transfer and promotion of subordinates. If the staffing function is performed properly, the human relations in the organisation will be cordial.

4. Staffing is a Continuous Function: Staffing function is to be performed continuously. It is equally important in the established organisations and the new organisations. In a new organisation, there has to be recruitment, selection and training of personnel. In a running organisation, every manager is engaged in various staffing activities. He is to guide and train the workers and also evaluate their performance on a continuous basis.

Staffing Process

Staffing involves filling the positions needed in the organization structure by appointing competent and qualified persons for the job. The staffing process encompasses man power planning, recruitment, selection, and training.



a) Manpower requirements: Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. The primary function of man power planning is to analyze and evaluate the human resources available in the organization, and to determine how to obtain the kinds of personnel needed to staff positions ranging from assembly line workers to chief executives.

b) Recruitment: Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. Job descriptions and job specifications are important in the recruiting process because they specify the nature of the job and the qualifications required of job candidates.

c) Selection: Selecting a suitable candidate can be the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

d) Training and Development: Training and Development is a planned effort to facilitate employee learning of job-related behaviors in order to improve employee performance. Experts sometimes distinguish between the terms “training” and “development”; “training” denotes efforts to increase employee skills on present jobs, while “development” refers to efforts oriented toward improvements relevant to future jobs. In practice, though, the distinction is often blurred (mainly because upgrading skills in present jobs usually improves performance in future jobs).

Job Analysis and Manpower Planning

Before we proceed to explain the concept of job analysis, let us first understand the meaning of the term ‘job’ itself

Job: According to Dale Yoder ‘, “A job is a collection or aggregation of tasks, duties and responsibilities which as a whole, is regarded as a regular assignment to individual employees and which is different from other assignments”. Thus, a job may be defined as a group of positions involving some duties, responsibilities, knowledge and skills.

Each job has a definite title based on standard trade specialisations within a job. Each job is different from other jobs like peon, clerk, supervisor, and accountant, manager, etc. A job may include many positions. A position is a particular set of duties and responsibilities regularly assigned to an individual.

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

Let us consider a few important definitions of job analysis.

According to Jones and Decothis “Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions”.

According to Edwin B. Flippo “Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications”.

In simple words, job analysis and Manpower planning can be understood as an assessment that describes jobs and the skills, qualities and behaviors necessary to perform them.

There are two major aspects of job analysis, namely..

1. Job Description
2. Job Specification

Uses of job analysis

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

The same is specified as follows:

1. **Human Resource Planning:** This estimates the quantity and quality of people who will be required in the future. How many and what type of people will be required depends on the jobs to be staffed. Job-related information available through job analysis is, therefore, necessary for human resource planning.
2. **Recruitment and Selection:** Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as a basis for recruitment and selection of employees in the organisation.
3. **Training and Development:** Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement, job enrichment, job rotation, etc.
4. **Placement and Orientation:** As job analysis provides information about what skills and qualities are required to do a job, the management can gear orientation programmes towards helping the employees learn the required skills and qualities. It, thus, helps management place an employee on the job best suited to him/her.
5. **Job Evaluation:** The job evaluation refers to the determination of the relative worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined mainly on the basis of information provided by job analysis.
6. **Performance Appraisal:** Performance appraisal involves comparing the actual performance of an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment serves as a basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.
7. **Personnel Information:** Increasing number of organisations maintain computerised information about their employees. This is popularly known as Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provides decision support. Information relating to human resources working in the organisation is provided by job analysis only.
8. **Health and Safety:** Job analysis helps in identifying and uncovering hazardous conditions and unhealthy environmental factors such as heat, noise, fumes, dust, etc. and, thus, facilitates management to take corrective measures to minimise and avoid the possibility of accidents causing human injury.

Process of Job analysis

Job analysis, definitely involves a process. Though there is no fool-proof process of making job analysis, following are the main steps involved in job analysis:

1. **Organisational Job Analysis:** Job analysis begins with obtaining pertinent information about a job. This, according to Terry, is required to know the makeup of a job, its relation to other jobs, and its contribution to the performance of the organisation. Such information can be had by dividing background information in various forms such as organisation charts i.e., how the particular job is related to other jobs; class specifications i.e., the general requirement of the job family; job description i.e., starting

point to build the revised job description, and flow charts i.e., flow of activities involved in a particular job.

2. **Selecting Representative Jobs for Analysis:** Analyzing all jobs of an organization is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.

