
UNIT 1 ASSESSMENT OF HUMAN RESOURCE IN ORGANISATION AND HUMAN RESOURCE PLANNING

Structure

- 1.0 Introduction
- 1.1 Objectives
- 1.2 Human Resource Planning
 - 1.2.1 Strategic Business and Work Force Plan
 - 1.2.2 Levels of Planning
 - 1.2.3 Payoffs from Strategic Planning
 - 1.2.4 Relationship of HR Strategy to Business Strategy
- 1.3 Talent Inventory
 - 1.3.1 Obtaining and Updating Information
- 1.4 Forecasting Workforce Supply and Demand
 - 1.4.1 External Workforce
 - 1.4.2 Internal Workforce
- 1.5 Workforce Demand
 - 1.5.1 Predictor Selection
 - 1.5.2 The Historical and Project Relationships
 - 1.5.3 Productivity Ratio
 - 1.5.4 Projecting Workforce Requirements
 - 1.5.5 How Accurate Must the Demand Forecast be?
 - 1.5.6 Integrating Supply and Demand Forecasts
 - 1.5.7 Matching Forecast Results for Action Plans
- 1.6 Let Us Sum Up
- 1.7 Unit End Questions
- 1.8 Glossary
- 1.9 Suggested Readings

1.0 INTRODUCTION

The most important asset for any organisation today is the human resource. Organisations have come to understand that this resource needs to be nurtured carefully if they have to stay in business and face the competition. Therefore human resource planning is the process of getting the right kind and number of qualified people into the right job at the right time so that the objectives of the organisation can be met. This unit deals with the assessment of human resource in organisation and human resource planning.

1.1 OBJECTIVES

After completing this unit, you will be able to:

- Define human resource planning;
- Describe the meaning of human resource planning;

- Explain the need for HR planning;
- Define forecast;
- What is external and internal supply of workforce; and
- The different procedures used in forecasting workforce demands.

1.2 HUMAN RESOURCE PLANNING

The most critical resource for any organisation is Human resource and obtaining and using this resource is a perpetual problem in any society. It is rather very difficult to procure specialised technical talent at the most specific time, particularly when the organisation is planning for an expansion or to promote employees to higher positions.

Therefore human resource planning is to anticipate and respond to the needs emerging within and outside the organisation. It is concerned with the flow of people into, through and out of an organisation. It also ensures that the organisation will have the right mix of employees and skills when and where they are needed.

Management has recognised that talent plays a major role in gaining and sustaining a competitive advantage in a global market place.

So, it is imperative that management should engage in assessing periodically their basic missions and objectives.

However, organisations have to answer a few question before embarking on using their human resources as for example the following questions:

- What talent, abilities and skills are available within the organisation today?
- Who are the people we can dependably build on for tomorrow?
- How are we blending the talent available with the organisation's needs?
- What are the qualitative as well as quantitative of HR demands for our growth plan?

Human resource planning is defined as a strategy for the acquisition, utilisation, improvement and retention of an enterprise's human resource. It is a process by which the organisation ensures that it has the right number, right kind of people, at the right place and at the right time capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objectives. In other words the human resource planning translates the organisation's objectives and plans into the number of workers needed to meet those objectives.

Further, it is defined as an effort to anticipate future business and environmental demands of an organisation and to meet the HR requirements dictated by these conditions.

The general view of HR planning suggests that there are several interrelated activities that can be called as HR systems.

Talent Inventory: To assess current resources (Skills, abilities and potential) and analyse current use of employees.

Workforce Forecast: To predict future HR requirements (numbers, skills mix, internal versus external labour supply).

Action Plans: To enlarge the pool of qualified individuals by recruitment, selection, training, placement, transfer, promotion, development and compensation.

Control and Evaluation: To provide closed-coop feedback to the rest of the system and to monitor the degree of attainment of HR goals and objectives

As a result, strategic initiatives are adopted in recruitment, selection, development individual performance management, team performance management, career planning, diversity, employee attitude surveys and employee communication.

There are certain tactical business plans which serve as a basis for HR strategy, i.e. to notice how labour markets affect the supply of and demand for labour. When labour markets are 'loose' the supplies of available workers exceed the demand and thus unemployment is high. For this reason there will be lesser turnover of employees due to the fear of unemployment.

On the other hand when labour market is 'tight' demand for workers exceed supplies and therefore unemployment will be less because jobs are plenty and employee mobility will also increase.

Hence, when there is a clear understanding of this activity i.e. the surpluses and deficits of employees in terms of their numbers, their skills and their experiences that are projected at some future date, it is possible to initiate an action plan to rectify the projected problems (i.e. the net workforce required can be easily estimated).

Finally, control and evaluation procedures will also provide the feed back that affects every aspect of HR planning process.

1.2.1 Strategic Business and Work Force Plan

Planning is a focal point of management as it helps the managers to reduce the uncertainty of the future and thereby do a better job of coping with the future. Hence the fundamental reason for planning is because planning leads to success-though not always.

A second reason for planning is that it gives managers and organisations a sense of being in control of their fate rather than leaving their fate to chance. Hence, planning helps organisations do a better job of coping with change-technological, social, regulatory and environmental.

A third reason for planning is that it requires managers to define the organisation's objectives and provide context, meaning and direction for the employees work.

The assumption behind this planning is that by defining, we can ensure that all employees are aware of the over all goals, like why they are doing what they are doing? By this it is easy for the employers to assess effectively what the employees are doing to the organisation's over all objectives as all these lead to better employee performance and satisfaction. The final reason for planning is that without objectives, effective control is impossible.

1.2.2 Levels of Planning

Planning takes place at any of the three levels, viz., (i) strategic, (ii) operational or (iii) tactical level. Strategic planning is long range and differs from the short range operational or tactical planning. In strategic planning there should be substantial commitments of resource for taking any decisions. Besides this, there should also be a guarantee that these decisions will bring about fundamental changes in the direction of the business or a change in the speed of development of the business.

Therefore to make a strategic plan, there should be considerable data collection, analysis and proper management reviews. Strategic planning decision may result in new business acquisitions, new capital investments, or new management approaches. Hence strategic planning is a process of setting organisational objectives and deciding on comprehensive action programmes to achieve these objectives. For this the following processes should be included.

- 1) Defining company philosophy, that is why the company exists, what are its unique contributions and what business it should be in.
- 2) Formulating company and divisional statements of identity, purpose and objectives.
- 3) Evaluating the company's strength or weaknesses so that we can identify the factors that may enhance or limit the choice of any future course of action.
- 4) Determining the organisation design, including the structure, processes and inter relationships. These should enable the organisation to manage the company's business properly.
- 5) Developing appropriate strategies for achieving objectives. In other words, time based points of measurements both qualitative and quantitative sub goals.
- 6) Devising programmes to implement the strategies.

1.2.3 Payoffs from Strategic Planning

One major benefit of strategic planning is the growth, as strategic planning encourages the management to look for new opportunities instead of cutting down on workers to reduce expenses. But the most important danger of strategic planning is that the planning is usually for a future vision and usually the future is not always predictable as it changes very quickly.

This is one of the dilemmas which are often faced by the manager. One way to overcome this problem is to plan for a wide range of people, that is, from line manager to customers and suppliers.

Besides this the top management should be ready to shift the plans in midstream if conditions demand it. It would be easy for the company if it is watchful and alert to the demands of the market so that it can immediately change itself to meet these demands.

1.2.4 Relationship of HR Strategy to Business Strategy

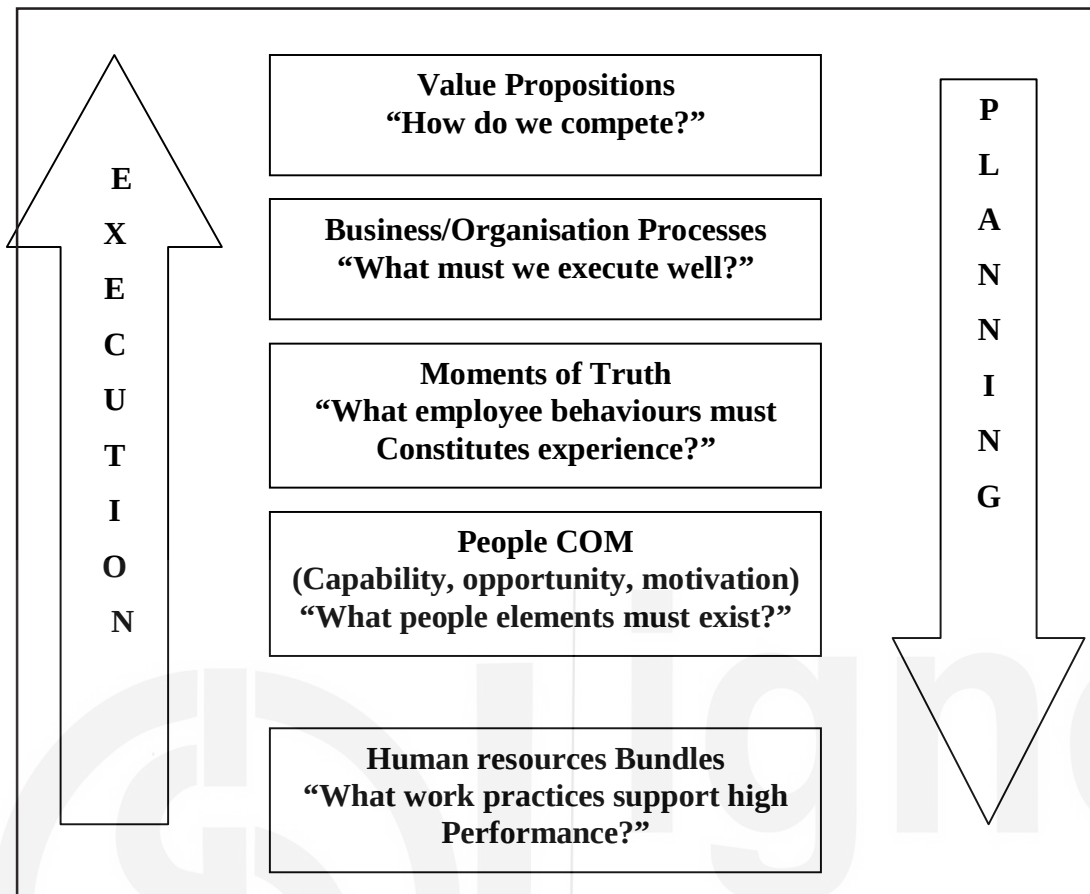


Fig. 1.1: Human Resource Strategy and Business Strategy

Figure above depicts the relationship of Human Resource strategy to the broader business strategy. As you can see in the model, planning, proceeds top-down and execution proceeds bottom-up.

There are five links in the model, beginning with a description of the “Value propositions”– How do we compete? Firms compete on a number of non independent dimensions such as innovation, quality, cost leadership or speed.

With the help of these, the business in organisational processes can be identified. The firm will have to execute these to withstand the competition. (e.g. Speedy order fulfillment) suppose a firm was able to deliver a particular product to the customer on his/her demand, the customer will experience a positive feeling “Moments of Truth”. For e.g, when an employee presents a timely cost effective solution to the customer’s problem, a moment of truth is said to occur.

If an employee should enact a moment of truth, he should have the capability, opportunity and motivation which are in other words ‘**People COM**’ (capability, opportunity and motivation). To enhance **People Com**, there is a need for ‘Bundles of Human Resource processes’ in the form of work practices, in the area of staffing, training, rewards and performance management. Finally, execution proceeds. This process goes on from 1st the bundles of high performance work practices through People COM, to moments of truth, to execution of business/organisational processes and back to the basic value propositions. Thus, high performance work practices include the following five factors (Paauwe, Williams Keegan, 2002).

- 1) Pushing responsibility down to employees operating in flatter organisations,
- 2) Increasing the emphasis on line managers as Human Resource managers,
- 3) Instilling learning as a priority in all organisational systems,
- 4) Decentralising decision making to autonomous units and employees,
- 5) Linking performance measures for employees to financial performance indication.

To meet these requirements work force plans must be outcomes of and be consistent with the overall business and Human Resource strategies. Managers will have to ask themselves the questions like what types of skills or competencies will we need to run the business five years from now, and how do we make sure we will have right kind of people for that?

At the broader level, the problem to procure the right kind of people can come from rapid technological changes, more complex organisations (in terms of products, locations, customers, and market) and more frequent changes in the external forces such as legislation, litigation, demographic changes and competition both from domestic and global fronts.

In such a kind of scenario, changes in the business environment will drive the issues pertaining to it and these issues will drive actions to be taken to address them and these actions will come in the form of programmes and processes to encounter the business issues identified.

The two key elements which should be examined for any Human Planning are “**Forecasts and Action plans**”.

The **forecast** of the net workforce is possible only after an analysis of the future availability of labour (supply) and future labour requirements (demand) which is done along with the analysis of the external conditions (i.e. Technologies, markets, competition).

Self Assessment Questions

- 1) What is human resource planning?

.....

.....

.....

.....

.....

- 2) What are the reasons for planning?

.....

.....

.....

.....

.....

3) What are strategic Business and work force plan?

.....

.....

.....

.....

.....

4) What are the various levels of planning?

.....

.....

.....

.....

.....

5) What benefits accrue to the organisation from strategic planning?

.....

.....

.....

.....

.....

6) Discuss the relationship of HR strategy to Business strategy.

.....

.....

.....

.....

.....

1.3 TALENT INVENTORY

To understand the future availability of people with the right skills, an inventory of the current talent is most important. For this purpose firstly “A **TALENT INVENTORY**” should be conducted. A talent inventory is an organised data base of the existing skills, abilities career interests and experience of the current workforce. Before data for the talent inventory can be obtained certain fundamental questions should be addressed like:

- Who should be included in the inventory?
- What specific information must be included for each?
- How can this information best be obtained?

- What is the most effective way to record such information?
- How can inventory results be reported to the top management?
- How often must this information be updated?
- How can the security of this information be protected?

The answers to these questions will provide a direction and scope to the data collection of Human Resource information. This information is stored electronically and is linked to other data bases. Such information can be used to form a complete human resource information system (HRM) that can be used by the organisation in a variety of situations. The information that is gathered contains a typical profile for each individual which runs in the following fashion.

- Current position information,
- Previous position in the company,
- Other significant work experience,
- Education (including degrees, licenses certifications),
- Language skills and relevant international experience,
- Training and development programs attended,
- Community or industry leadership responsibilities,
- Current and past performance appraisal data,
- Disciplinary action,
- Awards received.

Some voluntary information like limitations of the employees on mobility due to health or family circumstances, as well as their willingness to relocate are also obtained. Sometimes the preferences of the employees are obtained about the future assignments and locations.

1.3.1 Obtaining and Updating Information

The information gathered thus, can be further updated as and when the employee improves his qualifications or obtains licenses or certificates etc. To update the information a standardised update form is given to the employee at periodic intervals.

This information enables the company to identify the candidates for promotion, assignments to special projects, transfer and training. Further it also allows to identify the demographic trends in the workforce and to explore pertinent Human Resource research questions. Beside this it is also helpful to conduct training and workforce planning.

Therefore, talent inventories are potentially powerful tools in promoting the proper use of human resource, that too more accurately. However, the organisations have to take care that the employees' privacy is safeguarded.

1.4 FORECASTING WORKFORCE SUPPLY AND DEMAND

The organisations effort of obtaining workforce data will be useful only when the talent inventories and workforce forecasts are complementary to each other.

The inventory of the present talent is possible to be utilised only when it can be analysed in terms of future workforce requirements. Similarly, the forecast of workforce requirement is possible only when it is evaluated in relation to the current and project future supply of workers available internally (i.e. in the organisation itself). Only when we are clear of what workforce we have and how much more we require in terms of their number, their skill and their experience that it would aid us in taking a decisions about future requirements.

Thus workforce forecasts are attempts to estimate future labour requirements. There are two component processes in this task:

- i) Anticipating the supply of human resources, both inside and outside the organisation at some future time period.
- ii) Anticipating organisational demands for various types of employees.

For the same reason forecasts of labour supply is generally considered as a separate entity from forecasts of demand. Each of them depends on a different set of variables and assumptions, in the sense that internal supply tend to relate much more on the conditions inside the organisation such as average rates of turnover, retirement, transfer, accidents, deaths and new hires within job classes, whereas demand forecasts depend on the behaviour of some business factor like sales, product volume etc.

Moreover there is slightly more stability in forecast of labour supply than demand forecasts due to many uncertainties particularly in consumer behaviour, in technology, and in the general economic environment.

There are **two paradoxes** in workforce forecast:

The techniques of forecasts are simple and easy to describe but are quite complex and difficult to apply them successfully.

After the forecast has been made it may prove to be most useful when it prove to be least accurate as a vision of the future.

To elaborate upon the second paradox, the organisation may envision a huge project to be sanctioned to it in the near future and to meet the demands of workforce for that period plans to equip itself with sufficient number of people. Therefore the hiring of employees has taken place. But there is a delay in the commencement of the project and the hired surplus employees are sitting on the bench. Instead of wasting this resource, the organisation can utilise their services for training, or transfer them to some other project or promote some internal employees to other positions etc., so that the surplus does not develop. This way the organisation can integrate the workforce into the total planning process and forecasts can be of special value because they enable an organisation to extend the range of other human resource planning and other functions.

1.4.1 External Workforce

There are many reasons why an organisation plans for its recruitment and hiring new employees:

- When an organisation wants to expand
- The aging of the present workforce

- Attrition (turnover)
- Recruitment and selection is a virtual certainty for some firms.

Therefore, the organisation has to explore the external labour market for the kinds of employees that will be needed.

There are some noteworthy agencies which make regular projections of external labour market, conditions and future occupational supply.

Thus it is a constant effort on the part of organisation or the agency to gauge both the future supply of workers in a particular field and the future demand for these workers.

It is highly dangerous to just focus on the supply side for instance, suppose one organisation is sure to procure its requirement from a particular institution at the end of an academic year but does not analyse that there may be other organisations who would need the same kind of supply. This could be a problematic situation, as due to the sudden competition there may be a shortage of supply of the right kind of workforce. The organisation should always consider wide spread and sophisticated recruitment procedures. They also require projections of the external labour market as a starting point for planning and dealing effectively with those that are to some extent unavoidable.

1.4.2 Internal Workforce

As you may recall that each organisation makes its own talent inventory and that serves as an organisation's current workforce base from which a projection of future supply of workers can be made. The routinely recorded items are the age, gender, job title, organisational level, geographical location, training, performance ratings and promotability. These help to determine the future supply. But the most common type of internal supply forecast is the '**management succession plan**'.

This is an activity which is pervasive, well accepted and integrated with strategic business planning. It is considered as the sum and substance of Human Resource Planning. In this method, the objective is to assure top quality and ready talent for all executive positions in the corporation. The line executive from the division are the main persons who have to conduct this exercise and an executive's resource staff located within the corporate Human Resource functions provides staff support.