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

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

5. **Preparing Job Specification:** The last step involved in job analysis is to prepare job specification on the basis of collected information. This is a written statement that specifies the personal qualities, traits, skills, qualification, aptitude etc. required to effectively perform a job. The job analysis process discussed above is now delineated in Figure below.



Job Description and Job Specification

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

All major categories of jobs need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job. Thus, job description differentiates one job from the other. In sum, job description is a written statement of what a job holder does, how it is done, and why it is done.

Purposes of Job Description: Job description is done for fulfilling the following purposes:

1. Grading and classification of jobs
2. Placement and Orientation of new employees
3. Promotions and transfers

4. Outlining for career path
5. Developing work standards
6. Counseling of employees
7. Delimitation of authority

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

Usages of Job Specification: The usages of job specification include:

1. Personnel planning
2. Performance appraisal
3. Hiring
4. Training and development
5. Job evaluation and compensation
6. Health and safety
7. Employee discipline
8. Work scheduling
9. Career planning

Contents of Job Description and Job Specification: The general contents of job description and job specification are presented in the following table

Job Contents	
<i>Job Description</i>	<i>Job specification</i>
<p>A statement containing items such as</p> <ul style="list-style-type: none"> ● Job title ● Location ● Job summary ● Duties ● Machines, tools, and equipment ● Materials and forms used ● Supervision given or received ● Working conditions ● Hazards 	<p>A statement of human qualifications necessary to do the job. Usually contains such items as</p> <ul style="list-style-type: none"> ● Education ● Experience ● Training ● Judgement ● Initiative ● Physical effort ● Physical skills ● Responsibilities ● Communication skills ● Emotional characteristics ● Unusual sensory demands such as sight, smell, hearing.

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

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

Recruitment and Selection

Recruitment The objective of recruitment is to provide a group of candidates which is large enough to let managers select the qualified employees from that they require. Before employees can be recruited, recruiters must have some clear ideas regarding the activities and responsibilities required in the job being filled. It has already been said, job analysis is the first step in the recruitment process. The next step is the preparation of a statement called either a job description or position description containing the contents and location of the job. Once the job or position description has been determined, an accompanying hiring or job specification is developed. A hiring specification is a written description of the education, experience, and skills needed to perform a job or fill a position.

Selection As said, the purpose of recruitment is to identify a pool of qualified candidates for a job or a position. Managers use a selection process to evaluate each of these candidates, to make predictions of the probable levels of job performance by each, and to choose a candidate for the job. Any technique or procedure for choosing from among candidates is referred to as a selection device. A wide range of selection devices are available to give human resource managers information on which their decisions are based on. These selection devices include:

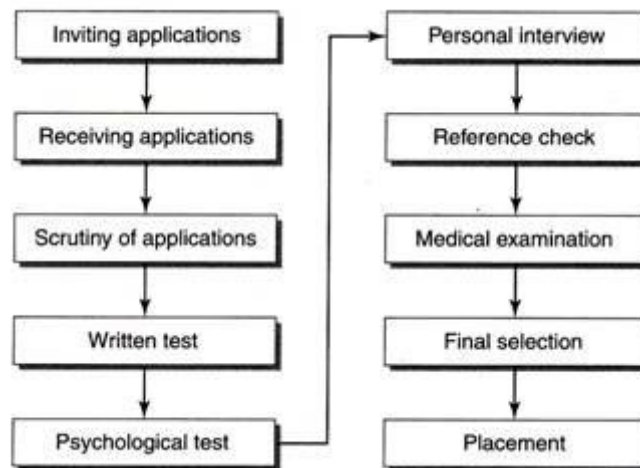
- **Application blanks:** These are forms that ask for personal information as well as information about previous training and work experiences.
- **References and recommendations:** By this device, information is sought and obtained from sources other than the candidate about his or her past performance record. The employer may contact the current employer of candidates for collection of opinion. Many a times references and recommendations are honest, helpful and reliable. However references and recommendations can be sometimes unreliable, if the sources or referees allow personal opinions and feelings – positive or negative – to override objective evaluation of the candidate.
- **Interviews:** Question-and-answer sessions are held between candidate and prospective employer. It has been observed by some authorities that "the interview is probably the most widely used personnel technique, particularly in the selection procedure. Surveys show that almost all personnel managers use this method at some stage in the selection procedure." Additionally, it is common for line managers at all levels to be asked to interview candidates for job openings and promotions.
- **Tests:** A wide variety of instruments are used to verify candidates' abilities, skills, behaviour, and attitudes. The best tests assess these factors that the job analysis identifies as necessary for the candidate to perform well on the job and to do so in a standardized manner.

Selection Process

Finding the interested candidates who have submitted their profiles for a particular job is the process of recruitment, and choosing the best and most suitable candidates among them is the process of selection. It results in elimination of unsuitable candidates. It follows scientific techniques for the appropriate choice of a person for the job.

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

Steps involved in Selection-Process is summarised below



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

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

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

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

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

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

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

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

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

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

Tests and Interviews

Tests: In order to select a right person for the job, individual differences in terms of abilities and skills need to be adequately and accurately measured for comparison. This is done through a device called 'selection test'. Selection test uncovers the information about the candidate which is not known through application blank and interview.

According to Lee J. Gronbach "A test is a systematic procedure for comparing the behaviour of two or more persons".

Milton M. Blum has defined test as "a sample of an aspect of an individual's behaviour, performance and attitude".

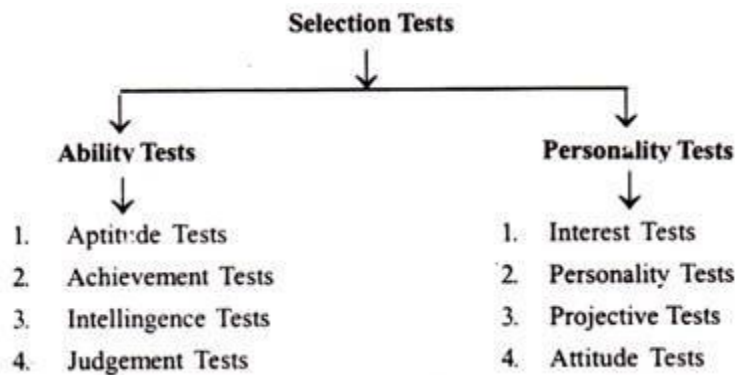
Purpose of Tests: Tests, are conducted mainly to fulfill the following purposes:

- (i) For the selection and placement of new employees.
- (ii) For appraising employees for promotional potentials.
- (iii) For counseling employees to enable them to perform better in their jobs.

Types of Tests: All the tests so far developed for the selection of employees can broadly be divided into two categories:

- (i) Ability Tests and
- (ii) Personality Tests.

Tests covered under each category are shown in the Following chart



Ability Tests: These tests measure skills, qualities and talents of the people.

1. **Aptitude Tests:** Aptitude tests measure ability and skills of the testee. These tests measure and indicate how well a person would be able to perform after training and not what he/she has done. Thus, aptitude tests are used to predict the future ability/performance of a person.
2. **Achievement Tests:** Achievement tests measure a person's potential in a given area/job. In other words, these tests measure what a person can do based on skill or knowledge already acquired by him/her. Achievement tests are usually used for admission to specific courses in the academic institutions. In these tests, grades in previous examinations are often used as indicators of achievement and potential for learning. Indian industries have now started conducting these tests to judge for themselves the level of proficiency attained rather than believing their scores in academic examinations. Achievement tests are also known by the names, proficiency tests, performance, occupational or trade tests.
3. **Intelligence Tests:** Intelligence tests measure general ability for intellectual performance. The core concept underlying in intelligence test is mental age. It is presumed that with physical age, intelligence also grows. Mental age is generally indexed in terms of Intelligence Quotient (IQ) and calculated by using the following formula: $IQ = \frac{\text{Mental Age}}{\text{Actual Age}} \times 100$. The intelligence quotient is a ratio of mental age to actual age multiplying by 100(to remove decimal).
4. **Judgment Tests:** These tests are designed to know the ability to apply knowledge in solving a problem.

Personality Tests: These tests measure predispositions, motivations and lasting interests of the people.

1. **Interest Tests:** These tests are designed to discover a person's area of interest, and to identify the kind of work that will satisfy him. Interest is a prerequisite to successfully perform some task. For eg. Vocational measurement test such as computational, artistic, literary, musical and clerical interest.
2. **Personality Tests:** These tests are also known as 'personality inventories'. These tests are designed to measure the dimensions of personality i.e., personality traits such as interpersonal competence, dominance- submission, extroversions-introversions, self-confidence, ability to lead and ambition.

3. Projective tests: These tests are based on pictures or incomplete items. The testee is asked to narrate or project his own interpretation on these. The way the testee responds reflects his /her own values, motives, attitude, apprehensions, personality, etc. These tests are called projective because they induce the testee to put himself/herself into the situation to project or narrate the test situation.