Each line executive makes a formal presentation to a corporate policy committee consisting of the Chairman, the Vice Chairman and the President. The overall assessment of the strengths and weaknesses of the unit's executive resources, the present performance and potential of key executives and potential replacements (along with pictures of the individuals) and the rankings of all incumbents of key positions in term of the present performance and expected potential are presented.

The policy committee reviews this information critically and also provides additional insights to the line managers on the strength and weaknesses of both, the incumbents and their replacements, sometimes the committee may even direct specific career development action to be accomplished by the incumbent before the next review.

Self Assessment Questions

1) What is talent inventory?

.....

.....

.....

.....

.....

2) What are the ways in which this inventory is made and what are its functions?

.....

.....

.....

.....

.....

3) Discuss forecasting of workforce supply and demand.

.....

.....

.....

.....

.....

4) Define and describe external workforce.

.....

.....

.....

.....

.....

5) How is the internal workforce different from the external workforce?

.....

.....

.....

.....

.....

1.5 WORKFORCE DEMAND

As has been seen, supply forecasts are slightly simpler than the demand forecast. Demand forecasts are more subjective and each organisation must be able to identify the important variables and appropriate forecast strategies through experimentation, experience and testing over time against the actual staffing needs. There is a trend analysis procedure which can be followed for forecasting workforce demand.

- 1) Find the appropriate business factor,
- 2) Plot the historical record of that factor in relation to employees employed,
- 3) Compute the productivity ratio,
- 4) Determine the trend,
- 5) Make necessary adjustments in the trend, past and future,
- 6) Project to the target year.

1.5.1 Predictor Selection

The business factors to which workforce needs will be related should be selected e.g. for a company producing steel, it is the tons of steel produced per week. To be useful the predictor should satisfy two requirements.

- i) It must relate directly to the essential nature of the business so that business planning can be done properly. E.g. if you want to produce steel in larger volumes you should plan for workforce which are involved with production of steel.
- ii) Changes in the selected factor should be proportionally to the required staff e.g. suppose you want 100 tons of steel by the end of a week you should calculate how many people would be required to produce one ton in a week and on the basis of this you should be able to say how many more you will need and a forecast for workers should be made accordingly.

However, when organisations are involved in manufacturing different products, the workforce projections should not be made for the total organisation, separate projections must be made for different products or segments of the workplace (e.g. technical and non technical). To calculate the workforce in this way the people involved should have sound “judgment”, “experience”, and thorough knowledge of the organisation and a sense of the future direction of technological changes.

1.5.2 The Historical and Project Relationships

This is another method or technique of calculating the required workforce. Selection of a business factor is only the first stage of the projection process. What is more important over here is a quantitative understanding of the past, so that an organisation can plan more accurately for the future. The past relationship of the business factor to staffing levels must be determined accurately and the future levels must be estimated e.g. 237 employees are needed to turnout 372,529 small electrical appliance per year (this is a calculation done on the basis of the past years) i.e. approximately 1,572 appliances per individual were produced. This ratio output per individual is known as labour productivity and to project

workforce requirements into the future, a calculation of the rate at which the productivity changes should be known and based on this, a target can be established, which reflects the productivity anticipated in the future.

1.5.3 Productivity Ratio

Productivity ratios should be computed for the previous 5 to 10 years so that we can determine the average rate of productivity changes. If productivity changed significantly, the causes for such changes (more efficient machinery, automation, etc.) need to be identified.

However, to be safer, productivity ratio and average rates of change must be tempered with the judgment of experienced line managers who are close to the scene of operations. These people can help to interpret the reasons for past changes in productivity and estimate the degree to which they will effect future projections.

1.5.4 Projecting Workforce Requirements

Once an appropriate business factor and the productivity ratio are computed, the projection of workforce needs for the target year is quite straight forward. The projected level of business factors are multiplied by the productivity ratio to arrive at the effective number of employees required. Adjustments to the projections for the influence of special factors can give a net figure for the workplace demand at that time, for e.g. if a course work of a university department is estimated at 75 hours of teaching per week. The total course work that the existing regular teachers should engage is allocated to them and whatever is the remaining workload will be distributed either to part time teachers or to contract teachers. Depending upon the allotment of the number of hours for each category, the number of teachers required would be calculated.

1.5.5 How Accurate Must the Demand Forecast be?

Certain factors like the duration of the planning period, the quality of the data for which the forecasts are based and the degree of integration of Human Resource Planning with strategic business planning all affects accuracy. The accuracy of labour demand forecast depends on the degree of flexibility in staffing the workforce. As long as people are willing to relocate geographically, they are multi skilled and easily hired there is less need for precise forecasts. However 2 to 20 percent margin of error is always acceptable.

1.5.6 Integrating Supply and Demand Forecasts

The forecasts should be easily understandable and meaningful if they have to be used by the managers. The manager should be given a concise statement of projected staffing requirements that shows how the integration between the supply and demand forecast have be done. If a senior manager has to make an informed decision regarding the future direction of Human Resource initiative, this concise statement is more than enough for him, instead of all the voluminous calculations done during the initial stages.

1.5.7 Matching Forecast Results for Action Plans

These forecasts affects the company's programme in different areas, including recruitment, selection, performance managements, transfer and many other career enhancement activity. All these are called as '**action programmes**' which help

the organisation to adopt to change in their environments. In the past decade there is a huge amount of workforce diversity in the form of women, minorities and immigrants. To adapt to these changes, organisations are giving extensive training programmes to the managers to develop their skills to manage diversity. Besides this, training programmes are also given to handle human relations, so that members of the organisation can deal more effectively with each other.

However, many organisations prefer to select workers who are already equipped with these skills because they have realised that training a group of employees is more expensive and unguaranteed of change. So the present trend is to incur more expense on selecting the right kind of people rather than to rehabilitate them and then plan programmes that are appropriate to increase the performance further. They have found that providing training for high-ability employees is less time consuming and is also cost effective. Thus training for employees should also be a strategy for building sustained competitive advantage. They form a deep reservoir of firm specific human capital.

Self Assessment Questions

- 1) Discuss workforce demand. What are its significances?

.....

.....

.....

.....

.....

- 2) What is predictor selection?

.....

.....

.....

.....

- 3) Discuss critically the historical and project relationships.

.....

.....

.....

.....

- 4) Define Productivity ratio and discuss its importance.

.....

.....

.....

.....

5) How does an organisation forecast workforce requirements?

.....

.....

.....

.....

.....

6) How does one ensure accuracy in such forecasts?

.....

.....

.....

.....

.....

7) Discuss integrating supply and demand forecasts.

.....

.....

.....

.....

.....

1.6 LET US SUM UP

By now, we have gained a clear understanding of what is human resource planning and why it is imperative for the organisation to engage in to manage its resource effectively. For drawing out a sound HR Plan the most important activity is to conduct a talent inventory which provides comprehensive information about the labour available within the organisation containing the required skills, abilities, knowledge and experience. This data should be preserved and updated and used whenever there is a need for upgrading employees or relocating them. Besides this, the information regarding the supply and demand for the needed competencies is also assessed in this activity. With the help of this the organisation will be able to assess how much workforce can be had from within the organisation and for how much more should it search in the labour market. Moreover for making the forecast some noteworthy techniques have been shown which will enable the HR planners to calculate the requirement of the organisation's staff.

1.7 UNIT END QUESTIONS

- 1) What is Human Resource Planning?
- 2) Discuss strategic planning and the three levels of planning.
- 3) Discuss the relationship between HR planning and business planning.

- 4) What is Talent Inventory? How is it used and what are its advantages?
- 5) Describe the process of forecasting supply and demand of the workforce.
- 6) Elucidate the factors that constitute workforce demand.
- 7) What is the need for organisation to plan for its HR?
- 8) What is forecasting? What are the various methods of forecast?

1.8 GLOSSARY

Workforce planning	: An effort to anticipate future business and environmental demands of an organisation and to meet the HR requirements dictated by these conditions.
Strategic Plan	: Means of competing through innovation, quality and speed which leads to success.
People COM	: It is a moment of truth which occurs in an employee when he / she presents time or cost effective solution to a customer's problem.
Talent Inventory	: It is an organised database of the existing skills, abilities, career interests and experience of the current workforce.
Forecast	: An attempt to estimate future labour requirement by anticipating the supply of human resource, both from inside and outside the organisation.
External workforce supply	: This is an activity where the organisation looks for its labour supply in the external environment /community.
Internal workforce supply	: An organisation assesses the workforce existing within the organisation and selections are made on the basis of the skills and capabilities present in them.

1.9 SUGGESTED READINGS

Armstrong.M, (2006) *Handbook of Human Resource Management Practice*, 10th edition, London, Kogan Page.

Aswathappa.K., (2003) *Human Resource and Personnel Management Text and Cases*, 4th Edition, New Delhi, Tata McGraw Hill.

Fisher, Cynthia D, Schoenfeld, L.E & Shaw.J.B (2004) *Human Resource Management*, 5th Edition, New Delhi, Biztantra.

Rao, VSP (2005) *Human Resource Management Text and Cases*, 2nd Edition, New Delhi, Excel Books.

Sharma. A.M, (2003) *Personnel and Human Resource Management*, 4th Edition Himalaya Publishing House, Hyderabad.

UNIT 2 HUMAN RESOURCE MANAGEMENT

Structure

- 2.0 Introduction
- 2.1 Objectives
- 2.2 Human Resource Development and Activities
- 2.3 Strategic Human Resource Management
 - 2.3.1 Strategic HRM: Some Theoretical Perspectives
 - 2.3.2 Universalistic Approach
 - 2.3.3 Strategic Fit Perspectives
 - 2.3.4 Internal Service Provider
 - 2.3.5 Configurating Approach
 - 2.3.6 Resource Based Model
 - 2.3.7 Key Elements in Developing HRM
- 2.4 Transforming of HR Staff and Structure
 - 2.4.1 Transforming HR People
 - 2.4.2 Transforming HR Structure
- 2.5 Enhancing Administrative Efficiency
- 2.6 Integrating HR into Strategic Planning
 - 2.6.1 The Strategic Planning Process
 - 2.6.2 Mission, Goals and Value Statements
 - 2.6.3 Environmental Threats and Opportunities
 - 2.6.4 Organisational Strengths and Weaknesses
 - 2.6.5 Goals and Objectives
 - 2.6.6 Formulation of Strategies
 - 2.6.7 Strategic Integration of HRM
- 2.7 Fitting HR Practices to Business Strategy
 - 2.7.1 HR Practices Choices
 - 2.7.2 HR Practices: Strategic Fit
 - 2.7.3 HR Practices: Strategic Fit vs. Strategic Flexibility
- 2.8 Partnership
- 2.9 Measurement of HRM
 - 2.9.1 Customer Reactions
 - 2.9.2 HR Impact
- 2.10 Benchmarking HR Practices
- 2.11 Importance of Strategic Human Resource Management
- 2.12 Let Us Sum Up
- 2.13 Unit End Question
- 2.14 Suggested Readings

2.0 INTRODUCTION

In this unit we will be dealing with Human Resource Management. We start with Human Resource Development and Activities within which we discuss some of the theoretical perspectives of human resource management which

includes universalistic approach, strategic fit perspective, configuration approach etc. This is followed by how to transform the HR staff and HR structure and enhance administrative efficiency. This is followed by a discussion on integrating HR into strategic planning which includes the planning process, mission goals and value statements, how to overcome the environmental threats etc. Then we discuss how to make use of the organisational strengths and weaknesses in HR planning and how to formulate strategies.

2.1 OBJECTIVES

After completing this unit, you will be able to:

- Define Strategic Human Resource Management;
- Describe the various theoretical approaches to HRM;
- Explain transforming HR staff and structure;
- Analyse the processes of enhancing administrative efficiency;
- Explain how HR practices could be integrated into strategic planning;
- Discuss the processes of fitting HR strategies to business strategies;
- Elucidate Partnership in HRM;
- Delineate the various methods of measurement of HRM; and
- Analyse benchmarking HR practices.

2.2 HUMAN RESOURCE DEVELOPMENT AND ACTIVITIES

The pattern of planned human resource development and activities is intended to enable an organisation to achieve its goal. It is called as “Strategic Human Resource Management”. While formulating the Strategic plan HR Management plays a vital role, especially in identifying and analysing external threats and opportunities that may be crucial to the company’s success. It also offers competitive intelligence that may be helpful while giving shape to strategic plans.

Moreover, HR Management can also throw light on the company’s internal strengths and weaknesses. Some firms even develop their strategies based on their own HR based competitive advantage.

Over and above this HR has a great role to play in the execution of strategies. It can help the firm carry out restructuring and downsizing efforts without rubbing the employees on the wrong side. HR can also initiate systematic efforts to enhance skill levels of employees so that the firm can compete on quality. HR practices build competitiveness because they allow for strategic implementation; create a capacity for change and instill strategic unity.

Strategic HR is transformational in nature, i.e. it helps people and organisations 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 – Strategic HR is proactive and considers various time frames in a flexible

manner. It realises that an organisation can have competitive edge over its rivals if it is able to attract and retain knowledgeable workers who can optimally utilise and manage the organisation's critical resource because people are after all the organisation's only sustainable competitive advantage.

Strategic HR offers three critical customers: increased performance enhanced customer and employee satisfaction and increased share holder value. These outcomes are accomplished through effective management of staffing, retention and turnover process, 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.

2.3 STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

Organisation consultants, business academics and practicing managers have come to accept the idea that constant change is a fact of organisational life in the present days. They have come to understand that change is inevitable and human resource management plays an important role in the process of change and human resource managers play a key role in determining the competitive success of any firm. Therefore in the generic sense, the new view of human resource management has been referred to as "strategic human resource management (SHRM)". The trends in the present businesses have undergone a sea change and today the customers or marketplaces are making demands on the organisations. Besides these, there are changes in the job mix (i.e. proportion of permanent versus casual labour), new technology and increasing pressures from competitors.

Each of the above places additional pressures on the firms to be innovative and create new ways of doing business with new technologies, new products and new services to meet an increasingly diverse and demanding customer base. The firms now have to enhance the value of innovation and for this purpose they have to attract, train and retain employees of the highest quality and in addition, attempt to sustain the competitive advantage that the skills of these employees provide.

For so doing, the organisations of the 21st century require a greater focus on the human element in organisations. From this realisation has come the approach to Managing Human Resources.

What is SHRM? The traditional personnel department is both physically and psychologically separated from the 'real work' of the organisation whereas in the strategic view besides the functions of hiring, training and providing pay and benefits to employees, many organisations are developing new structural and cultural patterns to meet the competitive demand of their dynamic and international marketplace, implying that the role of the HR in these organisations has changed to meet these new challenges. The new strategic view of HR is that HR plays a central role in helping the organisations reach its strategic objectives and interacts fully with other functional areas within the firm.

2.3.1 Strategic HRM: Some Theoretical Perspectives

James Walker has suggested that the new role of HR can be described most simply as one of helping managers maximize the contribution of employees in achieving competitive advantage. Ian Clark defines strategic HRM as being concerned with the promotion of efficiency and profitability. As you now understand strategic HR management centers on how organisations can improve their competitive performance by considering and utilising their human resources more effectively.

A number of theoretical models have been developed to explain exactly what SHRM requires in an organisation and the process by which SHRM contributes to the bottom-line success of a firm.

2.3.2 Universalistic Approach

John Delery and Harold Doty described a “Universalistic Approach” to strategic HRM. They say that managers should focus on adopting a set of universally effective HR practices as they have a positive effort on organisational performance, whatever is the firm’s particular business environment and strategy. They say that there should be:

- High level of employment security
- Selective hiring practices
- A focus on teams and decentralised decision making
- High pay levels
- Extensive employee training
- Practices that reduce status distinctions among employees
- High level of information sharing.

2.3.3 Strategic Fit Perspectives

In contrast to the universalistic view, the ‘Strategic-Fit Perspective’ of SHRM suggests that firm’s performance will be enhanced only when the firm adopts human resource management practices that complement and support both; other HR policies and practices and the other elements of the organisation’s strategic plan. The main idea of this model is that there should be a horizontal, vertical and external fit i.e. Horizontal refers to the consistency among various HR practices within the firm. For e.g. if the company wants to hire highly innovative, risk taking employees, the company’s performance appraisal and reward systems should also assess and reward innovation and risk taking.

Vertical fit is the degree to which HR practices are consistent with the firm’s overall business strategy. For e.g. Suppose a firm has decided to enhance its competitive standing relative to other firms in its industry by becoming highly “customer focused”, the training programme should be planned to develop better customer relations skills which will be consistent with the overall business philosophy instead of just procuring highly technical skills which may be unrelated to employee - customer oriented business strategy.

External fit is about how well HR practices align with the specific aspects of the external environment i.e. the demographical changes occurring within and outside the organisation and compelling the workforce to become more multicultural in

nature, thus, diversity management training, remedial language training or new approaches to selection of employees from non majority cultures should be concentrated upon as a part of the overall HR systems in order to fit to the new external environment and enhance the competitive value of employees.

2.3.4 Internal Service Provider

The next approach of SHRM is the 'Internal Service Provider' to the firm's individual business units. Over here the HR professionals have to improve the quality and cost effectiveness of HR services to increase the satisfaction of management "customers in various business units within the firm. When we say 'customers' it means the customers who have utilised the services of this business unit managers to help solve their people related business problems and increase the overall effectiveness of their units. E.g. the HR professionals can intervene and solve conflicts, interpersonal problems etc. among employees and managers. It can plan some training programmes to enhance certain skills in the employees or counselling session to deal with individual employee's problems.

2.3.5 Configurational Approach

The "configurational approach" to HRM, attempt at enhancing a firms competitive advantage by focusing on a set of HR practices rather than on any single HR program or policy e.g. quality circles which have addressed many organisational problems. This approach is consistent with the long held view that employee's performance is determined by a number of factors such as motivation and ability. To increase employee performance there is a need to enhance both motivation and ability. An opinion that configurational view is an extension of universalistic approach was afloat when, Pfeffer found a set of HR practices which seem to have universally positive effects on employee's performance. However, another study on 62 manufacturing firms by John Mac Duffie found that team based, high commitment HR practices increased the performance of manufacturing firms using flexible production system but did not enhance performance in firms with more traditional mass-production systems. Thus this study suggests that there is no single HR bundle that works universally. So it was found that universalistic and configurational approach are not the same. One of the major contributions of the configurational view is that research showed that a number of different bundles of HR practices which contain individual HR elements are internally consistent with one another.

2.3.6 Resource Based Model

In 1995, Jay Barney discussed a "resource based model" of SHRM. He said that this model is based on the idea that organisations gain competitive advantage when they possess resources that are valuable, rare, difficult for competitors to imitate and organised in such a way as to maximize their overall value of the firm. Thus each firm comes up with innovative and unique ideas so that they can address the needs of the customers with novelty.