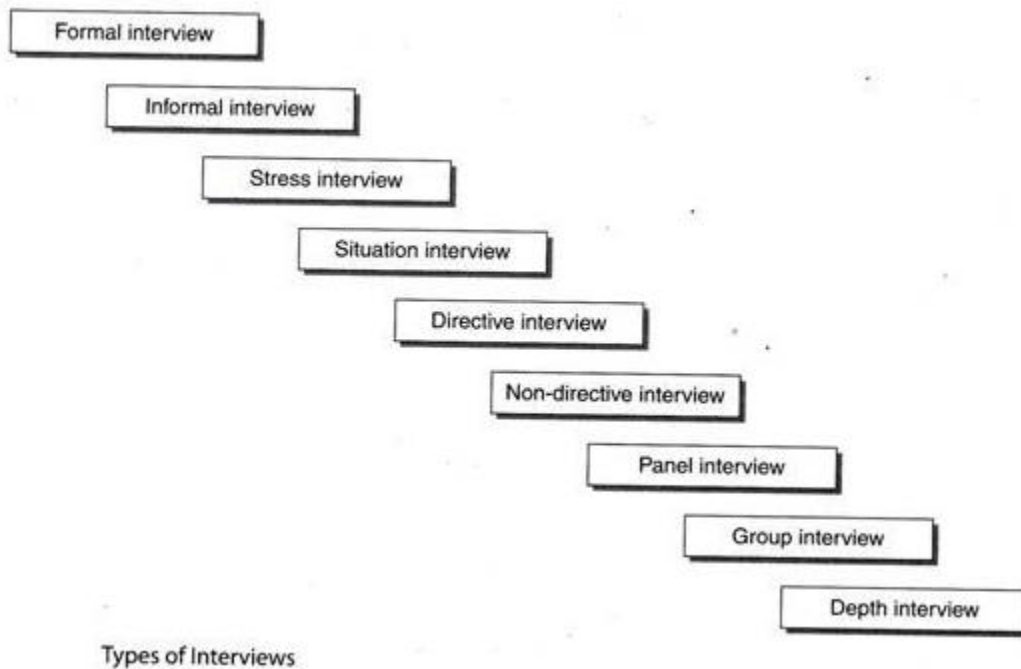
4. Attitude Tests: These tests are designed to know the testee's tendencies towards favoring or otherwise to people, situations, actions, and a host of such other things. Attitudes are known from the responses of the testees / respondents because emotional overtones involved make it difficult to directly observe or measure attitude of the testee. Test of social desirability, authoritarianism, study of values and employees morale are the well-known examples of attitude tests.

Interview: Interview is a type of oral examination. Even though written tests and psychological tests are conducted, still one-to-one communication between individuals always remains the crucial part in selection of a candidate. Behavioral traits, presence of mind and psychological bearing capacity can be tested through interview. As the candidate is going to be in front of the interviewer or a panel, face-to-face communication is facilitated. The interviewer can observe the behavior, style, approach, promptness and sharpness of the candidate.

Role of Interview in the Selection Procedure: is summarised below

- Critical Analysis of the Personality of Candidates: As the candidate is going to be in front of the interviewer or a panel, face-to-face communication is facilitated. The interviewer can observe the behavior, style, approach, promptness and sharpness of the candidate.
- Accurate Final Selection: Interview facilitates to obtain additional information about the candidate through personal contact. After the detailed scrutiny of all the information about the candidate, the final selection can be made easily.
- Providing Details about the Company to the Candidate: As the company would like to know the detailed information about the candidate, the same way, the candidate is also eager to know about the work culture, the nature of the job, working schedules, etc., in the company. Interview provides the opportunity to the candidate to know more about the company.
- Use of Experience and Knowledge of Expert Interviewers: Whenever the interviews are conducted, there is generally a panel of interviewers consisting of more than three members. All of them are working for the company for a long time, and when the selection interview takes place, it is their knowledge and experience which is going to give the best results in terms of a suitable and appropriate candidate.

Types of Interview: Various types of interviews are shown in Figure below



- **Formal Interview:** It is held in formal atmosphere with pre-decided and planned procedures and questions.
- **Informal interview:** There is no specific procedure followed in this case. They are conducted at any place, and any types of questions can be asked to the candidate.
- **Stress Interview:** It is conducted to evaluate the behavior of the candidate under stressful conditions. How does a candidate react to stress? Whether they remain quiet and calm or become stressed, can be judged by creating different stressful conditions around, and the case with which they get out of it indicates their stress-handling capacity in future.
- **Situation Interview:** An imaginary situation is told to the candidates and they are asked to respond to it.
- **Directive Interview:** It is structured interview. A same set of questions is repeated for every candidate to make the comparison among the answers received from them.
- **Non-directive Interview:** It is non-structured interview. There is no specific format, and any questions can be asked to candidates. Candidates are free to express themselves under this type.
- **Panel Interview:** A selection committee appointed for interviewing candidates is called a panel. It generally consists of three or more members who collectively perform the task of selection. The final decision is taken with the consent of all panel members.