2.3.7 Key Elements in Developing HRM

Now that we have considered the different theoretical approaches to HR functions, we come to a point where we have to question which approach is correct. This is not an easy question to be answered as each approach points to different aspects of the process needed for developing an effective strategic HR function.

However six key elements required in developing HRM within a firm have emerged from the above mentioned approaches. They are as follows:

- Internally transforming HR staff and structure
- Enhancing administrative efficiency
- Integrating HR into the strategic planning process
- Linking HR practices to business strategy and to one another
- Developing a partnership with line management
- Focusing on the bottom line impact of HR and measurement of that impact.

Though these processes seem to be independent of each other there is an obvious overlap not only in the process but also in the approaches.

If an organisation intends to create a HRM perspective, it needs to transform the existing staff that performs HR duties and also the structure in which they operate since these are the individuals who have to enact the change to SHRM. The focus over here would be to perform the administration task (like pay and benefits, safety programmes etc.) in as efficient and cost effective manner as possible.

The next elements of HRM are concerned with the strategic fit perspectives in which the HR has to be integrated into the strategic planning process. Only then the HR planners can link business strategies and HR practices to one another. In addition there should be an effective development of partnership between the line managers and HR staff. With the help of the line managers only the HR activities have a value adding effect.

The sixth essential HRM element is the importance of bottom-line, value adding impact of HR practices. HRM activities must add value to the firm instead of just doing its regular duties.

Before we go to examine how firms used these six elements to get transformed into a strategic HRM, let us have a brief discussion about “pre-transformation” activity. Michael Beer has suggested the following:

- i) First the leader of any HR change effort must be a highly competent and credible leader within the organisation.
- ii) Second, he must create a shared need for change among top managers so that they can easily identify.
- iii) Third, he should be able to articulate a clearly defined ‘end-state-vision’ for HR and the major steps that should be taken to achieve that vision.

Thus involvement of the top management will ensure their commitment to HR change process.

Finally measures must be developed to monitor the progress which should focus on the value added by HR and sustain them.

Self Assessment Questions

1) What is strategic HRM?

.....

.....

.....

.....

.....

2) Discuss the universalistic approach.

.....

.....

.....

.....

.....

3) Define strategic fit and explain its role.

.....

.....

.....

.....

.....

4) What do you understand by the term internal service provider in HR context?

.....

.....

.....

.....

.....

5) Discuss the configurational approach.

.....

.....

.....

.....

.....

.....

6) Describe the Resource based model.

.....

.....

.....

.....

.....

7) What are the theoretical perspectives of SHRM?

.....

.....

.....

.....

.....

2.4 TRANSFORMING OF HR STAFF AND STRUCTURE

There are two aspects of this transformation.

- i) Transforming the people
- ii) Transforming the structure

2.4.1 Transforming HR People

The skills needed of HR staff to function effectively in the traditional and strategic orientations differ significantly meaning that in the traditional role staff members need to be specialists in certain personnel functional areas and must have skills to perform activities such as training or recruitment. In contrast the largest skill component of a strategic HRM role is the change management. These managers should have the ability to focus on strategic planning, team building, quality improvement and diversity management and training. They should also have team leadership skills, the ability to have a global perspectives, financial and marketing literacy and good consulting and presentation skills.

However, these competencies may vary depending on the strategy of the organisation. The processes by which firms have attempted to transform HR staff from traditional specialists to strategic generalists are quite varied. The line managers wanted the HR to do the following functions:

- Share responsibility for performance and profitability.
- Be customer driven and a business partner with a broad focus.
- Focus on solutions, not activities.

- Be creative and strategic
- Initiate, lead and facilitate change
- Help develop global managers
- Act with urgency.

However, it is not easy to transform the HR skills within a large organisation. Time, effort, money and patience are needed.

2.4.2 Transforming HR Structure

The aim of the organisational restructuring is to determine which activities should be centralised and which should be decentralised. Some companies which have created new HR organisation structures to realign roles in order to separate transactional-fulfillment work (administrative role) and consultative business-partnering work (strategic role) reported that significant improvements in delivering strategic results were found when the traditional roles were replaced with more consultative organisation – effectiveness roles.

However, the appropriate structure for the HR function will depend on the nature of the firm's business activity, its size and its overall business strategy. Whatever particular structure is used, the key element is to find a structure which meets the needs of the business strategy of the organisation and allows the HR unit to provide services designed to help the firm achieve strategic objectives.

2.5 ENHANCING ADMINISTRATIVE EFFICIENCY

The important role of a HR manager is as an Administrative expert and as such he/she must take an active role in re-engineering administrative and other processes in the firm and find ways of improving services throughout the organisation.

Several processes are needed to enhance the administrative expert if the organisation wants him to function effectively. The focus should be on improving administrative efficiency by targeting current processes for improvement.

Thus the role of HR unit is to examine the gaps between the 'as is' process and what the system should be. Once this is identified, certain programmes can be developed to close them.

In implementing the new programmes however, the HR unit must market them throughout the organisation and then measure whether efficiency has been enhanced.

Administrative efficiency can also be enhanced through development of centralised HR services that are shared throughout the organisation. The organisation can develop one stop shop for all its payrolls, benefits and other HR administrative services. Another thing it can do is to establish a 'core team' of experts who can be called on for assistance by HR staff throughout the organisation.

Finally the administrative experts have to completely rethink how they can create value for the firm through their administrative activities. Therefore, the HR units

can create programmes that give value as perceived by the customers of the programmes and not as perceived by the provider of the programme.

2.6 INTEGRATING HR INTO STRATEGIC PLANNING

There are two requirements for strategic integration:

- i) That a strategic planning process occurs in the organisation; and
- ii) That HR managers play important role in that process.

Generally most of the firms do not have a well written strategic plan. Their main aim is to 'simply make money and not go bankrupt'. Thus the following paragraph will present a brief description of the actual strategic process.

2.6.1 The Strategic Planning Process

For the development of any strategic plan, there is a need to involve, the top management and sometimes outside consultants also sit down together to analyse the current and future state of the organisation. During this time they try to answer some basic questions like, where is the organisation today and where do we want it in the next five years? What are the strength and weaknesses? What opportunities exist in the business environment and what challenges are we likely to face i.e. SWOT analyses are done.

2.6.2 Mission, Goals and Value Statements

The major reasons for the organisation's existence are shown in the 'Mission statement'. This should be operationalised, in the sense that, when proper definitions are given to a mission only then it is clear and can be achieved. Managers should be able to visualise the mission, produce a backward imaging and also start working with the end result in their mind. The next is the "value statement" which is a fundamental belief statement to guide strategic change. Just as an individual behaviour is shaped by a personal value system; organisational behaviour and success are influenced by employee's perceptions of corporate beliefs. The degree to which values create desired organisational outcomes is a function of the extent to which beliefs are clearly articulated, successfully communicated and integrated into the way of doing business.

2.6.3 Environmental Threats and Opportunities

This is another integral step in the development of a strategic plan. The environmental factors that influence organisational objectives are analysed and the "environmental threats" which may prevent the organisation from achieving its strategic goals are identified. "Environmental opportunities" on the other hand are the aspects of the surroundings that may help the organisation to achieve its goals. Thus for any firm which is preparing a strategic plan, an environmental scan is essential, in which, the analysis of technology, economic factors, the legal/political environment, international market's competitions, the labour supply and its customers are included. Moreover, a strategic planning process should help managers develop as, complete an understanding as possible of all the features of the organisation's environment and how they come together to affect the enterprise.

2.6.4 Organisational Strengths and Weaknesses

The positive internal characteristics on which the organisation can draw its strategic goals are the “organisational strengths” and “organisational weaknesses”. These are characteristics that may stand in the way of the accomplishments. The analysis of strengths and weaknesses focus on the specific functions such as marketing, finance, production and research and development. Besides these the management philosophy may become outdated to address the changing dynamics and in the same way the contributions of the human resource may also fall short of what is expected in a competitive market. Therefore without losing the sight of the organisation philosophy, certain amendments can be made to strengthen the organisation for its future needs.

2.6.5 Goals and Objectives

After all the above aspects have been carefully examined the organisation should establish its goals and objectives more realistically so that the mission can be furthered. These goals have to do with people, products, marketing, resources citizenship and profitability and they have to be translated into “specific” “tactical” and “operational goals”, only then a team orientation that emphasis on accomplishment, involvement and provide the opportunity for employees to reach their full potential can be achieved. These general goals in turn will have specific implications for the structure of work, the appraisal of performance, rewards and career progression. Besides these, the definitions of goals have several important benefits to an organisation and its employees like:

Goals are a source of motivation as they describe the purpose of the organisation to all involved.

Goals also provide the basis for decisions since managers and employees must take many decisions in their day to day activities, knowing the goals would help them to make decisions with the desired outcome in the mind.

Goals also become the basis for performance measurement and guide the managers for future actions.

2.6.6 Formulation of Strategies

After, defining the mission and analysing the environmental threats and opportunities, considering the strengths and weaknesses and finally establishing the goals, the management undertakes the strategy of formulating the goals. The task over here is to select the most effective game plan or course of action to achieve the organisation’s goals and objectives. Thus strategy can be formulated at the ‘corporate level’ and for “individual business units and functions”. However, it is the HRM function which will be the critical element in the overall success of any strategy formulation and implementation process. Thus to ensure the success of the overall strategic planning process, HRM will have to be completely integrated and be a full partner in the strategic planning team.

2.6.7 Strategic Integration of HRM

Integration simply does not mean that HR managers have to provide HR related information to people who are making strategic decisions. To achieve full integration HR managers must have the ability to influence the development and

selection of information used in making a decision as well as the ability to make or influence the decision itself. There are various ways of integrating HR into the strategic decision making process.

- 1) The process of HR integration can begin by changing the hierarchical position of the senior HR manager which would automatically make the top HR manager to be a member of the senior executive committee and thus ensure that the HR issues are incorporated into the Strategic planning process. However this is not as simple as it seems. The person who holds the position should have the power and behave in accordance and see that the strategies are voiced and implemented.
- 2) In addition to the power, the HR representative should also gather and present information that is relevant to the making of overall business strategy. The HR officials should review the key talents, the firm's benefit structure and the culture etc. before taking any decisions, otherwise it would prove adversely.

Self Assessment Questions

- 1) What are mission goals and value statements?

.....

.....

.....

- 2) Discuss the integral steps in strategic planning.

.....

.....

.....

- 3) How do we overcome environmental threats in strategic planning?

.....

.....

.....

- 4) Discuss the organisational strengths and weaknesses from strategic planning approach.

.....

.....

.....

- 5) Describe the goals and objective for strategic planning.

.....

.....

.....

6) How do we integrate strategic planning with HRM?

.....

.....

.....

.....

2.7 FITTING HR PRACTICES TO BUSINESS STRATEGY

The most relevant and important HR issue for the staff and line managers in the modern business is the issue of fitting HR practice to business strategy. The HR fit involves seeing that the HR activities “make sense” and help the organisation achieve its goals and objectives. As mentioned earlier in this chapter there are three aspects of HR fit i.e. the vertical fit, the horizontal fit and the external fit (refer to earlier paragraphs).

If vertical fit occurs, then horizontal fit should follow but each of the fits should be considered separately if one wants to ensure that both are managed effectively within the organisation. However, to achieve, external, horizontal and vertical fit, the HR staff members, working closely with line managers must make correct choices about the nature and specific type of HR programmes that are used in the organisation.

2.7.1 Human Resource Practices Choices

Turning to ensuring a proper fit between external, vertical and horizontal fit, the HR practices should result in and continuously reinforce the behaviours which are needed for accommodating specific aspects of the external environment and to help achieve the organisation’s objectives. To attain these organisations may have to indulge in downsizing the employees and also reduce the levels of management hierarchy.

There are six categories of HR practice choices and the challenge is to develop internally consistent configurations of HR practices choices that help implement the organisation’s strategy and advance its competitiveness. The following are some of the HR choices which should be understood to accomplish the objectives of the organisations.

Staffing: Staffing is one of the most important decision for strategy implementation i.e. whether the firm hires from external sources or relies in promoting people from within the organisation to fill the vacant posts will determine the opportunities for current employees and will also influence the rewards, training and development and employment commitment. Related to this the issue of whether the recruitment and career decisions will be open or closed will also come up. Depending upon this the notification of the job opportunities will be posted on the notice board or sometimes the upper-level managers will simply announce the openings.

Appraising: Once the strategic goals are established, performance appraisals become a ‘must’. Performance appraisal should evaluate the behaviours which

are needed to achieve these objectives and the methods should vary according to the strategy.

Compensation: This is one area of HRM which communicates the overall philosophy and strategy of the organisation. Besides, the choices with respect to rewards overlap many other areas of human resource management. As with the performance appraisal system, different reward systems are needed for different strategies. Where firms look for operational excellence, the reward system should focus on team productivity, profit sharing and skills-based pay and when customer – intimacy is assessed, there should be individual rewards, non-financial rewards and service award programmes.

Training and development: When the organisations have to adapt to fast growth or rapidly changing technology they usually engage a skilled trainer from outside the organisation because the needed expertise can be obtained. Some other times they develop expertise in house. The training and development programmes must be compulsorily tied to the overall strategic objectives of the organisation and to other HR systems. Sometimes, there is a danger with in house training, like, since the in house trainers are not rewarded for the work they have done, they is a possibility that they do not expend enough time and effort to the task. In addition, the development efforts will be counter productive if the employees who get trained do not get any promotions after their training. If the employees cannot use what they have learned or are not rewarded for it, there is a possibility that they may leave the organisation for better opportunities elsewhere.

Employee influence: This concept has evolved from superficial participation (suggestion system) in the decision making process. However it has contributed to the empowerment of the employees who tend to manage their performance in support of business objectives. The question is how much of influence is given to the employee in matters such as organisational goals, rewards, working conditions and the work itself, because organisations are finding that empowered employees strengthen the organisation.

Work system: Another factor in individual productivity and organisational effectiveness is the design of work. The jobs that give greater responsibility and control over their work seem to motivate the employee as opposed to simplification and overspecialisation. The use of work systems to influence productivity has also been manifested in an emphasis on teams. The team approach has contributed to de-layering i.e. fewer management levels and fewer managers, due to which more authority and responsibility are delegated to self managed teams or autonomous work groups to plan, organise, supervise and evaluate their own work.

Self Assessment Questions

1) How do you fit HR practices to Business strategy?

.....

.....

.....

.....

2) What are the six categories of HR practice choices?

.....
.....
.....

3) Define staffing, compensation.

.....
.....
.....

4) Describe training and development.

.....
.....
.....

5) How do empowered employees strengthen organisations?

.....
.....
.....

2.7.2 HR Practices: Strategic Fit

In 1991, Jerre Stead the president of AT&T Global Business Communication Systems developed a new set of strategic business principles for the organisation:

- Make people a key priority
- Win customers for life
- Use the total quality management approach to run the business.
- Profitability grows by being the leader in customer led applications of technology.
- Rapidly and profitability globalise the business.
- Be the best value supplier.

The process of transforming HRM at GBCS was done in 5 steps.

Step I : Identifying the basic business principles.

Step II : A set of HR 'Strategic imperatives' were derived directly from the business principles which helped to translate the business principle to a set of HR related outcomes pertaining to the daily operation of GBCS.

Step III : The HR units used these imperatives to develop its own internal mission statement, which identified areas in which it was essential to focus HR activities.

Step IV : The focus was on cultural change i.e. in order to globalise successfully, the organisation had to become sensitive to differences

in cultures. So the critical focus areas for HR were cultural change, rewards and recognition and the development of ownership among employees.

Step V : Once these areas have been clarified, the HR unit would then develop, special programme, in partnership with management and employees, to adapt to a new external environment, accomplish the mission and contribute to the overall strategic success of the organisation.

Thus these principles showed how one can bring out a horizontal, vertical and external strategic fit of HR practices with the help of a step by step analysis of the overall mission, goals, and objectives of the organisation. Further the fit process requires an active involvement of individuals in change of HR practices and policies and also the meaningful participation of line staff.

2.7.3 HR Practices: Strategic Fit Vs. Strategic Flexibility

We assumed that strategic fit is the highly desirable end state of HR managers to be achieved in any organisation. However, there is a danger when HR systems become too well 'fitted' to a particular business environment and strategy. We all know that the environment in which organisations function are all dynamic and any changes in it has a direct impact on the organisation. The more the perfect fit the more is the difficult for the organisation to modify to the changing circumstances.

Thus several researchers have pointed out that both fit and flexibility are needed for long term competitive advantage. They argue that fit and flexibility are two independent concepts and each needs a close attention. They describe fit as a 'temporary state' and flexibility as a 'characteristics of an organisation' related to its ability to meet the demands of a dynamic environment. There are two types of flexibility: (i) Coordination flexibility and (ii) Resource flexibility. These are discussed below.

Coordination flexibility: This is the extent to which an organisation has decision making and other systems that allow it to quickly move resources from one use to another.

Resource flexibility: It is the extent to which an organisation can apply its resources to a variety of uses and purposes. It also involves the cost, difficulty and time needed to switch resources from one use to another.

So to develop a strategic fit, the establishment of HR practices that provide both fit and flexibility is something that HR managers cannot do alone. They can accomplish this task only by developing a strong partnership between themselves and line managers.

2.8 PARTNERSHIP

To become a business partner the HR manager must:

- Learn as much as possible about the firms business.
- Be more responsive to and more aware of the organisation's needs and direction.
- Move away from the traditional HR functions.

- Become more involved in supportive, collaborative relationships with managers throughout the organisation.
- Demonstrate how critical HR is to the success of the business.

To build a good business partnership the HR managers should first consult the line managers, who can provide information about where the support can be given by HR managers. Generally, the support is needed in areas such as career planning, education and training etc. Then depending on these requirements the HR staff can focus on strategy focusing on:

- Generating organisational excellence through selection and training.
- Reinforcing organisational excellence through performance management and reward systems.
- Sustaining organisational excellence through continuous improvement initiatives and constant communication of the vision of the organisation.
- Individual programmes can also be developed within each of these three main focus areas and then to start implementing these programmes, a conference can be held for all senior HR people.

Another way of building partnership is:

- The HR staff's, attending meetings of all the units of the firms, so as to better understand the nature of the business.
- Then some HR practices which were not adding value to the business should be removed and replaced by more apt ones.
- The HR staff should meet the top executive from other areas of the firm to discuss and identify issues and develop ways in which HR can help them grow.

This way the HR managers can identify the skills they need to be more effective business partners.

Thus the ability of HR to measure its contribution to the organisation's bottom line or other relevant measures of firm effectiveness is, however an essential final ingredient in the development of a lasting, meaningful partnership between HR and line managers.

2.9 MEASUREMENT OF HRM

HR departments are generally criticized for not providing any results for the organisation. There has been increasing pressure on the HR departments to evaluate their returns on investment. In order to show how HR contributes to the overall business success, the first requirement is to identify a means of measuring HR's performance. Some authors have suggested typologies of HR measurement systems, which relate to four basic questions about HRM.

- 1) What did the customers of the HR practices or those who have same stake in an HR activity think of it?
- 2) Did the HR activity have a measurable impact?
- 3) If the HR activity did have an impact, then what was the bottom line cost benefit to the organisation?
- 4) How do our HR activities compare with the HR activities of others (HR Bench marking)?

2.9.1 Customer Reactions

This is an attempt of measuring HRM effectiveness by identifying those who have a stake in the activities of HR in the organisation or some who are the direct users of the product like the managers, the unions, customers, employees, suppliers or even company shareholders. A survey is conducted on them about their perception on whether the HR could supply the right kind of HR products in the right way at the right time. If the answers to these are affirmative then we can say that they have performed a satisfactory job.

2.9.2 HR Impact

In order to properly evaluate the impact of HR programme the HR units must develop a strategic framework for assessing the effectiveness of their services. The strategic objectives of the organisation at units should be identified along with the human resource activities needed to accomplish those objectives. For e.g. if an organisation is planning to hire R&D scientists and the HR staff have an innovative method of selection and after hiring them into the organisation they have proved to be good, it shows that the HR impact was good.

Value of HR programmes: This is about the monetary costs and benefits of HR activities. There are many direct ways of assessing HR cost-benefits ratio of HR activities.

- 1) The first step is to figure out how much some undesirable HR-related situations in the organisation are costing.
- 2) Once this is known, the next step is to estimate the costs of the HR programmes developed to set this problem right.
- 3) Thus when the actual cost of the HR activities to bring about a difference in the staff behaviour is calculated and the benefits accrued by this changed behaviour are compared, one can assess the cost-benefit ratio easily.
- 4) However, there is an enumerable pressure on the HR activities of all the organisations because the HR practitioners always have to justify the bottom-line impact of their practices.

2.10 BENCH MARKING HR PRACTICES

This is important because, to determine the true competitive advantage of HR, an organisation must assess HR practices not only against same internal standard but also against the HR practices of key competitors and firms that exemplify excellence. Bench-marking is actually a generic term that can be defined as a comparison with selected performance indicators from different organisations, typically in the same industry, or with comparable organisations that are considered to be the 'best in class'. There are different types of bench marking:

Internal bench marking: This occurs when a firm compares practices in one part of the organisation against those in other internal units.

Competitive bench marking: This is conducted against external competitors in the same markets.

Generic HR Bench marking: This involves the comparison of HR processes that are the same, regardless of industry.

Whatever type of bench marking is being conducted, the process is the same. The firm must first understand its own performance by developing measures of customer reactions,

HR impact and the cost benefits: The firm must then decide exactly what to benchmark.

Measures that are obtainable in the comparison firms or business units should be identified and then prioritized relative to their overall strategic importance to the role of HR in the company.

An overall plan for the programme should be developed, including the allocation of sufficient resources for the project and the establishment of a clear project calendar.

The next step is to identify firms, that will be in the study, persuade them to participate and then collect data.

Analyse the data collected to find out the ‘gaps’ between the firm which is being compared and the target firm in the study.

Recommendations on how to close these gaps should be made and then implemented

There are a number of ways of benchmarking, however which one should be used will be left to the discretion of the firm that is involved.

In US, twenty five HR measurement ‘National standards’ were developed in 1984 by the Saratoga Institute. This would be useful for anyone who is contemplating benchmarking process.

Self Assessment Questions

1) What is the HR practices strategic fit steps?

.....

.....

.....

.....

2) Discuss strategic fit versus strategic flexibility.

.....

.....

.....

.....

3) How do we measure HRM?

.....

.....

.....

.....

4) What are the ways to understand the effectiveness of HR?

.....

.....

.....

.....

5) Discuss the measures to be taken to benchmark HR practices

.....

.....

.....

.....

2.11 IMPORTANCE OF STRATEGIC HRM

There are a variety of reasons why organisations have to transform from traditional HRM to SHRM. But for adopting the SHRM, there is a need for highly competent and persistent SHRM leader as well as committed and supportive top management. Many firms do not really have this kind of HR leaders or even the top management's support. Political forces within the organisation accompanied by competing coalitions with different interests may bar the adoption of many SHRM practices. When the company thinks of downsizing, the HR staff is the first to go because it is always seen as a non essential unit to the core business. Unless HR managers are involved directly in the process of strategy formulation, and the senior managers to link the HR activities to business strategy, the HR cannot implement the HR components and therefore loses the credibility with non HR managers, which will further isolate HR from the strategic planning process. However, there is evidence that HR practices do have a direct bottom line effect on the organisational profitability.

Research showed that it has a financial impact and there seems to be a strong case for promoting the improvement of HR activities as a means of affecting the financial results of many organisations. The business environment that has caused organisations to focus on human resources as a potential enduring source of competitive advantage is likely to continue. Thus, to the extent that HR practitioners become adept at measuring aspects of customer reactions, HR programme impact, and the cost benefit value of HR practices and also comparing their own HR practices with those of their best competitors, the importance of strategic human resource management is likely to continue to grow. Hence as a last word we can say the strategic human resource management is really worth all the trouble.

2.12 LET US SUM UP

In this unit we have discussed the process of how an organisation can move from a traditionally personnel management perspective to a strategic approach. Since the modern business environment is rapidly changing where technology, finance and products and can be imitated easily by the competitors this move has become essential. Human resources are one of the few enduring sources of competitive

advantage that remain for many firms. The traditional view of HR is that it is an isolated, record-keeping function with the organisation. Strategic human resource (SHRM) though is considered as a simple process of helping an organisation achieve the competitive advantage through its people there are many different perspectives on this definition.

People believe that there are universal set of HR practices that will always contribute to a firm's success, regardless of the business environment in the company's strategy. Therefore the role of the SHR managers is one of incorporating these universally effective HR practices into their firm, besides this it is also believed that their job is to match specific HR practices to particular aspects of the firm's strategy. They have to ensure a fit between HR practices and business strategy besides a fit with the external environment and one another.

Another view of SHRM is that of a service provider's role is to solve the problems and serve the HR needs of managers within different business units in a firm. Other HRM specialists believe that SHRM involves a process of putting together configurations of HR practices that are logically consistent with and appropriate for a particular business environment in which it operates. The final view is that it is a means of gaining competitive edge by putting together a unique group of human skills and abilities that other firms are unable to initiate and give the firms special capabilities so that it can with stand competition. Each of these perspectives adds to an overall view of HRM which suggest that HRM is a process that involves.

- Internally transforming HR staff and structure.
- Enhancing HR administrative efficiencies.
- Integrating HR into the strategic planning process.
- Linking HR practices to business strategy and to one another.
- Developing a partnership with line management so that HR programmes meet real business needs.
- Measuring the bottom line impact of HR activities.

Though each of these parts of SHRM process is complex, time consuming and difficult, and research indicates that real financial benefits result from more progress strategic and efficient use of human resources within modern organisation.

2.13 UNIT END QUESTIONS

- 1) Discuss the contributions of the different perspectives of Strategic Human Resource Management.
- 2) Explain how we can measure the effectiveness of HRM?
- 3) Explain what is SWOT analysis of an organisation?

2.14 SUGGESTED READINGS

Fisher, Cynthia. D, Schoenfeldt, Lyle .F and Shaw .J, B., (2004) *Human Resource Management*. 5th Edition, Indian Adaptation, New Delhi, Biztantra

Birdwell, I. and Holden, L. (1994) *Human Resource Management, A Contemporary Perspective*, New Delhi, Macmillan.

UNIT 3 PEOPLE DIMENSIONS IN HR AND SHORT TERM HUMAN RESOURCE PLANNING

Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 People in Organisations
 - 3.2.1 Psychological Contracts
 - 3.2.2 The Person Job Fit
- 3.3 Personality and Organisation
 - 3.3.1 Big Five Personality Traits
 - 3.3.2 Myer- Briggs Framework
 - 3.3.3 Other Personality Traits
- 3.4 Attitudes in Organisation
 - 3.4.1 Formation of Attitudes
 - 3.4.2 Basic Structure of Attitudes
 - 3.4.3 Cognitive Dissonance
 - 3.4.4 Key Words Related to Attitudes
 - 3.4.5 Affect and Mood in Organisation
- 3.5 Perception in Organisations
 - 3.5.1 Basic Perceptual Processes
 - 3.5.2 Perception and Attributes
- 3.6 Creativity in Organisation
 - 3.6.1 The Creative Individual
 - 3.6.2 Enhancing Creativity in Organisations
- 3.7 Types of Workplace Behaviour
 - 3.7.1 Performance Behaviour
 - 3.7.2 Dysfunctional Behaviour
 - 3.7.3 Method to Overcome Dysfunctional Behaviour
- 3.8 Short Term HR Planning
 - 3.8.1 The Organisation's Context of HR Planning
 - 3.8.2 Resource Planning
 - 3.8.3 Recruitment Planning
- 3.9 Employee Choice Plans
 - 3.9.1 Flexibility Plan
 - 3.9.2 Part Time Workers
 - 3.9.3 Job Sharing
 - 3.9.4 Home-working and Tele-working
- 3.10 Subcontracting
 - 3.10.1 Flexible Hour Arrangement
- 3.11 The Downsizing Plan
- 3.12 Let Us Sum Up
- 3.13 Unit End Questions
- 3.14 Glossary
- 3.15 Suggested Readings

3.0 INTRODUCTION

This unit deals with people dimensions at work and short term human resource planning. We start with people in organisations in which we discuss the psychological contracts and the person job fit. Then we take up the personality and organisation within which we discuss the big five personality traits, the Myer Briggs framework and the various other personality traits which affect organisation. Then we deal with attitude formation and structure of attitudes in an organisation. We then point out how cognitive dissonance come about and how the attitudes could be changed. Then we elucidate a few key work related attitudes and show how affect and moods in organisation are formed and adversely affect the work. This is followed by a discussion on creativity in organisations and types of work behaviours including dysfunctional behaviours and how to remedy the same. Then we take up Short term HR planning and discuss under this the resource planning and recruitment planning. Then we take up employee choice plans, the flexibility plan, job sharing process, the use of part time workers and the possibility of working from home etc. Under short term HR planning we take up subcontracting and flexible hour arrangements and as a last resort how the organisation can resort to downsizing.

3.1 OBJECTIVES

After completing this unit, you will be able to:

- Describe the relationship between people and organisation;
- Define psychological contract;
- Elucidate the person job fit;
- Explain the personality of individuals and how it affects organisation;
- Describe the Big Five personality traits and Myer Briggs framework;
- Explain how attitudes are formed in an organisation and their effects on the organisation;
- Delineate the perceptual processes in an organisation;
- Elucidate how creativity can be enhanced in an organisation;
- Delineate the different types of workplace behaviours in an organisation;
- Explain how dysfunctional behaviours can be overcome;
- Discuss short term HR planning;
- Delineate the various choice plans of employees such as flexibility plans, job sharing etc; and
- Define subcontracting and downsizing and their effects on organisation

3.2 PEOPLE IN ORGANISATION

To manage people effectively the managers should necessarily understand the factors that affect how people behave at work. As a starting point for understanding the behaviour of people in organisation we need to examine the basic nature of the individual and organisation relationship which helps us to appreciate the

nature of individual differences. These differences play a critical role in determining various important workplace behaviours which are of special relevance to managers. Besides these the gender, race and disabilities should also be taken into account. Further the needs and wants of the individuals will differ and these affect their levels of motivation. Due to the above differences, people develop a set of expectations regarding what he/she will contribute to the organisation and what the organisations will provide to them in return. All these psychological and emotional process influence the working of an individual employee and sometimes deter him/her from giving his/her total commitment to the organisation. Therefore organisations are turning towards making alternative arrangements in employment which is in other words known as short term planning. Through this the organisation is offering the employees different timings and opportunities, so that the employee can manage his/her job at the organisation and other activities at home.

Since the most pertinent variable of any organisation is the human variable, it is a huge challenge for the organisations' managers to plan and maintain them. There are many factors which operate on the people and each of them has an immense influence on the employee. He/she is processing the information that is emitting from the management side and if the individual perceives that the management is concerned, empathetic and provides for need fulfillment, then the established relationship or contract is satisfying and if he/she perceives it otherwise then, there are other adversities the management has to encounter. Thus it is imperative for the management to address the individual's every need to the utmost so that a 'Psychological Contract' gets established between the worker and the organisation.

3.2.1 Psychological Contracts

The contract resembles a standard legal contract in some ways but is less formal and well defined. However, nothing is written on a paper or any of the terms are explicitly negotiated. The individual makes a variety of 'contributions' to the organisation and in return the organisation provides 'inducements' to the individual. Some of these inducements like pay and career opportunities are tangible rewards and others such as job security and status are more intangible. When the employee feels that he/she is receiving a fair and equitable compensation for his/her efforts there will be satisfaction and a relationship will form and he/she will continue to contribute in the same way. However if either party sees any kind of inequity in the contract, that party may initiate a change. The employee might ask for a pay rise or a promotion, put forth less effort or look for a better job elsewhere. On the organisation side, they may initiate change by training the worker to improve the skills, transfer the employee to another job or fire the person.

All organisations strive to manage the psychological contracts. They want value from their employees and they give their employees the right inducements. Otherwise the employee starts stealing the resources as a way of balancing the psychological contract.

Recent trends in downsizing and cut backs have actually complicated the process of managing psychological contracts. Job permanence for most people started seeming unlikely therefore the organisations are providing alternative inducement

in the form of sending the employees for additional training, increased flexibility in working schedules etc.

Increased globalisation of business also complicates the management of psychological contracts because the values attached to the inducements are varying extremely. For, e.g The U.S. workers value individual rewards and recognition but Japanese workers are happy with group based rewards and recognition.

The more recent problem is due to international businesses. Managers who are selected for a foreign assignment are usually given some estimate of the duration of the assignments and receive various adjustments in their compensation package. When the assignment is over the manager must then be integrated into the domestic organisation. Thus, the problem here would be that during the tenure of the employee's assignment, many changes might have taken place in the organisation and the returning manager may be coming back to quite a different organisation and job from the one he/she has left.

3.2.2 The Person-Job Fit

The specific aspect of managing psychological contract is managing the person-job fit. A good person-job fit is one in which the employee's contribution match the inducements the organisation offers. However, such a precise person- job fit is not always possible. One reason is the hiring procedure is imperfect. Managers can estimate employee skill levels when making hiring decisions and can improve them through training, but to obtain an objective and valid performance dimension is quite difficult.

Another consideration is that both people and organisations change. An employee who finds the new job stimulating and exciting may consider the same job boring and monotonous in a few years time. Finally, each person is unique, measuring skill and performance is difficulty and assessing attitude and personality is far more complex. Hence each individual difference, make matching workers with jobs a difficult and complex process.

Since managers need to establish effective psychological contracts with their employees and achieve optimum fit between people and jobs, they face a major challenge in attempting to understand both individual differences and contributions in relation to inducements and contexts. Let us start off by developing an understanding of the role of personality in organisations.

As you all know individual differ on personal attributes that vary from one person to another. They can be physical, psychological or emotional. The basic categories of individual differences include personality, attitudes, perception and creativity. However, we need to note the importance of the situation in assessing the individual's behaviour. The circumstances in which an individual operates determine, whether an individual is dissatisfied, withdrawn and negative in one job setting but satisfied, outgoing and positive in another. Working conditions, co-workers, and leadership are also a few factors which affect how a person performs and feels about a job. So whenever the managers attempt to assess or account for individual differences, they must be sure to consider the situation in which the behaviour occurs.

Self Assessment Questions

- 1) Discuss people in organisations and management of them by the organisation.

.....

.....

.....

.....

.....

- 2) Define psychological contract.

.....

.....

.....

.....

.....

- 3) How does an organisation manage the psychological contract?

.....

.....

.....

.....

.....

- 4) What is meant by person-job fit?

.....

.....

.....

.....

.....

3.3 PERSONALITY AND ORGANISATION

Personality is the relatively stable set of psychological attributes that distinguish one person from another. Both biological and environmental factors play an important role in determining our personality, thus managers should strive to understand the basic personality attributes and how they can affect peoples' behaviour in organisational situations.

3.3.1 Big Five Personality Traits

Psychologists have identified literally thousands of personality traits and dimensions that differentiate one person from another. But researchers in the

recent years have identified five fundamental traits that are especially relevant to organisation which are commonly called the 'Big Five' personality traits.

The five traits are:

- Agreeableness
- Conscientiousness
- Negative Emotionality
- Extraversion
- Openness

- 1) **Agreeableness:** It is the person's ability to get along with others. People with agreeableness are gentle, cooperative, forgiving, understanding and good natured in their interaction with others. Research has found that highly agreeable people are better at developing good working relationships with co-workers, subordinates and higher level managers whereas less agreeable people are not likely to have good working relationships. The same pattern will extend to the customers, supplier and the other key organisational constituents.
- 2) **Conscientiousness:** This means the number of goals on which a person focuses. People who focus on few goals at a time are more organised systematic, careful, thorough, responsible and self disciplined. Research in this dimension showed that more conscientiousness people tend to be higher performers than the less conscientiousness people in a variety of different jobs. People high on conscientiousness take their jobs more seriously and approach their jobs in highly responsible fashions.
- 3) **Negative emotionality:** The third dimension is 'Negative Emotionality' where people having this dimension in lesser measure are said to be relatively poised, calm, resilient and secure. People with less negative emotionality are better at handling job stress, pressure and tension. These people are considered more reliable and stable.
- 4) **Extraversion:** This reflects a person's comfort level with relationship. They are more social, assertive and open to establishing new relationship. Research suggests that extraverts tend to be higher in overall job performance and they are more likely to be attracted to jobs based on personal relationships, such as sales and marketing positions.
- 5) **Openness:** Finally openness reflects a person's rigidity of beliefs and a range of interests. People high on openness are willing to listen to new ideas and to change their own ideas, beliefs and attitudes in response to new information. They also tend to have broad interests and to be curious, imaginative and creative. People who are low on openness are less receptive and less willing to change their minds. They have fewer and narrower interests and are less curious and creative. Because of their flexibility people with more openness are better performers and are better accepted by others in the organisation. Openness may also involve a person's willingness to accept change, whereas people with less openness resist change.

Researchers and managers are highly attracted to the big five framework as it encompasses a set of traits which are predictors of behaviour in certain situations. This framework enables the managers who are aware of it to understand their employees better.

3.3.2 Myer- Briggs Framework

This is based on the Carl Jung's classical work and differentiates people in terms of four general dimensions: sensing, intuition, judging and perceiving. Higher and lower positions in each of the dimensions are used to classify people into one of the sixteen different personality categories. This is a popular questionnaire and most organisations use it to assess personality type. It also serves as a selection instrument. It allows determining the communication styles and interaction preferences.