- **Group Interview:** Candidates are supposed to form groups, and one group together will be interviewed at one time. It is a sort of group discussion. The person's ability to lead, their presence of mind and communication can be evaluated under this technique.
- **Depth Interview:** All the minute details of important nature are asked to a candidate to have the extensive information about them.

Training and Development

Training is a major thought in human resource development. It is concerned with developing a particular skill to a desired standard by instruction and practice. Training is a highly useful tool that can bring an employee into a position where they can do their job correctly, effectively, and conscientiously. Training is the act of increasing the knowledge and skill of an employee for doing a particular job.

Dale S. Beach defines training as 'the organized procedure by which people learn knowledge and/or skill for a definite purpose'. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

Concept: Training and development is concerned with bettering the performance of individuals and groups in organizational settings. It is being known by several names, including employee development, human resource development, and learning and development.

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

1. **Environmental changes:** Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.
2. **Organizational complexity:** With modern inventions, technological upgradation, and diversification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.
3. **Human relations:** Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.
4. **To match employee specifications with the job requirements and organizational needs:** An employee's specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee's present specifications and the organization's requirements. For filling this gap training is required.
5. **Change in the job assignment:** Training is also necessary when the existing employee is promoted to the higher level or transferred to another department. Training is also required to equip the old employees with new techniques and technologies.

Methods: Management development is a systematic process of growth and development by which the managers develop their abilities to manage. It is concerned with not only improving the performance of managers but also giving them opportunities for growth and development.

There are two methods through which managers can improve their knowledge and skills. One is through formal training and other is through on the job experiences. On the job training is very important since real learning takes place only when one practices what they have studied.

But it is also equally important in gaining knowledge through classroom learning. Learning becomes fruitful only when theory is combined with practice. Therefore on the job methods can be balanced with classroom training methods (off-the-job methods).



1. On-the-job Training (OJT) Methods: This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it. The advantages of OJT are as follows:

1. On the job method is a flexible method.
2. It is a less expensive method.
3. The trainee is highly motivated and encouraged to learn.
4. Much arrangement for the training is not required.

On-the-job training methods are as follows:

1. Job rotation: This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.
2. Coaching: Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.
3. Job instructions: Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.
4. Committee assignments: A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

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

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

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

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

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

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

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

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

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

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

9. Management education: At present universities and management institutes gives great emphasis on management education, facilitating bachelors and postgraduate degrees in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns.

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

Performance Appraisal

Performance appraisal is the process of evaluating how effectively employees are fulfilling their job responsibilities and contributing to the accomplishment of organisational goals. To appraise performance effectively, a manager must be aware of the specific expectations for a job, monitor the employee's behavior and results, compare the observed behavior and results to expectations, and measure the match between them. In most cases, a manager should also provide feedback to employees, a process that can produce strong reactions.

Concepts: A merit rating, performance appraisal, employee appraisal, or performance review is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost, and time) by the superior manager or supervisor.

A performance appraisal is a systematic and objective method of judging the quality of an employee in performing his job and a part of guiding and managing career development. It is the process to obtain, analyze, and record the information about the relative worth of an employee to the organization. Performance appraisal is an analysis of an employee's recent successes and failures, personal strengths and weaknesses, and his/her suitability for promotion or further training.

It is also the judgment of an employee's performance in a job based on considerations other than productivity alone. Performance appraisal is done periodically, but on a continuous basis. It is a part of a larger performance management system and includes both managerial and non-managerial employees in its scope.

Objectives of Performance Appraisal: Generally, the aims of a performance appraisal are to:

- provide employees feedback on their performance.
- identify employee training needs.
- document criteria used to allocate organisational rewards.
- form a basis for decisions relating to promotions, disciplinary actions, bonuses, etc.
- provide the opportunity for organisational diagnosis and development.

- facilitate communication between employee and employer.
- validate selection techniques and HR policies to meet regulatory requirements.
- improve performance through counseling, coaching and development.
- motivate employees through recognition and support.

Methods

There are numerous methods in use to appraise employee performance depending upon the size and nature of the organizations. A common approach to assess performance is to use a numerical or scalar rating system whereby managers are asked to score an individual against a number of objectives/attributes. In some companies, employees receive assessments from their manager, peers, subordinates, and customers, while also performing a self-assessment. The most popular methods used in the performance appraisal process can be divided in two categories: Traditional & Modern methods.