3.3.3 Other Personality Traits

Besides the above two frameworks, several other personality traits influence behaviour in organisations. Among the most important are: Locus of Control, Self efficacy, Authoritarianism, Machiavellianism, Self esteem and Risk Propensity.

- 1) **Locus of Control:** It is the extent to which people believe that their behaviour has a real effect on what happens to them. People who believe that individuals are in control of their lives are said to have internal locus of control. Other people think that fate, chance, luck or other people's behaviour determines what happens to them. People who think that forces beyond their control dictate what happens to them are said to have an extreme locus of control.
- 2) **Self efficacy:** It is a person's belief about his or her capabilities to perform a task. People with high self efficacy believe that they can perform well on a specific task. Individual's personality and assessment of ability contribute to self efficacy. It brings out more self assuredness and will be better focused on performance.
- 3) **Authoritarianism:** Authoritarianism is the belief that power and status differences are appropriate within hierarchical social systems such as organisations. The persons who are highly authoritarian may accept directives or orders from someone with more authority because he believes that the other person is a 'boss' and he has a right. In contrast people who are not authoritarian, though may carry out the order from the boss are more likely to question things, express disagreement with the boss. A highly authoritarian manager may also be more autocratic and demanding and the subordinates will accept his behaviour. However a less authoritarian manager may allow subordinates a bigger role in making decisions and the subordinate will respond positively to his behaviour.
- 4) **Machiavellianism:** This is another important personality trait in which the behaviour is directed at gaining power and controlling the behaviour of others. More Machiavellian individuals tend to be rational and non emotional, may be willing to lie to attain their personal goals, put little emphasis on loyalty and friendship and enjoy manipulating other's behaviour. Less Machiavellian individuals are more emotional, less willing to lie to

succeed, value loyalty and friendship; highly and get little pleasure from manipulating others.

- 5) **Self esteem:** This is the extent to which a person believes that he/she is a worthwhile and deserving individual. People with high self esteem are more likely to seek higher status jobs, be more confident in their ability to achieve higher levels of performance and derive greater intrinsic satisfaction from their accomplishments. Among the major personality dimensions, self esteem is the one that has been most widely studied and applied in organisations.
- 6) **Risk propensity:** This is the degree of which a person is willing to take chances and make risky decisions. Managers with high risk propensity will experiment with new ideas and gamble on new products. These can lead the organisations to new and different directions. These managers might be catalysts for innovation. However through low risk propensity managers may not take the required risks, they can maintain stability and calm in organisations. The potential consequence of a manager's risk propensity depends heavily on the organisation's environment.

Self Assessment Questions

- 1) Discuss personality traits and how do they affect organisations.

.....

.....

.....

.....

- 2) What are the Big Five Personality traits? Describe

.....

.....

.....

.....

- 3) Elucidate Myer Briggs framework.

.....

.....

.....

.....

- 4) Name the other personality traits that are relevant for organisation.

.....

.....

.....

.....

3.4 ATTITUDES IN ORGANISATION

Attitudes are complexes of beliefs and feelings that people have about specific ideas, situations or other people. People's attitudes also affect their behaviour in organisation, because they are the mechanism through which most people express their feelings. E.g. If an employee thinks he is under paid by the organisation it reflects his feeling about his pay.

3.4.1 Formation of Attitudes

A variety of forces including our personal values, our experiences and our personalities, act on the formation of attitudes. We form a favourable attitude about a person, an object or event when we have a pleasant experience with them and we form an unfavourable attitude when our experiences were unpleasant or negative. Sometime any of the dimensions dealt in the Big Five frame work may also influence our attitude formation.

Let us consider the Basic structure of attitudes.

3.4.2 Basic Structure of Attitudes

Attitudes are usually seen as stable dispositions to behave toward objects in a certain way, and we expect a person to express the same feeling consistently. Thus attitude contains three components: 'affect', 'cognition' and 'intention'. A person's affect can be said as his/her feeling towards something. It is similar to emotion and we have little or no control over this. You may like something extremely, do not like something and you may be indifferent to something else. However if what you do not like so much is very important for your progress, then some amount of anxiety develops in you.

- 1) **Cognition:** It is the knowledge that one has about something. This knowledge may be true, partially true or totally false. Cognitions are based on perceptions, truth and reality and perceptions agree with reality to varying degrees.
- 2) **Intention:** This guides the person's behaviour. Some attitudes and their corresponding intentions are central and significant to an individual than others. Like you may intend to do one thing, but later on alter you intention because a more significant activity has come up.

3.4.3 Cognitive Dissonance

When two sets of cognitions or perceptions are contradictory or incongruent with each other, a person experiences a level of conflict and anxiety. Cognitive Dissonance also occurs when people behave in a fashion that is inconsistent with their attitudes e.g. a person may realise that smoking and over eating are dangerous for health but continue to do both. A certain amount of tension and discomfort is experienced by the individual because the attitudes and behaviours are inconsistent with each other. So to reduce this feelings the person may change the attitude alter the behaviour or distort the circumstances.

This dissonance affects people in a variety of ways. They have frequent conflicts with different attitude or with their own behaviour. In an organisation setting, people thinking about leaving the organisation wonder why they continue to stay and work hard and as a result of this conflict, they may conclude that the

company is not so bad after all, or that they have no immediate option else where or that they will leave soon.

Attitude change: Attitude change takes place in an individual as and how he/she receives new information about the target person, object or event. For e.g. a manager may have a negative attitude about a new colleague because of his lack of job-related experience. After working with him for a while, the manager may realise that the person is actually very talented and subsequently develops a more positive attitude.

Attitudes can also change when the objects of the attitude becomes less important or less relevant to the person e.g. suppose an individual is not very happy with the insurance benefits of his company but later on if his spouse gets a job in an organisation which offers good insurance benefits for the whole family, then his feeling or attitude toward his company get moderated basically because his worries are reduced.

Finally, individuals may change their attitudes as a way to reduce cognitive dissonance because staying under dissonance can increase the tensions.

Attitudes are highly resistant to change because most often they are deeply rooted, and developed over a long period, mainly out of our experiences and observation.

3.4.4 Key Work Related to Attitudes

There are many things in an organisation to form attitudes for the employees. They have attitudes about salary, their promotion possibilities, their boss, employee benefits, and the food in the company cafeteria etc. However some of the attitudes are more important than others like job satisfaction and organisational commitment.

Job Satisfaction: This attitude reflects the extent to which people find gratification or fulfillment in their work. Individual's needs and aspirations are some of the important factors of job satisfaction. Along with this, group and organisational factors such as relationships with co-workers and supervisors and working conditions, work policies and compensation also influence job satisfaction.

A satisfied employee tends to be more regular to work, makes positive contribution and stays with the organisation. In contrast a dissatisfied employee will be frequently absent, experiences stress which can have effect on his work and other co-workers, and may be on the lookout for other jobs. However, high level of satisfaction has not been found to lead to higher levels of productivity.

Organisational Commitment: This also called as job commitment and it reflects an individual's identification with and attachment to the organisation. A highly committed person will see him/her self as a true member of the company, overlooks minor sources of dissatisfaction and remains a member of the organisation. Organisations on their part take some measures to promote satisfaction and commitment.

Like they must treat their employees fairly and provide reasonable rewards and job security.

Allow employees to have a say in how things are done.

Design jobs that are stimulating.

Besides these some other factors that lead to commitment are extrinsic rewards, role clarity and participative management.

3.4.5 Affect and Mood in Organisation

Turning to the effective component of attitudes, which reflect our emotions, research shows that there are some short term fluctuations in the emotions and feelings of people and they are also some underlying stable predispositions which are fairly constant and predictable moods and emotional states. Some people have positive affectivity which means that they are relatively optimistic and possess an overall sense of well being. These people see things in a positive light and are always in a good mood. People with negative affectivity are the opposite, that is, they are pessimistic and usually see things in a negative way and are mostly in bad mood.

However, as said earlier some short term variations can occur among both these types and it does not mean that people who have positive affectivity will always be in good mood, if something goes wrong in their life like being laid off or did not receive promotion they can suffer from bad mood.

3.5 PERCEPTION IN ORGANISATION

This is another important process by which individuals become aware and interpret information about the environment. Thus perception is also another important element in the workplace behaviours. People perceive the same thing in many different ways.

These differences would arise primarily because of perception and therefore managers should understand basic perceptual processes. As said earlier perception is receiving information in many guises, and the receiver assimilates the varied type of incoming information for the purpose of interpreting it.

3.5.1 Basic Perceptual Processes

The following are the two basic perceptual processes that are of particular importance to the manager: Selective perception and Stereotyping.

Selective Perception: It is the process of screening out the information that is uncomfortable or one that contradicts our beliefs. Because of selective perception managers tend to ignore some important or disagreeable information about the employees i.e. if they are in favour of an employee they may ignore some behaviour which is not acceptable, and it is the vice-versa, if they are unfavourable of an employee. This behaviour of the manager can be quite detrimental in running the organisation.

Stereotyping: It is categorizing or labeling people on the basis of a single attribute. Sometimes, certain forms of stereotyping are useful and efficient. Like attributing that marketing executives are very forceful and go-getters. But when stereotypes are made for race or sex then it is harmful.

These kinds of stereotyping are inaccurate for e.g. if a Human Resource manager forms the stereotype that women can only perform certain tasks and men are

best suited for other tasks it affects the manager's hiring practices. He/She is also costing the organisation valuable talent for both sets of jobs. This also amounts to violating federal law and behaving unethically.

3.5.2 Perception and Attributes

The theory of attribution has enhanced our understanding of how perception affects behaviour in organisation. This suggests that we observe a behaviour and then attribute causes to it i.e. we try to explain why people behave as they do.

The process of attribution is based on perceptions of reality and these vary widely among individuals. The process starts like this: we observe behaviours either our own or someone else's, we evaluate that behaviour in terms of its degrees of consensus, consistency and distinctiveness.

'Consensus' is the extent to which other people in the same situation behave the same way.

'Consistency' is the degree to which the same person behaves in the same way at different times.

'Distinctiveness' is the extent to which the same person behaves in the same way in different situations.

Thus 'Consensus- means falling in line with others behaviour, consistency means, repeatedly behaving in the same way, whereas distinctiveness means the ability to read the situation and judge it and behave as required. So to form an attribution as to the cause of behaviour, we have to analyse a person's behaviour based on various combinations of consensus, consistency and distinctiveness. We may think that the behaviour is caused internally (i.e. by the forces within the person) or externally (by forces in the person's environment) For example suppose a subordinate behaves as a rowdy, disrupting others work and making nuisance of himself, the manager can change his behaviour if he/she can know the cause of this behaviour. If the employee is the only one engaging in the disruptive behaviour (low consensus), if he behaves like this many times in a week (high consistency) and if the behaviour is the same in other settings (low distinctiveness) then a logical conclusion can be drawn, that the employee is behaving this way due to internal factors.

In another similar case, everyone in the employee's work group is rowdy (high consensus) and the particular employee is also a rowdy at work (high consistency) but the manager has not seen him behave that way in other settings (high distinctiveness) then the behaviour is said to be caused due to external factors. i.e. this particular employee though is a rowdy he/she has the judgment and distinction of analysing the situation and displaying a suitable behaviour, but in this particular situation is governed by external factors (other's force).

Self Assessment Questions

1) Define attitudes in organisation.

.....

.....

.....

2) How are attitudes formed?

.....

.....

.....

.....

.....

3) What is the basic structure of an attitude?

.....

.....

.....

.....

.....

4) What is cognitive dissonance?

.....

.....

.....

.....

.....

.....

5) Elucidate the key words related to attitudes.

.....

.....

.....

.....

.....

.....

6) Discuss affect and mood in organisation.

.....

.....

.....

.....

.....

.....

7) What are basic perceptual processes?

.....

.....

.....

.....

.....

8) Relate perception to attributes.

.....

.....

.....

.....

.....

3.6 CREATIVITY IN ORGANISATION

Creativity is an ability to generate new ideas or to conceive new perspectives on existing ideas. Let us examine how the process of creativity works? There are a few general patterns which help us understand the sources of individual creativity within the organisations.

3.6.1 The Creative Individual

The common attributes of creative individuals fall under three categories, Background experiences, personal traits and cognitive abilities.

Background experiences and creativity: Research shows that creative people were raised in environments which nurtured creativity.

- 1) **Personal traits and creativity:** Certain personal traits like openness, an attraction to complexity, high levels of energy, independence and autonomy, strong self confidence, and a strong belief of being creative are said be some traits among creative people.
- 2) **Cognitive abilities:** The individual's power to think intelligently and to analyse situations and data effective are said to be the cognitive abilities of a person. Intelligence may be a precondition for individual's creativity, but it is not necessary that person who is creative necessarily be intelligent. Creativity is also linked with the ability to think divergently as people with divergent thinking can see differences among situations, phenomena or events whereas convergent thinking allows people to see similarities among the same.
- 3) **The Creative Process:** Generally the 'ideas' of creative people come to them 'in a flash' but creativity generally tends to progress through a series of stages. However all creative activities may not follow these stages but most of them go through these.

- 4) **Preparation:** There is a period of 'preparation' for creativity to occur. To make creative contributions to business management or business services, people usually receive formal training and education in business, because it helps the individual to think from different perspectives and this lateral thinking can bring out some creative idea.
- 5) **Incubation:** This is a period of intense conscious concentration during which the knowledge and ideas acquired during preparation, mature and develop. Every idea or thought needs some time to grow.
- 6) **Insight:** It is a break through in which the creative person achieves a new understanding of some problems or situation. All the scattered thoughts and ideas that were maturing during incubation come together and represent 'Insight'. It may occur suddenly, or develop slowly over a period of time. It can get triggered by some external event, such as a new experience or new data that forces the individual to think about old issues and problem in a new way and generate new ideas.
- 7) **Verification:** Only verification of the insight would determine the validity or truthfulness of the insight. To verify one must check and cross check the available insight time and again and after it withstands the test of time, one can publicize it as an innovation or creative idea.

3.6.2 Enhancing Creativity in Organisations

If managers intend to enhance and promote creativity in their organisations, they can do it in many ways. One important method is to make it a part of the organisation's culture. For this the manager should set explicit goals and state that the employees will enjoy some parts of the gains and profits which the organisation has obtained because of their creative ideas. This statement communicates that their creativity and innovation are valued.

Another method is to reward creative success but not punish creative failures. Otherwise the other organisational members will not come forward with innovative ideas for fear of failure.

3.7 TYPES OF WORK PLACE BEHAVIOUR

Turning our attention to work place behaviours, it is a pattern of action by the members of an organisation that directly or indirectly influence the organisation's effectiveness. One way to discuss the work place behaviour is to describe its impact on performance and productivity, absenteeism and turnover and organisational citizenship. However, employees can exhibit dysfunctional behaviours as well.

3.7.1 Performance Behaviour

These are the total set of work related behaviours that the organisation expects the individual to display. For example, an assembly line worker's performance can be assessed quantitatively by counting how many products /units, he/she has produced during the day.

But for many other jobs, performance behaviour can be very diverse and difficult to assess, e.g. a Research and development scientist. He/She works in a lab trying to find new scientific break through. The desired breakthrough may take months and years. Thus assessing the performance in this situation is quite difficult. So organisation depends on different methods to evaluate performance, the purpose of which is to match the evaluation mechanism with the job being performed.

3.7.2 Dysfunctional Behaviour

Behaviours which detract from the organisational performance are termed as dysfunctional behaviours. Two most common ones are absenteeism and turnover.

- 1) **Absenteeism:** When an employee does not show up for work, it is called absenteeism. Some absenteeism is legitimate like illness, jury duty, death or illness in the family. But sometimes employees feign a legitimate cause which could just be an exercise to stay at home. Thus when an employee is absent, either legitimately and illegitimately, either his/her work gets stalled or sometimes a substitute must be hired to do it. In either case the quality and or quantity of the output suffers. Though absenteeism is an expected feature of an organisation, it strives hard to minimize feigned absenteeism and reduce legitimate absence as much as possible.
- 2) **Turnover:** This is another frequent problem experienced by the organisations, i.e. people quit their jobs. It is usually a costly activity for the organisation because when people quit an organisation they have to be replaced. Particularly when the employee was a valued worker, it is even worse because finding a good replacement may be difficulty. Turnover can result from a number of factors such as, aspects of job, the organisation, the individual, the labour market and family influences. Sometimes a poor person job-fit can also be a cause of turnover.

Another important issue could be the inflexibility on the part of the organisation and this makes it difficult for the employee to manage his/her work, family and other personal matters. So employees may look for jobs which enable them to balance their work and non work considerations.

- 3) **Theft and sabotage:** There are some more dysfunctional behaviour of the employees which are even more costly for an organisation, e.g. Theft and Sabotage. These result in direct financial costs for an organisation. Besides these, sexual and racial harassments both indirectly (by lowering morale, producing fear, and driving off valuable employees) and directly costs the organisation if it respond inappropriately. Further work place violence also seems to be a growing concern in many organisations. Violence by disgusted workers or former workers can result in dozens of deaths and injuries each year and some times they can cause other concerns for the organisations.

3.7.3 Method to Overcome Dysfunctional Behaviour

Organisation Citizenship: By trying to promote organisational citizenship managers strive to minimize the dysfunctional behaviours of the employees. Thus Organisational Citizenship refers to the behaviour of individuals who make a positive overall contribution to the organisation. An employee is considered to be an organisation's citizen, when he/she contributes beyond the strict

performance of the job. Many a times an employee does work that is acceptable in terms of both quantity and quality but refuses to work overtime, or is unwilling to help new comers etc., and then he/she is seen as good performer but not as good organisation citizen.

There is an interweaving of individual, social and organisational variables which determine the organisational citizenship behaviour. For example, the personality, attitudes and needs of the individual must be consistent with citizenship behaviour. In the same manner, the social context or the work group must also facilitate and promote such behaviour. In addition, the organisation itself, especially the culture must promote, recognise and reward these types of behaviours, if they are to be maintained. The study of organisation citizen is expected to play a powerful role in organisational effectiveness.

Self Assessment Questions

1) Define creativity.

.....

.....

.....

.....

.....

2) How can creativity be enhanced in an organisation?

.....

.....

.....

.....

.....

3) Discuss the different types of workplace behaviours.

.....

.....

.....

.....

.....

4) What is performance behaviour?

.....

.....

.....

.....

.....

5) Elineate the various dysfunctional behaviours.

.....

.....

.....

.....

.....

6) What is organisational citizenship?

.....

.....

.....

.....

.....

7) How is it to be promoted?

.....

.....

.....

.....

.....

3.8 SHORT TERM HR PLANNING

Turning to the typical concept of why Human Resource planning as a matter of forecasting the long term demand and supply for people fails, is because the ability to make these estimates are severely limited by the difficulty of predicting the influence of the external events. Most of the time, management runs the risk of converting sensible anticipation, into foolish numbers, by making some loose assumptions for need of labour supply in the future.