<i>Traditional Methods</i>	<i>Modern Methods</i>
<ol style="list-style-type: none"> 1. Ranking method 2. Paired comparison 3. Grading 4. Forced distribution method 5. Forced choice method 6. Checklist method 7. Critical incidents method 8. Graphic scale method 9. Essay method 10. Field review method 11. Confidential report 	<ol style="list-style-type: none"> 1. Management by Objectives (MBO) 2. Behaviourally anchored rating scales 3. Assessment centres 4. 360-degree appraisal 5. Cost accounting method

Traditional Appraisal Methods:

1. Ranking Methods: Ranking can be based on the followings:

(a) Straight Ranking Method: This is one of the oldest and simplest techniques of performance appraisal. In this method, the appraiser or evaluator ranks the employees from the best to the poorest on the basis of their overall performance. It is very useful for a comparative evaluation.

(b) Paired Comparison Method: It is a better way of comparison than the straight ranking method. In this method each employee is compared with all others on a one- to-one basis, and then ranked.

(c) Forced Distribution Method: It is a method of appraising employees on the basis of a predetermined distribution scale. The evaluator is asked to rank 10% employees in the best category, 20% in the next category, 40% in the middle category, 20% in before the low, and 10% in the lowest brackets.

2. Graphic Rating Scale Method: In this method, an employee’s quality and quantity of work is assessed in a graphic scale indicating different degrees of a particular trait, i.e., behavior or characteristics as they relate to work performance.

For example a trait like Job knowledge may be judged on the range of average, above average, outstanding or unsatisfactory or on the basis of numbers (1,2,3,4, 5, and so on). The list of factors to be appraised is dependent upon the company requirements.

3. Critical Incidents Methods: In this method, the evaluator rates the employee on the basis of critical events and how the employee behaved during those incidents. It includes both negative and positive points. The negative point incident might be damage to machinery because of not following safety measures.

Positive point incident may be staying beyond working hours to repair a machine. The drawback of this method is that the supervisor has to note down the critical incidents and the employee behavior as and when they occur.

4. Checklist Methods: The appraiser is given a checklist (se fig. below) of several behaviors, traits, or job characteristics of the employees on job. The checklist contains a list of statements on the basis of which the evaluator describes the on the job performance of the employees. If the rater believes that employee does have a particular listed trait it is marked as positive check, otherwise the item is left blank.

	<i>Yes</i>	<i>No</i>
1. Is regular on the job?	---	---
2. Does maintain discipline well?	---	---
3. Does show consistent behaviour to all students?	---	---
4. Is interested in (teaching) job?	---	---
5. Does ever make mistakes?	---	---
6. Does show favouritism to particular students?	---	---
7. Is willing to help colleagues?	---	---

The company has a choice to choose either Weighted Checklist Method or Forced Checklist Method.

5. Essay Appraisal Method: It is also known as “Free Form Method”. It involves a description of the performance in a number of broad performance criteria of an individual employee by his superior based on the facts and often supported by examples and evidences. A major drawback of the method is how to keep the bias of the evaluator away.

6. Field Review Method: In this method, a representative of the HR department or a training officer discusses and interviews the supervisors to evaluate and rate their respective subordinates. This method is very time consuming method. However, this method helps to reduce the superiors’ personal bias.

At this stage it would not be out of context to mention some of the limitations associated with trait-based methods of performance evaluation. First, the trait-based methods are based upon