Thus Human Resource planning today is more likely to concentrate on what skills will be needed in the future and may only provide a board indication of the numbers required in the longer term. In some circumstances it might provide short term forecasts whenever it is possible to predict activity, levels and skills requirements with a reasonable degree of accuracy. Such predictions are based on board scenarios rather than on specific supply and demand forecasts.

Rothwell (1995) points out the gap between theory and practice and suggests that this usually arises from

- i) Impact of change and the difficulty of predicting the future – the need for planning may be in inverse proportion to its feasibility.
- ii) The shifting of policy priorities and the strategies within the organisation.
- iii) The distrust displayed by many managers about theory and planning.
- iv) Lack of evidence that human resource works.

However, it is difficult to reject the belief that some attempts should be made to forecast human resource requirements, bearing in mind that major changes in the operations of an organisation can usually be foreseen and thus one must keep track of developments so that the organisation is in a better position to deal with resourcing problems when they arise.

3.8.1 The Organisations Context of HR Planning

Human Planning takes place within the context of the organisation. The extent to which it is used and the approach adopted, will be contingent on the management recognising that success depends on forecasting future people requirements and implementing plans to satisfy those requirements. The approach will also be affected by the degree to which it is possible to make accurate forecasts. When organisations are operating in turbulent environments in which future activity levels are difficult to predict, they may have to rely on adhoc and short-term measures to recruit and keep people.

Thus organisations develop some action plans which are derived from broad resourcing strategies and more detailed analysis of demand and supply factor. These plans however have to be short term and flexible because of the difficulty of making firm predictions about human resource requirements in times of rapid changes. Thus plans should be prepared in the areas of resourcing, flexibility and downsizing.

3.8.2 Resource Planning

This is an 'obtaining plan' from within the organisation to recruiting them externally and to attract high quality candidates. Thus the first step is to analyse the availability of suitable people from within the organisation. They can be identified by referring to the assessments of potential and a skills database. These are essential information about the candidates which are regularly updated with the sort of skills needed by the organisation. Decisions are then made on what steps should be taken to promote, redeploy, and if necessary to provide additional experience and training to eligible staff. Plans can also be made to make better use of existing employees, which may include flexibility arrangements or home working.

3.8.3 Recruitment Planning

This includes:

- The number and type of employees required to make up any deficits, when they are needed.
- The likely sources of candidates – school, colleges of further education, universities, advertising, internet etc.
- Plans for tapping alternative sources, such as part times, or widening the recruitment procedure to include women.
- How the recruitment programme will be conducted.

3.9 EMPLOYEE CHOICE PLANS

The recruitment plan should include plans for attracting good candidates. This can be achieved by improving the image of the company as an employer of choice, and by offering the following:

- Better remuneration packages
- More opportunities for learning, development and careers.
- Enhanced future employability because of the reputation of the organisation as one that employees and develops high quality people and provides learning opportunities.
- Employment condition which address work life balance issue.
- Better facilities and scope for knowledge workers.
- 'Golden Hellos' (some of the money paid in front to recruits).
- Generous relocation payments.

3.9.1 Flexibility Plan

The aims should be to:

- Provide for greater operational flexibility
- Improve the utilisation of employees skills and capabilities
- Reduce employment costs
- Help to achieve downsizing smoothly and in a way which avoids the need for compulsory redundancies
- Increase productivity

For attaining this, there should be a radical look at traditional employment patterns. This means identifying the scope for using alternatives to full time permanent staff, which could include increasing the number of part times, job sharing, the expansion of home working or tele-working or employing more temporary workers. The two main new trends in temporary working are:

- i) To establish permanent staffing levels to meet minimum or normal levels of demand and rely on temporary staff to cover peaks.
- ii) To develop a 'two tier' work force in order to provide greater job security for the core workers, by employing a certain percentage of temporary staff at the periphery. Sometimes, the organisation can make more use of sub-contractors or outsourcing works and introduce more flexible working arrangements.

3.9.2 Part Time Workers

There are some advantages of using part time workers like, there is:

- More scope for flexing hours worked
- Better utilisation of plant and equipment, e.g. introducing 'twilight shift'.
- Lower unit labour costs because over time levels for full time workers are reduced

- Higher productivity on repetitive work because part time workers can give more attention to their work during their shorter working day.

The disadvantages are:

- Part timers are generally less willing to undertake after noon or evening work, they are less mobile and have difficulty in varying their hours of work.
- Rates of labour turnover may be higher among part timers.
- Part timers may be less committed than full time employees.

3.9.3 Job Sharing

This is an arrangement where two employees share the work of one full time position dividing pay and benefits between them according to the time each works. Job sharing can involve splitting days or week, or less frequently working alternate weeks, the advantages of job sharing include reduced employee turnover and absenteeism because it suits the needs of the individuals, greater continuity results because if one-half of the job sharing team is ill or leaves, the shares will continue working for at least half the time. Job sharing also means that wider employment pool can be tapped, if those who cannot work full time but want permanent employment. The disadvantages are the administrative costs involved and the risks of responsibility being divided.

3.9.4 Home-Working and Tele-Working

The job, that we can give home based employees are that of consultants, analysts, designers, programmers or various kinds of administrative work. The advantage of these arrangements is Flexibility to respond rapidly to fluctuations in demand, reduced overheads and lower employment cost if the home workers are self employed.

The teleworking of people working at home are linked to the main company or networked with other outworkers. Its aim is to achieve greater flexibility, rapid access to skills and the retention of skilled employees who would otherwise be lost to the company. Teleworkers can be used in a number of functions such as marketing, finance and IT. The arrangement does, however depend for its success on the involvement and education of all employees, the careful selection and training of teleworkers, allocating adequate resources to them and monitoring the operation of the system.

3.10 SUBCONTRACTING

This enables the following:

- Resources to be concentrated on core business activities
- Employment costs to be reduced
- Flexibility and productivity to be increased
- Job security for core employees to be enhanced

The potential drawbacks can be:

- The legal status of subcontractors has to be classified for the purpose of income tax, national insurance etc.

- The degree to which subcontractors will be able to meet delivery and quality requirements, for, sometimes it may be difficult to control quality.
- Negative reactions from employees and trade unions that prefer work to be kept within the company.

However, the decision as to how much work can be subcontracted is mainly an operational one, but the flexibility plan should cover the implications of subcontracting on employment levels and employee relations.

3.10.1 Flexible Hour Arrangement

This can be included in the flexibility plan in one or more of the following ways:

- Flexible daily hours, these may follow an agreed pattern day by day according to typical or expected work loads (e.g. flexitime systems).
- Flexible weekly hours, providing, for longer weekly hours to be worked at certain peak periods during the year.
- Flexible daily and weekly hours:-Varying daily or weekly hours or a combination of both to match the input of hours to achieve the required output. Such working times, unlike daily or weekly arrangements, may fluctuate between a minimum and a maximum.
- Compressed working weeks, in which employees work fewer than the five standard days.
- Annual hours: Scheduling employee hours on the basis of the number of hours to be worked, with provisions for the increase or reduction of hours in any given period, according to the demand for goods or services.
- Shift Work Arrangement

These can be introduced or modified to meet demand requirements, reduce overtime or provide for better plant or equipment utilisation (dealt in detail elsewhere).

Self Assessment Questions

1) What do you understand by short term HR planning?

.....

.....

.....

.....

.....

2) Discuss the organisation's context of HR planning.

.....

.....

.....

.....

.....

3) Define and describe resource planning.

.....

.....

.....

.....

.....

4) What is recruitment planning?

.....

.....

.....

.....

.....

5) Discuss the employee choice plans in detail.

.....

.....

.....

.....

.....

6) What is meant by subcontracting?

.....

.....

.....

.....

.....

7) Discuss flexible hour arrangement.

.....

.....

.....

.....

.....

3.11 THE DOWNSIZING PLAN

If all the other methods of managing surplus employees fail it may be necessary to deal with unacceptable employment costs which is in other terms known as 'Downsizing'. The downsizing plan should be based on the timing of reductions and forecasts of the extent to which these can be achieved by natural wastage or voluntary redundancy. The plan should set out:

- The total number of people who have to go and when and where this needs to take place.
- Arrangements for informing and consulting with employees and their trade unions.
- A forecast of the number of losses that can be taken up by natural wastage.
- Any financial or other inducements to encourage voluntary redundancy.
- A forecast of the likely numbers who will volunteer to leave.
- A forecast of the balance of employees, if any who will have to be made redundant.
- The redundancy terms.
- Any financial inducements to be offered to key employees whom the company wishes to retain.
- Any arrangements for refraining employees and finding them work elsewhere in the organisations.
- The steps to be taken to help redundant employees find new jobs by counselling, contacting other employers or offering the services of outplacement consultants.
- The arrangements for telling individual employees about the redundancies and how they are affected, and for keeping the trade unions informed.

Thus Human Resource function can make a major contribution for developing the resource capability of the firm. Its strategic capability is to systematically review the firm's strategic objectives, and see that plans are made to ensure that the human resources are available to meet those objectives.

It focuses on the acquisition and development of the human capital required by the organisations.

Therefore the heads of Human Resource and their colleagues in the Human Resource functions need to:

Ensure that they are aware of the strategic plans of the business, and can provide advice on the human resource implications of the plans.

Point out to management, the strengths and weaknesses of the human resources of the organisation and the opportunities and threats they present, so that these can be considered when developing business plans.

Be capable of scenario planning, i.e. they can identify future issues of acquisition, retention and employment of people and advise on methods of addressing them.

Understand the extent to which quantitative assessments of the future demand for and supply of people may be feasible, useful, and know the methods that can be used to prepare such forecasts.

Be aware of the scope to deal with future requirements by introducing various form of flexibility.

Be capable of preparing relevant and practical resourcing plans and strategies for retaining people based upon an understanding of the internal and external environment of the organisation and the implications of analyses of labour turnover.

3.12 LET US SUM UP

It is highly important for a manager to understand the individuals in an organisation. A basic framework for facilitating this understanding is the psychological contract which is the people's expectations regarding what they will contribute to the organisation and what they will get in return. Organisations constantly strive to achieve an optional person – job fit but sometimes this is difficult due to the individual difference between the employees.

This unit has also dealt with personality which is said to be relatively stable sets of psychological and behaviour attributes that distinguish one person from another. The Big Five personality and Myers-Briggs Type Indicators have been extensively discussed besides the other personality traits such as Locus of Control, Self efficacy, Authoritarian, Machiavellianism, Self esteem and Risk propensity.

The impact of attitudes and the cognitive dissonance experienced by the employee which, results from contradictory or incongruent attitudes, behaviour are discussed. Besides these, the job satisfaction or dissatisfaction and organisational commitment are found to be important work related attitudes. In addition to this, the employee's moods in terms of positive and negative affectively is discussed. The perception and perceptual processes including selective perception and stereotyping are dealt with and some amount of focus has also been devoted to attributions.

Finally, the person's ability to generate new ideas and become creative is also explored in which the important steps of creativity are considered. Lastly but definitely not the least the work place behaviour has been spoken about which is a pattern of action by the members of the organisation which has direct and indirect influence or organisational effectiveness. Over and above the people dimensions in organisation, this unit also deals with short term planning. Thus this unit talks about the work related behaviours and what it expects from the individual, to display the psychological contract and it also tells as to what should be considered as dysfunctional behaviours which should be controlled. Besides, it also shows as to how organisation citizenship entails behaviours that make a positive overall contribution to the organisation.

Further, since employees of the present day are working for long hours in their organisations, due to the competition that the other organisations are posing to

them, they do not have sufficient time and energy to allocate to other personal activities. Due to this, there is frequent turnover in the organisations as employees move in search of better opportunities and suitable working hours. To address this issue organisations are making alternative arrangements at work place and are also planning for short term human resource planning in the form of part time, contract, job sharing, tele-working, shift working etc.

3.13 UNIT END QUESTIONS

- 1) What is Psychological Contract, why is it important?
- 2) What are the components of individual's attitude, how do managers manage their short term requirement of human resources?
- 3) Discuss the relationship between personality and organisation.
- 4) What are the basic perceptual processes in organisation?
- 5) Discuss creativity in organisation and indicate how to enhance creativity
- 6) What are the various types of workplace behaviours?
- 7) Discuss the dysfunctional behaviours and indicate the remedial measure for the same.
- 8) Elucidate short term HR planning.
- 9) Discuss the employee choice plans in detail.
- 10) What do you understand by the term subcontracting?
- 11) Would downsizing plan work? Critically evaluate.

3.14 GLOSSARY

People-Job fit	: the extent to which the contributions made by the individual match the inducements offered by the organisation.
Psychological contract	: a person's set of expectations regarding what he/she contributes to the organisation and what he/she receives in return.
Risk propensity	: is the degree to which a person is willing to take chances and make risky decision.
Organisational commitment:	is a person's identification with and attachment to an organisation.
Organisational citizenship	: the extent to which the individual's behaviour makes a positive overall contribution to the organisation.
Dysfunctional behaviour	: behaviour which detract from organisational performance.
Distinctiveness	: the ability of an individual to display behaviour appropriate to the situation.

3.15 SUGGESTED READINGS

Greenberg, J. and Baron, R. A. (2003) *Behaviour in Organisations*, 8th Edition, New Delhi, Prentice Hall.

Luthans, F. (2005) *Organisational Behaviour*, 10th edition, New York, Mc Graw Hill.

Robins, S.P.(2006) *Organisational Behaviour*, 11th Edition New Delhi, Prentice Hall.



UNIT 4 SHORT TERM PROGRAMMES IN HUMAN RESOURCE AND EVALUATION

Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Short Term Programmes in Human Resource Planning
 - 4.2.1 Cross Cultural Training
 - 4.2.2 The Goals of Cross Cultural Training
 - 4.2.3 Phases in Cross Cultural Training
 - 4.2.4 Designing the Training Programmes
 - 4.2.5 Diversity Training
 - 4.2.6 Apprenticeship Training
 - 4.2.7 Training for Interim Staff
 - 4.2.8 Training for Team Building
- 4.3 Enhancing Emotional Intelligence in Teams for Improving Overall Performance
- 4.4 Assertiveness Training and Interpersonal Training
 - 4.4.1 The Need for Assertive Training
 - 4.4.2 Voice Training
- 4.5 Six Sigma Interventions in Human Relations Professions
 - 4.5.1 Every Human Activity Contains Variations
 - 4.5.2 Technical Definition of “Six Sigma” Management
- 4.6 Market Feasibility and Competitive Intelligence Market Research
 - 4.6.1 Market Feasibility Studies
 - 4.6.2 Needs Assessment and Environment Scans
 - 4.6.3 The Agency that should Conduct Market Feasibility and Competitive Research
- 4.7 Managing Anger
- 4.8 Time Management
 - 4.8.1 Set Priorities
 - 4.8.2 Use a Planning Tool
 - 4.8.3 Get Organised
 - 4.8.4 Schedule Your Time Appropriately
 - 4.8.5 Delegate: Get Help from Others
 - 4.8.6 Stop Procrastinating
 - 4.8.7 Manage External Time Wasters
 - 4.8.8 Avoid Multitasking
 - 4.8.9 Stay Healthy
- 4.9 Other Training Programmes
 - 4.9.1 Evaluation of a Training Programme
 - 4.9.2 Decision Points in Planning Training Evaluation
 - 4.9.3 Methods of Evaluation
- 4.10 Let Us Sum Up
- 4.11 Unit Questions
- 4.12 Glossary
- 4.13 Suggested Readings

4.0 INTRODUCTION

This unit deals with short term programmes in human resource and evaluation. It starts with short term programme of HR planning within which we discuss cross cultural training, diversity training, apprentice training and training for team building. This is followed by enhancing of emotional intelligence for improving over all performance. Then we deal with assertiveness training and interpersonal training within which we handle need for assertive training, voice training etc. Then we take up six sigma in HR professions within which we deal with the variations in human activities, the technical definition of six sigma management, etc. This is followed by market feasibility and competitive intelligence market research. Within this we take up market feasibility studies, the needs assessments and environmental scans, and the agency that should conduct market feasibility and competitive research. Then we take up anger management followed by time management. We then end up with other training programmes and how to evaluate training programmes.

4.1 OBJECTIVES

After completing this unit, you will be able to:

- Describe short term programme of HR planning;
- Describe cross cultural training;
- Explain apprentice training and training for team building;
- Elucidate enhancing emotional intelligence for improving performance;
- Describe assertiveness training;
- Explain six sigma management;
- Describe how to conduct market feasibility studies;
- The importance of short term training programmes;
- Why it is important to conduct this training programme; and
- The various training programmes and the intricacies involved in them.

4.2 SHORT TERM PROGRAMMES IN HUMAN RESOURCE PLANNING

By now you have come to understand the meaning and role of Human Resource in the organisation and how managers are constantly attempting at gaining an advantage over the competitors by inculcating new skills and knowledge in their own Human Resource. The major resource as you have seen in any organisation is the Human Resource and it has to be nurtured and developed with great commitment on the part of the management. The managers plan a variety of training programmes for their human resource to inculcate new learning and expertise so that they can meet the various demands placed upon them regarding relocation, mobility, interacting with employees from diverse cultures, and also with other colleagues, who are from different ethnic groups, differently abled, women workers, aged and younger colleagues etc. Besides these, the organisation's customers are pressurising the workers for better quality goods

and services, so training in Quality Control, Total Quality Management, Team building, Communication Skills, Conflict managements, Interpersonal relationship, Assertive training are becoming essential. Besides these some training programmes for self improvement are being imparted to modify the employee's behaviour and life style on all fronts, such as home, social life and organisational life. The main objective of any training programme is to enhance the skill, knowledge, abilities of an employee. However, this seems to be achievable only when there is total cooperation from both the sides, that is the employer and the employee, otherwise the idea remains as theory instead of turning into practice.

Short term programmes are aimed at enhancing the competency levels of the employees for a particular reason. These training programmes are planned according to the skills that have to be instilled into the employee, for example: the employee is assigned an overseas project, to interact efficiently and to understand the culture of that particular country, he is given training, so that he is informed about the geographical, socio cultural aspects, political scenario, legal aspects, rituals etc., which aid in his adjusting well with the country, without having any culture shocks.

Similarly, since a great variety of workforce is now entering into organisations, the managers and the other colleagues need to be trained to handle different kinds of demands that may crop up due to diversity and address them appropriately. In the same way customers are placing high demands for quality of the products and services provided by the organisations. If they do not derive satisfaction from one organisation, they turn to other competing brands. Therefore to stay in business and meet the competition managements are training their employees to produce quality goods, and to work effectively in teams, maintain good interpersonal skills etc. Sometimes, the organisation may not have sufficient staff to cover the demand for specific products so they also engage interim staffs, who have to be trained and rehabilitated into the organisation's functioning. Thus there are many training programmes which can be planned as per the requirement of the organisation. Some of them have been discussed in the following paragraphs.

4.2.1 Cross Cultural Training

As companies are going global, there is a need for change, not only in the way the employees have to perform to meet the competition but also in the overall outlook toward certain major issues. Training employees to meet the international assignments particularly in the area of habits and practices relating to the work motivation, profit motivation negotiating skills, gift giving customs, eating, dressing, body language, holidaying etc., is especially important. The employees are trained in the area of etiquette, communication skills, business skills etc., to handle these nuances before being posted on overseas projects.

These types of training are particularly essential because India is a country with diversified cultures and Indians are sticklers to their beliefs. It takes a long time for an Indian to change and adjust to the new methods and cultures and due to this he/she may not be successful when on foreign assignments. Thus training these "expatriates" has become imperative if organisations want to see success because failures are costly with respect to goodwill, reputation and finances of

the company. Despite its importance, training employees for overseas assignments has not received enough attention. Companies have to plan for a preparatory training for the expatriates and to develop and design an effective preparatory training; companies must implement a systematic approach. The steps of any training programmes are:

- 1) Training need of the target population.
- 2) Next is the establishment of training goals and
- 3) A careful design.

However before the preparatory training is planned for, the profiles required in terms of competencies for success on international assignments should be assessed as a basis for development of effective training.

An 'ideal people' concept can be drawn, on the basis of the training needs of specific assignees, who have already served abroad and one can add or delete depending upon the evaluation of their success.

The competencies that were perceived as important for success of international managers are:

- Leadership skills
- Initiative
- Emotional stability
- Motivation
- Ability to handle responsibility
- Cultural sensitivity
- To handle stress
- Flexibility

The training and development of international staff should be seen as a process and not as a onetime event just before embarking on the assignment. Many of the competencies needed for international success lie in the areas of abilities and attitudes and therefore require development and strengthening over an extended period of time. The preparation for global assignments should begin much early in the careers by means of a phased, or cumulative approach.

4.2.2 The Goals of Cross Cultural Training

The next step is translation of training needs into training goals and objectives. As you know a goal is a fairly general statement of intent. Whereas objectives are very specific statements of what a candidate should be able to do at the end of training session.

Thus the goal of cross-cultural training should be to equip the trainees with knowledge skills and attitudes which enable them to achieve the following three adjustments and effectiveness which are indications of international success:

Personality adjustment i.e. he/she should feel happy and satisfied with situation abroad.

Professionally effective: He/she should perform the tasks, duties and responsibilities on the job competently.

Inter personal skills: adjustment and effective behaviour while interacting with others.

The different methods that can be used for training are simulations, programmed instructions, sensitivity training behaviour modification, field experiences and on the job training.

Though cross cultural training is seen as short duration one-shot remedy, to increase the effectiveness, it should be seen as a process and the trainer should use a phased approach.

4.2.3 Phases in Cross Cultural Training

The first phase of the training should be given soon after the selection and should focus on strengthening the abilities needed for international career and motivation to work abroad.

The 2nd phase is usually for specific skills needed for the assignment and then knowledge of specific cultural issues of the host country, logistical information and business practices and procedures should be imparted. Besides this, training should also be given in negotiation and conflict resolution skills to enable them to cope with and resolve the unexpected issues and problems.

It would also be good if a partner from the host country is included in the cross-cultural training. Besides this the cooperation local people with whom the expatriate has to work is also important for the successful completion of the expatriate's assignment. For this purpose the host country nationals also need to be trained.

The training of the expatriate includes the host country's language, customs and practices and if the company allows the employees wife/husband to be accompanying her/him then she/he should also be included into the training.

4.2.4 Designing the Training Programmes

First level training is to focus on learning about host country's culture, language, policies, business geography, religious values and history. This can be given through seminars, videos, meetings with a citizen of the country before the assignment begins.

Second level is about the assignment itself, requirements of the position and technical managerial knowledge needed. This can be done before leaving to the country.

Third level is preparing the person for the new job at new location. This is done by the person whom this person is replacing.

Fourth level is to teach him to adjust and adapt to new environments, by providing assistance.

Fifth level is to address reentry back home and contact with people at home and visit home during vacation.

Thus training and development of international staff is viewed as complete deployment cycle and it can serve as a career development plan.

4.2.5 Diversity Training

Off late there is an influx of different types of workforce to the organisations like more number of women or people from different cultures, differentially abled people, retired workforce and very young workers (aged between 19yrs to 22yrs) are all coming to work in an organisation. The needs for these different types of people are different and; the managers have to address each one carefully by providing for every one sufficiently.

Thus managers have to be trained to handle diversity particularly in handling, racism, ageism and sexism etc.

Legislative compliances: There should be equal opportunities provided for all and no race or disability discrimination should be shown. There are gender, ethnic status and disability diversity, governed by the laws of the country and sometime age and sexual harassment also fall under this.

The organisation gains competitive advantage with diversity training as employees can use increased heterogeneous markets and customers.

It helps to bring together mix of people where differences are valued and an environment is provided where people can grow with innovative ideas and also helps in improving productivity and solving problems of the organisation.

Components of diversity trainings: There are four elements which have been identified by Frame (2001) and there have been highlighted by David Asbton; this model is called as ASKE model relating to attitudes, skills, knowledge and emotions

“Attitudes”, pertain to understanding our own attitudes and others’ attitudes and being open to them.

“Skills” such as interpersonal, communication, problem solving, teamwork, leadership, conflict resolution can be inculcated.

“Knowledge” about legislation, company policy and procedures, professional standards can be gained.

Recognising and managing “emotions” can be instilled with the help of this training.

The diversity training can be provided, to managerial personnel and also to non-managerial staff because the whole organisation should be involved in managing diversity.

4.2.6 Apprenticeship Training

This training is intended to provide on the job training and to increase availability of trained technical manpower for the organisation. The apprentice act 1961 directs the employees of specified industries to place apprentices in the designated jobs as per the standard terms laid down. During the training each apprentice is given a basic training in that particular trade and a minimum stipend.

The Director General of Employment and Training (DGET) lays down the general policies for training programmes, formulates standards, prepares syllabi, imparts training to institutions and industrial supervisors, conduct examinations and issues the appropriate certificates. However, the responsibility of training lies with the state government under whose wings fall the Industrial Training Institutes and Apprenticeship Training Programme. The Government of India has established two advisory bodies including the National Council for Training in Vocational trades (constituted in 1957) and the Central Apprenticeship Council for the apprenticeship scheme under the apprentice act 1961. These bodies advise the government in formulating training policies, training standards, standardisation of tool and equipment and related issues. They are actually tripartite in nature and consist of representation of central and state government industry and labour. The Union Minister of labour is the chairman of these councils.

The DGET conducts the training of craftsmen in Industrial Training Institute from 6 months to 2 years. After the successful completion of the training the trainees are awarded national trade certificates which are recognised by all Government of India undertakings. Four model Industrial Training Institute were established in 1981-82 to supplement craft training with a modular training.

The objectives of this training are to supplement the programme of institutional training by on the job, training and increase availability of trained technical personal for the industry. Regulate and control the training of apprentices in designated trades. It also covers graduate engineers and diploma holders for building their potentials for improving their employment opportunities.

Employment of Apprentices after training: There is no obligation to provide a job to the apprentice and in the same way there is no compulsion on the apprentice to accept employment under an employer who trained him.

Offences and Penalties: Any employer who fails his obligations under the contract, does not engage the required number of apprentices, refuses to furnish any information, obstructs any inspection, examination or inquiry and requires an apprentice to work over time or to do any work not connected to the training shall be punishable with imprisonment up to 6 months or with fine or with both.

Self Assessment Questions

- 1) Discuss short term programme of HR planning.

.....

.....

.....

.....

- 2) What is cross cultural training?

.....

.....

.....

.....

3) What are the goals of cross cultural training?

.....

.....

.....

.....

.....

4) How is the cross cultural training programme designed?

.....

.....

.....

.....

.....

5) What do you understand by diversity training?

.....

.....

.....

.....

.....

6) Discuss apprentice training.

.....

.....

.....

.....

.....

4.2.7 Training the Interim Staff

Contract employment, interim staff or man power outsourcing has become the latest trend to meet the staffing problem of the present organisations. Outsourcing is gaining popularity with large and medium sized companies, especially those with seasonal products and those which cut costs on over heads and most importantly those companies which are proactive and open to change.

Today organisations are turning toward ‘thinking team’, ‘acting smart’ and ‘concentrating as core competencies.’ Every organisation is aiming at achieving productivity by enhancing returns on investments and achieving the economics of scale. In this context, it makes sense when organisations think of concentrating only on the core competencies and outsource non-critical business activities.

There are three most important drivers which prompt companies to outsource. These are financial gains, lesser administrative hassles and focus on core areas.

Share volumes of work when an outsource can tackle the work at a lesser price and provide better quality, the in-house operations need not bother themselves with it. Besides this when some critical yet non-core tactical and transactional oriented operations are outsourced, it saves a great amount of time and energy for the organisations HR.

HR is also now making a transition from backroom to boardroom and concentrating more on productivity enhancement. The HR functionaries recognise that they need to help align with business objectives of the organisation and play a key role in delivering results and focus on core people functions.

Thus experts are outlining five top benefits of outsourcing which are given below:

- The opportunity for HR to focus on strategy and core competencies,
- Substantial reduction in operational and transactional costs,
- Sharing of risks and increase in mobility,
- Access to world-class services, and
- Option to convert fixed cost to variable cost.

Interim mode of staffing provide flexibility to the organisation to scale up its manpower and take advantage of business opportunities and at the same time allow to scale down in a short span of time and avoid the financial and emotional costs of a large benched workforce when business is down. Through interim staffing the organisation can bring on board the required skills at the most optimal costs.

Besides these, outsourcing transfers various risks involved with compliance, financial, technology, legislative and corporate restructuring issues to the vendor. Further the companies need not incur expenses to maintain and upgrade high quality, productively expensive HR systems and infrastructure.

Third party outsourcing agencies can offer leading edge technology, highly developed programmes and software to manage employee data, along with specialised, expertise, without the costs of hiring and retaining the best HR professionals.

However, when the question of commitment crops up it is felt that the same kind of commitment is not present in the contract labour as there is no permanency of the job and also the benefits that are extended to the regular employees are not meted out to the contract employees.

But since HR outsourcing grew at a time when permanent workforce were being sent out by the corporate through voluntary, compulsory or early retirement schemes, security in a job is considered a myth. Today employees have understood that performance is the key and that if they are good they will have a career path for themselves.

The handing over of the major responsibilities of the HR does not mean that the HR department is absolute. They have an extra responsibility of supervising, implementing and successfully carrying out the process of outsourcing. They

have to continuously work toward employee retention especially at the key levels, succession planning, fine tuning human resources, ensuring people to productivity etc.

Some basic reasons of hampering the growth of HR outsourcing are attributed to confidentiality and cost factors. The fear of losing jobs and losing control over confidential data, ethics and quality of outsourcing vendors, security breaches and overall confidence in the vendor, defers many organisations and forces them to review and evaluate various aspects of confidentiality and prompts them to chalk out an agreement on issues like, penalties etc.

Thus many outsourcing agencies ensure that the client data is not accessible to anyone else except to the team which is working on it.

Future scenario: HR outsourcing agencies have consolidated its services across the geographies and have begun to see the value addition in terms of expertise in administration and superior experience in query resolution. Quality has become the focal point in defining the parameters of success.

Thus training and self development are playing an important role as an individual has to keep himself competitive. It is not just enough to be the best; one has to keep evolving to stay the best. Individual has to assume responsibility and has to make conscious effort to exploit his strengths. The competencies, contributions, attitudes and values of the individual will have to be enhanced through proper training programmes which will further enhance the value of the organisation.

4.2.8 Training for Team Building

Organisations today are focusing more on working as a team rather than contributing as an individual. Team, process encourages high motivation and consequent achievement. Moreover, it meets member's social need to affiliate. They also exert pressure for achievement of goals. Level of commitment of members to team decision/goals is much higher and it has a collaborative strength. Further the team members have a clear focus on 'mission and vision' of the organisation.

The major concern about a team is how to build a team, because it is not an easy task to bring people together and make them work as a team. Therefore certain interventions are directed toward four main areas:

- Diagnosis
- Task accomplishment
- Team relationships
- Team and organisation process

In the diagnosis meetings the members are made to get ready to work as a team and given, the task of joint data collection. Then feedback is given to them and problem areas of the group are discussed.

Then team building focuses on:

- Task accomplishment, including problem solving, decision making, role clarification, goal setting. Building and maintaining effective interpersonal relationships, including, boss-subordinate and peer relationships, communication and conflict resolution.

- Understanding and managing group process and culture, and identifying barriers and seeking collaboration are also done in this place.
- The members are also taught role negotiation techniques.
- Characteristics of effective work team.
- Clear purpose to all, like everyone share their goals, mission, vision.
- Participation, all members are heard and there is effective interaction.
- Consensus decision making, when problems arise the situation is diagnosed by joint discussion and the problems are solved through cooperation and supportive relationship.
- As and when a need for leadership arises, everyone volunteers and this role is supportive and informal.
- Members trust and respect each other.
- Clear roles and work assignments, group is flexible in resources and seeks new and better ways of growing.
- Teams are collectively creative and possess different task skill.
- They have a close sense of identity and have high degree of group loyalty, group solidarity and cohesiveness.

Positive synergy: Team efforts result in a level of performance that is greater than the sum of the individual inputs.

Self assessment: Members check their contributions and how well the team is functioning periodically.

High performance teams have all the above and strong personal commitment, are more ambitious, have mutual accountability and are willing to interchange their tasks and also have complementary skills.

Skills of leader for team work: Though there is no formal leader in a team, there should be some linkpin and this person should possess certain qualities because the success of the team relies on his effectiveness. Thus, a leader in the teams should have good listening skills, he should be available and responds to people's problems. There should be open and honest communication. He should allocate work based in the capabilities of the person. He should encourage, respect, understanding and trust among members. He should empower his team and set examples and accept only high quality work. Sets achievable targets for the members and insists on improved performance, solicit participation in solving problems on key issues.

4.3 ENHANCING EMOTIONAL INTELLIGENCE IN TEAMS FOR IMPROVING OVERALL PERFORMANCE

Emotional intelligence is the ability to manage one's feelings, interact effectively with others and communicate easily with others and is more important than

intellectual ability or job skills in determining team success. Thus to build a foundation for emotional intelligence, a team must be aware of and constructively regulate the emotions of the individual team members, the whole group and other key persons with whom it interacts. Thus groups / teams are more creative when their members collaborate unreservedly. When there is mutual trusts, and freedom in interaction people adjust more easily to each other and hence the output will be efficient.

4.4 ASSERTIVENESS TRAINING AND INTER PERSONAL TRAINING

As most of us work as a part of the team and depend on each other to produce results, it is not enough to possess the technical skills. It is also essential to know how to work well with people. To be successful at work one should build into oneself, flexibility to deal with a variety of people and situations. So developing the interpersonal skills will help to a certain extent. Behaving assertively at work situations is an important interpersonal skill because it is not enough to just deal with people but it is also important to get them to perform. Therefore conflicts arise due to ego clashes and most of them would react by rebelling in anger, or by withdrawing from the situation. Both these reactions are not good or productive. Employees need to be provided with 'Assertive Training' to make them express themselves freely and properly. Assertiveness is described as the extent of control; the leader tries to exercise over both the followers, as well as the situation. It means expressing what you think or feel without endangering the ego of others and at the same time maintaining our self respect. Hence an Assertive individual

- Will express his views and opinions and convinces others. His approach is to persuade by keep his self-respect.
- Will assert his rights by not being submissive and at the same time does not force himself on to others.
- Will work on the principle of mutuality.
- Will listen to others and is sensitive to their needs.
- Will express his feeling openly.

4.4.1 The Need for Assertive Training

When a manager undergoes an assertive training he can deal appropriately with his subordinates. He can bring in a balance between people orientation and task orientation.

Assertive Training builds one's self-esteem and gives one the confidence.

It also helps to be more effective in giving negative feedback. When negative feedback is given with concern and feelings, the employees change their negative behaviour easily. Otherwise they will feel hurt and humiliated.

However, learning to be assertive does not mean that you must always behave assertively. One should be judicious in ascertaining when and where assertiveness is applied. The behaviour that is upsetting should be pointed out in a precise specific manner without becoming judgmental. One should not draw inferences

about the motives. One must refer to the behaviour not the person. The expression of feeling should be directed toward oneself instead of directed toward the opposite person, making him feel victimized.

Thus Assertiveness Training can be of great benefit as a means of self development. People with good Assertiveness Skills will also have enhanced self awareness, greater confidence and self esteem and will also be honest, powerful and have effective communication skills. They will have respect for themselves and others.

On the whole assertive people have positive outlook thinking and when faced with a problem, they see that both the parties 'win'.

4.4.2 Voice Training

Communication is an important means of conveying a message and the key tool for this is the voice. If one wants to become a powerful communicator, the range of tone, volume and pitch are very important.

Let us consider some techniques as to how to care for our voice. These techniques are invaluable and applicable to all, viz; lecturers, professional speakers, and trainers.

Seven areas impact the quality of voice and taking care of them would help immensely.

- 1) **Breathing:** Long and deep breathing helps to calm down instantly.
- 2) **Posture:** an imbalance in posture can set-up tensions in the body, so when standing balance your weight evenly, by keeping the feet a width apart.
- 3) **Warm-ups:** Make some vocal work outs at the start of each day to keep you voice healthy and tuned.
- 4) **Pitch:** Your natural pitch should be used so that it is comfortable.
- 5) **Stress:** The jaw is the most often used part of your body, so when stressed drop it one or two times and you will feel relaxed.
- 6) **Environment:** Smoky, noisy environment can be very damaging to the voice besides extreme temperature changes.
- 7) **Habits of Drinking Water:** You should keep a large glass of water handy because a dry throat can strain and damage your speech.

Exercises: Some breathing and relaxation exercise will help to ease your tense jaws.

Stretching the neck shoulders will promote good breathing and posture habits and relieve tension.

Move your jaws as if you are chewing a sticky toffee.

To increase breath control, begin by breathing in for three counts and out for six counts, and repeat this pattern for ten times.

Increase the same to four and eight counts and add sounds to the outward breath like counting, speaking your name and address.

Drink fluids as many times as possible (12 times a day)

Avoid iced water, or drinks

Speaking to large groups: Train yourself to be sensitive to each situation, so that you know when to raise your pitch and when to lower.

Begin and End on a strong note.

Use your mouth energetically to produce the sound but do not shout.

Pay special attention to sentence endings because usually people tend to swallow the last few words.

4.5 SIX SIGMA INTERVENTIONS IN HUMAN RESOURCE PROFESSIONS

The greatest challenge for any Human Resource Professional is to meet their customers' expectations and add value to business in a very dynamic business environment. Success of this function depends on the ability to understand the customers' expectations and align the people capability and process to achieve these expectations. The best utilisation of people, process and technology ensures high quality Human Resource services at lower costs, on time, which contributes toward high level customer satisfaction. Companies today are turning to a quality initiative called **Six Sigma** for help. The process limits, the number of defects in the produced goods. It is a structured systematic, quantitative process for making decisions. Businesses are required to identify customer requirements, measure performance, analyse performance gaps, make improvements and ensure ongoing compliance.