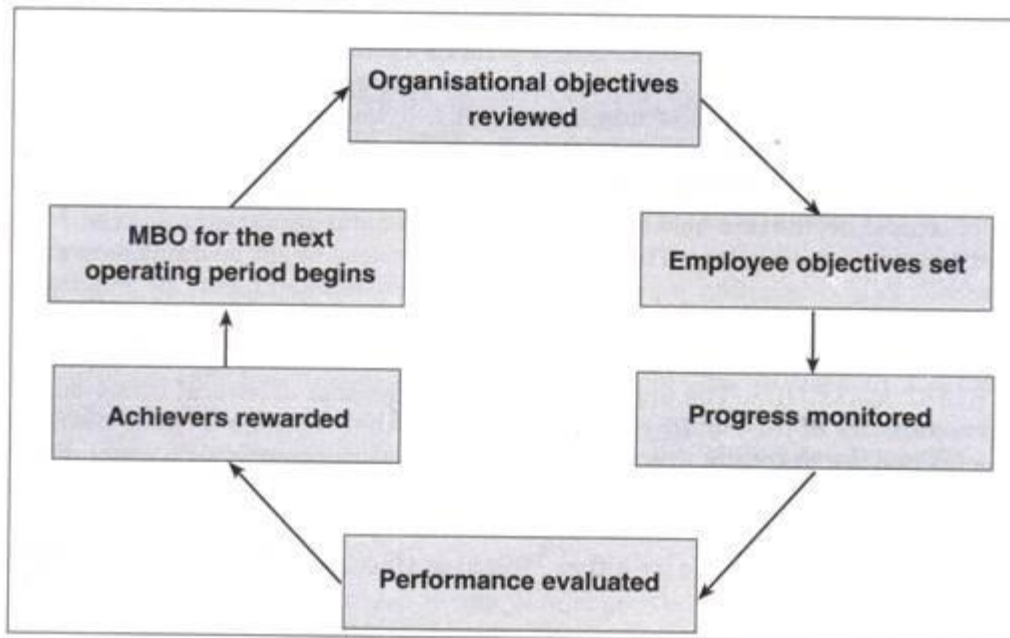
traits (like integrity and consciousness) which may not be directly related to successful job performance. An employee can change behavior, but not personality.

An employee who is dishonest, may stop stealing, but is likely to involve the moment he feels the threat of being caught is gone. Second, trait-based methods are easily influenced by 'office politics' and is thus, less reliable.

Modern Appraisal Methods:

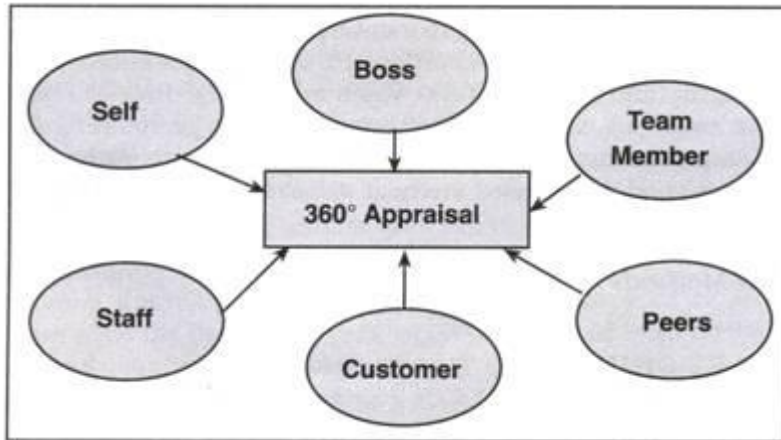
1. Management by Objectives: The concept of 'Management by Objectives' (MBO) was given by Peter F. Drucker in 1954. It can be expressed as a process whereby the employees and the superiors come together to identify common goals – the organizational goals as well as individual goals, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

Thus, the essence of MBO is participative goal setting, choosing course of actions and decision making. Ideally, when employees themselves have been involved with the goal setting and the choosing the course of action to achieve them, they are more committed.



2. 360-Degree Feedback Appraisal Method: 360-degree feedback, also known as 'multi-rater feedback', is the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that come in contact with the employee on his job.

These sources include superiors, subordinates, peers, team members, customers, and suppliers apart from the employee himself, who can provide feedback on the employee's job performance.



Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance (in University of Delhi's Master's in International Business, faculty member is not only evaluated by the head of department but also by students). Subordinates (part of internal customers) evaluation gives an opportunity to rate the employee on the parameters like communication and motivating abilities, superior's ability to delegate the work, leadership qualities etc.

Evaluation by peers can help to find employees' abilities to work in a team, co-operation and sensitivity towards others. Thus an evaluation by one and all is a 360-degree review and the feedback is considered to be one of the most credible. Some of the organisations using this method include Wipro, Infosys, and Reliance Industries etc.

3. Behaviorally Anchored Rating Scales: Behaviorally Anchored Rating Scales (BARS) is a modern technique which is a combination of the graphic rating scale and critical incidents method. It comprises predetermined critical areas of job performance or sets of behavioral statements describing important job performance qualities as good or bad (like the qualities such as inter-personal relationships, adaptability and reliability, job knowledge etc.).

The typical BARS includes seven or eight performance behaviors each one measured by a seven-or-nine point scale. These statements are developed from critical incidents.

In this method, an employee's actual job behavior is judged against the desired behavior through recording and comparing the behavior with BARS. Developing and practicing BARS needs expert knowledge.

4. Assessment Centers: Assessment centers are a contribution of German psychologists. The main feature of assessment centers is that they process. Assessment Centers consist of many multiples.

- Multiple competencies to be evaluated for in a candidate.
- Multiple observers to eliminate the subjectivity and increase objectivity in the process.
- Multiple participants: 18 – 21 in case of TMTC (Tata Management Training Centre).
- Multiple exercises: like role plays, case analysis, presentations, group discussions etc.
- Multiple simulations: These could be creative, crisis or exploitative type of simulations.

- **Multiple observations:** Each observation is observed at least twice. There are five main ways in which evaluation is made. A group of participants takes part in a variety of exercises observed by a team of trained assessors who evaluate each participant against a number of predetermined, job related behaviors. Decisions are then made by pooling.

5. Human Resource Accounting Method: Human resources are valuable assets for every organization. Human resource accounting method values the relative worth of these assets in the terms of money. In this method the valuation of the employees is calculated in terms of cost and contribution to the employers. The cost of employees includes all the expenses incurred on them, viz., their compensation, recruitment and selection costs, induction and training costs etc., whereas their contribution includes the total value added (in monetary terms).

The difference between the cost and the contribution will be the performance of the employees. Ideally, the contribution of the employees should be greater than the cost incurred on them.

6. Balanced Score Card: It was developed by Robert Kaplan and David Norton in 1990s. The purpose of balanced scorecard is to evaluate the organizational and employee performance in performance appraisal management processes. The conventional approach measures the performance only on a few parameters like the action processes, results achieved or the financial measures etc. The Balanced scorecard provides a framework of different measures to ensure the complete and balanced view of the performance of the employees. Balanced scorecard focuses on the measures that drive performance.

The balanced scorecard has two basic characteristics – a balanced set of measures based on four measures (financial – profits, market share, ROI; customer – perspective about organization loyalty to firm, acquisition of new customers; internal business measures – infrastructure, organisational processes and systems, human resources; and the innovation and learning perspective – ability to learn, innovate and improve) and linking these measures to employee performance. Senior managers are allocated rewards based on their success at meeting or exceeding the performance measures.

Advantages and Disadvantages of Performance Appraisal of Employees

Advantages

1. *Performance improvement:* Appraisal systems always aim at improving the performance of employees. It helps to analyze and evaluate opportunity factors such as technology and social process.
2. *Development of employees:* Appraisal systems determine which employee needs more training and becomes primary source of information regarding the strengths and potentialities of the employees.
3. *Corrective actions:* Any deficiency of employees can be detected and corrective steps can be taken through appraisal system.

4. *Career planning*: Performance appraisal serves as a valuable tool in the case of career planning to the employees, since it helps in preparing SWOT analysis of every employee.
5. *Promotions*: Performance appraisal also helps the management in deciding about the promotions, transfers and rewards of the employee.
6. *Motivation*: It is a tool for motivating employees towards higher performance.

Disadvantages

1. *The Halo effect*: Halo effect is defined as the 'influence of a rater's general impression on ratings of specific rate qualities'. It tends to occur when an evaluation rates an employee high on all jobs criteria, even if he has performed well only in one area.
2. *Contrast error*: The rating is always based on performance standards. The contrast error occurs when employee is rated without taking into account the performance standard. This can also occur if a rater compares an employee's present performance with their past performance.
3. *Rater bias*: The rater's prejudices and biasness can also influence rating. For example, a supervisor can underrate an employee based on race, sex, religion, appearance and favoritism.
4. *Central tendency error*: When the supervisor rates all the employees within a narrow range, thinking all employees are of average level, this type of error occurs.
5. *Leniency or severity*: Performance appraisal demands that the rater should objectively draw a conclusion about employee's performance.
6. *Sampling error*: If the rater uses a very small sample of the employee's work, it may be subject to sampling error.
7. *Primary and regency errors*: Behavior of an employee at the initial stage of rating and at the end of appraisal can affect the rating. For example, a salesman's performance may be very low for some part of the year.

Conclusion

Human Resource Development (HRD) is both a conceptual field of discipline, and a professional arena of practice. It is a collection of processes within the organization that encompasses Training and Development (TD) and Organization Development (OD). Training and Development refers to harnessing of human expertise in order to improve performance, and Organization Development refers to the empowering of the organization so that it can take advantage of its human capital. TD when alone, can result in untapped human knowledge and skills. OD alone, on the other hand, can result in an oppressed and frustrated workforce. In this context, it is the basic aim of HRD to make TD and OD fit together with each other, so as to provide a strong foundation for the workforce of the organisation.