Thus in the simplest terms, Six Sigma is a quality improvement methodology that provides a systematic approach to the elimination of defects that affect something important to the customer. The tools associated with Six Sigma are qualitative, statistical and instructional devices for 'observing process variables' 'quantifying' the impact on outcomes as well as managing their character.

Six Sigma is based on simple principles:

- 1) What is important to the customers? A customer service or information. If the quality is good there will be positive impact
- 2) What is an opportunity? A chance to get something right.
- 3) What defines success? Every result of an opportunity that meets that customer's satisfaction is a success.

Thus in Six Sigma's words an indicator of success or failure is refined to as defects per million opportunities.

4.5.1 Every Human Activity Contains Variations

The term 'Sigma' is a symbol of standard deviation which is a measure of variation. Six Sigma refers to the idea of being able to achieve six standard deviations between the mean performance of the process and the customer determined specification limit. If Six sigma performances is achieved in a process, then that process will generate less than four defects per one million opportunities.

The idea of measuring the number of standard derivations that fit between the mean performance of a process and the customer's expectation is referred to as the process Z-Score. The Z-Score allows for comparative analysis of the performance of dissimilar process based upon the tendencies of each to either satisfy or disappoint their respective customers. The higher the Z-Score the less probability of customer disappointment

Creating a Six Sigma company is an environment where all processes are designed to meet customers' requirements by using quality tools and techniques. It helps in bringing down costs, improve productivity of resource, improve efficiency of a system, reduce the time for producing and hence leads to high level customer satisfaction. The approach of Six Sigma is aimed at performance improvement and if utilised properly it will help the Human Resource systems to regain control and realise substantial benefits. It helps in improving Human Resource service quality.

4.5.2 Technical Definition of "Six Sigma" Management

The Normal Distribution – the term "Six Sigma" is derived from the normal distribution used in statistics. Many observable phenomena can be graphically represented as a bell-shaped curve or a normal distribution.

When measuring any process, it can be shown that its outputs (services or products) vary in size, shape, look, feel or any other measurable characteristic. The typical value of the output of a process is measured by a statistic called the mean or average.

The variability of the output of a process is measured by a statistic called the standard deviation. In a normal distribution, the interval created by the mean plus or minus two standard deviations contains 95.44 percent of the data points, or 45,600 data points per million (or sometime called defects per million opportunities denoted DPMO) are outside of the area created by the mean plus or minus two standard deviations $[(1.00-.9544=.0456) \times 1,000,000=45,600]$.

In a normal distribution the interval created by the mean plus or minus three standard deviations contains 99.73 percent of the data, or 2,700 DPMO are outside of the area created by the mean plus or minus three standard deviations $[(1.00-.9973=.0027) \times 1,000,000=2,700]$. In a normal distribution the interval created by the mean plus or minus six standard deviations contains 99.999998 percent of the data, or two data points per billion data points outside of the area created by the mean plus or minus six standard deviations.

Six Sigma management promotes the ideal that the distribution of output for a stable normally distributed process (Voice of the Process) should be designed to take up no more than half of the tolerance allowed by the specifications limits (Voice of the Customer). Although processes may be designed to be at their best, it is assumed that over time the process may increase in variation. This increase in variation may be due to small variation with process inputs, the way the process is monitored, changing conditions, etc. The increase in process variation is often assumed for the sake of descriptive simplicity to be similar to temporary shifts in the underlying process mean.

The increase in process variation has been shown in practice to be equivalent to an average shift of 1.5 standard deviations in the mean of the originally designed and monitored process.

If a process is originally designed to be twice as good as a customer demands (i.e., the specifications representing the customer requirements are six standard deviations from the process target), then even with a shift, the customer demands are likely to be met. In fact, even if the process shifted off target by 1.5 standard deviations there are 4.5 standard deviations between the process mean ($m+1.5s$) and closest specification ($m+6.0s$), which result in at worst 3.4 DPMO at the time the process has shifted or the variation has increased to have similar impact as a 1.5 standard deviation shift.

4.6 MARKET FEASIBILITY AND COMPETITIVE INTELLIGENCE MARKET RESEARCH

Conducting market feasibility and competitive intelligence marketing research early in the development cycle can provide a “reality check” on one’s idea as well as help define product of an organisation development to ensure its appeal to the customers. This type of market research is used to determine:

How much of a demand is there for the product or service being considering?

What are your potential customer’s needs and price expectations?

Who are your competitors?

What are the strengths and weaknesses of your competitors from your potential customer’s perspective?

How can you design your product or service most effectively, given the needs of your target market and the competitive environment?

4.6.1 Market Feasibility Studies

Market feasibility marketing research studies involve collecting information about a potential market that can be used in deciding how a product or service should be designed, delivered, priced, and marketed. Market Street Research uses a variety of tools to assess **market feasibility** ranging from collecting and analysing secondary data to conducting primary research such as focus groups, telephone surveys and other methodologies.

Secondary data is information that has already been collected and is available to the public. Examples include population statistics from the Census, economic indicators, health data and information published in newspapers, web sites, magazines, government documents, and industry and trade journals. Many businesses and organisations also collect information about their customers or clients (such as where they live), and this is also considered secondary data.

Primary information is data that is gathered specifically for a research project—the most familiar primary research methods are focus groups and telephone surveys.

4.6.2 Needs Assessments and Environmental Scans

Needs assessments: This involves studying a geographic region or client population to see if there are unmet needs or barriers to access that could be addressed by changing or expanding existing services or by developing new services.

Environmental scans: These are expanded needs assessments that include a broad survey of community characteristics and needs.

Market Street Research has considerable experience and expertise in conducting community needs assessments for clients in many industries.

Competitive intelligence analysis: This is the process by which an organisation or company assesses the evolution of its industry and the capabilities and behaviour of its current and potential competitors to assist in maintaining or developing a competitive advantage. Market Street Research works with clients to ensure that the organisation has accurate, current information about its competitors and a plan for using that information to its advantage.

4.6.3 The Agency that Should Conduct Market Feasibility and/or Competitive Research

Any business or organisation facing a significant investment or risk in developing a new product or service should consider conducting **market feasibility, needs assessment and/or competitive intelligence marketing research**. If your risk is high or your investment is likely to be large, conducting a feasibility study and/or a competitive intelligence analysis can greatly improve your chances of succeeding with your product or service. Market Street Research works with you to collect and analyse information about:

- Unmet needs that could be addressed by a new product or service
- Overall demand for new products, services, or ideas
- Characteristics of likely customers (such as demographics and buying behaviour)
- Characteristics of likely competitors
- How competitors are likely to react when your product or service is introduced
- How your new product or service should be designed to best meet customer's needs
- How best to market, advertise, and communicate about your product or service
- Likely barriers to successful introduction of your product or service.

Market feasibility studies and competitive intelligence analysis can provide invaluable information about the likely success of new product or service ideas. Any time you are considering changing your products or services, developing new ideas, moving into new geographic markets, or expanding your business or service offering, Market Street Research can provide accurate, timely, in-depth information that will help you make the best possible decisions, given the characteristics of your likely customer base and competitors.

4.7 MANAGING ANGER

One need not describe anger, elaborately as each one of us experience it one time the other.

Anger is a very basic human emotion and the reasons for anger are many:

- Anger occurs when our personal needs are not being met or our personal.
- Rights are being violated. It can lead to either frustration or sublimation.
- It is a sense of righteousness.
- It is a defense against something we value.
- It is sometimes demonstration of power.

When a person gets very angry and cannot express it. It manifest in other forms like, hypertension, headache, ulcers, asthma etc. Thus it is always better to ventilate our angry rather than bottling up.

The general method employed to the feeling of anger express is displacement. Many people make certain other people or objects the scapegoat of their anger. Thus we find that we do not know how to manage our feelings and express them appropriately.

Let us turn our attention to the issue of managing anger. Anger has both constructive outcome and destruction outcome. For e.g. when a manager expresses anger on his employees, there are chances that the employees will work toward completing the task. In the other hand, if this same manager becomes violent, using abusive language and frequently harasses the employees then an opposition builds up and the employees may not cooperate with him/her and also protest against the completion of the task. Thus, one should know how to use anger to the optimum level and turn it into a positive outcome.

Positive Outcome: Anger helps us to move toward a specific action, by helping us to identify the problem and lead towards problem-solving and decision making. It also helps us to maintain a sense of virtue and righteousness. It further helps us to provide justification to the beliefs that we value and uphold.

Tips for Managing Anger: Do not attack the personality of the person and describe the behaviour of the person which has caused the anger by using 'I' response instead of using 'you' response. For e.g, when an employee is showing inappropriate behaviour at the job and if you want to check him/her.

Negative expression: You make me anger, you are clumsy, you do not follow the instructions correctly etc.

Positive expression: I am angry because of the way you are doing the job.

Thus when we attack a person you are putting a person into defense and by insulting him/her you are blocking his thinking and the communication is cut off because you already put him into a negative mind set. Instead when you explain with some patience and give him clear instructions and ensure that he/she has understood what you want him/her to do then that person will develop more enthusiasm towards the work and will also respect you. Next time when he/she has difficulty he/she will approach you to clarify his/her doubt.

Further, we should reconcile and forgive people and work out a mutual understanding for our future relationships.

Anger is considered as energy and if managed and directed correctly we can reach great heights. It helps immensely when one is joyful; it has great effect on our life.

4.8 TIME MANAGEMENT

The term Time Management is misnomer. You cannot manage time; you manage the events in your life in relation to time. You may often wish for more time but you only get 24 hours, each day. How you use that time depends on skills learned through self analysis, planning, evaluation, and self-control.

Much like money, time is both valuable and limited: it must be protected, used wisely, and budgeted. People who practice good time management techniques often find that they:

- Are more productive,
- Have more energy for things they need to accomplish,
- Feel less stressed,
- Are able to do the things they want,
- Get more things done,
- Relate more positively to others, and
- Feel better about themselves (Dodd and Sundheim, 2005).

Finding a time management strategy that works best for you depends on your personality, ability to self motivate and level of self discipline. By incorporating some, or all of the ten strategies below, you can more effectively manage your time.

Keeping a time log is a helpful way to determine how you are using your time. Start by recording what you are doing for 15 minute intervals for a week or two. Evaluate the results. Ask if you did everything that was needed; determine which tasks require the most time; determine the time of day when you are most productive; and analyse where most of your time is devoted job, family, personal, recreation, etc. Identifying your most time-consuming tasks and determining whether you are investing your time in the most important activities can help you to determine a course of action. In addition, having a good sense of the amount of time required for routine tasks can help you be more realistic in planning and estimating how much time is available for other activities.

4.8.1 Set Priorities

Managing your time effectively requires a distinction between what is important and what is urgent. But focusing on important activities allows you to gain greater control over your time and possibly reduce the number of important tasks that do become urgent. One of the easiest ways to prioritize is to make a “to do” list. Whether you need a daily, weekly or monthly list depends on your lifestyle. Rank the items on your “to do” list in order of priority (both important and urgent). Keep in mind that your goal is not to mark off the most items; rather you want to mark off the highest priority items. Having a prioritized ‘to do’ list allows you to say ‘no’ to activities that may be interesting or provide a sense of achievement but do not fit your basic priorities.

4.8.2 Use a Planning Tool

Time management experts recommend using a personal planning tool to improve your productivity. Writing down your tasks, schedules, and memory joggers can free your mind to focus on your priorities. Some reminders when using a planning tool are:

Always record your information on the tool itself. Jotting notes elsewhere that have to be transferred later is inefficient.

- Review your planning tool daily.
- Carry your planning tool with you.
- Remember to keep a list of your priorities in your planning tool and refer to it often.
- Synchronise electronic planners with your computer and recharge the batteries in your planner on a regular basis.
- Keep a back-up system.

4.8.3 Get Organised

Professional organisers recommend that you first get rid of the clutter. Basically you have 5 options for handling information:

- Throw it away, delete it, or otherwise get rid of it.
- Delegate it; give it to someone else to do, file, or respond.
- Act on it yourself. Then throw it away or file it.
- File it temporarily until it needs action or until additional information is received. Follow-up: a 'tickler' file can be useful for holding temporary information.
- File it permanently where you can easily find it later.

4.8.4 Schedule Your Time Appropriately

Good scheduling requires that you know yourself. Using your time log, you should have determined those times during the day when you are most productive and alert. Plan your most challenging tasks for when you have the most energy. Block out time for your high priority activities first and protect that time from interruptions. Try to limit scheduled time to about 3/4ths of your day, leaving time for creative activities such as planning, dreaming, thinking, and reading.

4.8.5 Delegate: Get Help from Others

Delegation means assigning responsibility for a task to someone else, freeing up some of your time for tasks that require your expertise. Delegation begins by identifying tasks that others can do and then selecting the appropriate person(s) to do them. You need to select someone with the appropriate skills, experience, interest, and authority needed to accomplish the task. Be as specific as possible in defining the task and your expectations, but allow the person some freedom to personalise the task. Occasionally check to determine how well the person is progressing and to provide any assistance, being careful not to take over the responsibility. Finally, don't forget to reward the person for a job well done or make suggestions for improvements if needed.

4.8.6 Stop Procrastinating

You may be putting off tasks for a variety of reasons. Perhaps the task seems overwhelming or unpleasant. Try breaking down the task into smaller segments that require less time commitment and result in specific, realistic deadlines. If you're having trouble getting started, you may need to complete a preparatory task such as collecting materials or organising your notes. Also, try building in a reward system as you complete each small segment of the task.

4.8.7 Manage External Time Wasters

Your time may be impacted by external factors imposed by other people and things. You can decrease or eliminate time spent in these activities by implementing some simple tips:

- Keep your telephone conversations crisp
- Entertain visitors by scheduling appointments.
- Be on time to meeting and discuss a prepared agenda.
- Get aside specific time for viewing and responding to your mails and e-mails.
- Family obligations should be scheduled according to the available time.

4.8.8 Avoid Multi-tasking

Recent psychological studies have shown that multi-tasking does not actually save time. In fact, the opposite is often true. You lose time when switching from one task to another, resulting in a loss of productivity. Routine multi-tasking may lead to difficulty in concentrating and maintaining focus when needed.

4.8.9 Stay Healthy

The care and attention you give yourself is an important investment of time. Scheduling time to relax, or do nothing, can help you rejuvenate both physically and mentally, enabling you to accomplish tasks more quickly and easily. Learn to manage time according to your biological clock by scheduling priority tasks during your peak time of day, the time your energy level and concentration are at their best. Poor time management can result in fatigue, moodiness, and more frequent illness. To reduce stress, you should reward yourself for a time management success. Take time to recognise that you have accomplished a major task or challenge before moving on to the next activity.

Regardless of the time management strategies you use, you should take time to evaluate how they have worked for you. Ask yourself a few simple questions: Do you have a healthy balance between work and home life? Are you accomplishing the tasks that are most important in your life? Are you investing enough time in your own personal wellbeing? If the answer is “no” to any of these questions, then reconsider your time management strategies and select ones that work better for you. Remember that successful time management today can result in greater personal happiness; greater accomplishments at home and at work, increased productivity, and a more satisfying future.

4.9 OTHER TRAINING PROGRAMMES

Besides the above mentioned training programmes, the organisation can also offer programmes in leadership training, motivation, change in attitudes, counselling to enhance personality and remove irrational fears and beliefs, Transactional Analysis, conflict management, stress management etc., which can cater to the individual employee's need for optimum adjustment. These aspects are dealt in length and many books are available on the internet. If all of them have to be discussed, this unit would become very lengthy. Therefore some of the ones essentially needed in organisations have been considered and discussed in the following paragraphs.

Interpersonal Skills: Employee's work performance depends on their ability to interact effectively with their coworkers and their boss. Thus, for effective interaction employees should learn to be better listeners, communicate their ideas more clearly and become an effective team player.

Problem solving Skills: When non-routine jobs have to be performed, managers and employees alike have to solve problems on their jobs. This ability is quite scarce in people and they require to participate in the problem solving training. The activities included here are to sharpen the logic, reasoning and problem-defining skills as well as the ability to assess causation, develop alternatives, analyse alternatives and select solutions. Problem solving training has become a basic part of almost every organisational effort to introduce self managed teams or implement quality management programmes.

Ethics Training: The question whether ethics can be taught has been posed by critics because ethics in most of us are established in the early age itself and we carry our value system to the work. But critics have also pointed out that our values are learned and changed after childhood and even if they didn't, ethics training would be effective because it helps employees to recognise ethical dilemmas, become more aware of the ethical issues underlying the actions and reaffirm an organisation's expectations that members will act ethically.

4.9.1 Evaluation of a Training Programme

The specifications of values form a basis for evaluation. The basis of evaluation and the mode of collection of information necessary for evaluation should be determined at the planning stage itself. The process of training evaluation has been defined as "any attempt to obtain information on the effects of training performance and to assess the value of training in the light of that information". Evaluation helps in controlling and correcting the training programme. Hamblin suggested five levels at which evaluation of training can take place, viz., reactions, learning, job behaviour, organisation and ultimate value.

Reactions: Trainee's reactions to the overall usefulness of the training including the coverage of the topics, the method of presentation, and the techniques used to clarify things. Potential questions to trainees might include:

- What were your learning goals for the programme?
- Did you achieve them?
- Did you like this programme?

- Would you recommend it to others who have similar learning goals?
- What suggestions do you have for improving the programme?
- Should the organisation continue to offer it?

Learning: Training programme, trainer's ability and trainee's ability are evaluated on the basis of quantity of content learned and time in which it is learned and learner's ability to use and apply the content learned.

Job behaviour: This evaluation includes the manner and extent to which the trainee has applied his learning to his job.

Organisation: This evaluation measures the use of training, learning and change in the job behaviour of the department/organisation in the form of increased productivity, quality, morale, sales turnover and the like.

Ultimate value: It is the measurement of ultimate result of the contributions of the training programme to the company goals like survival, growth, profitability, etc. and to the individual goals like development of personality and social goals like maximizing social benefit.

4.9.2 Decision Points in Planning Training Evaluation

John Dopyera and Louise Pitone identified eight decision points in planning training evaluation. They are:

Should an evaluation be done? Who should evaluate?

What is the purpose of evaluation? There are mainly two purposes of doing evaluation. They are justification evaluation and determination evaluation. These purposes include training needs assessment, programme improvements and impact evaluation.

What will be measured? The focus of the evaluation will be on training and delivery, programme content, materials, impact of training on individuals through learning.

Behaviour or performance change. Learning can be measured through pre-test and post-test. Evaluate the effects of training after the trainee returns to the work place, using changes in between or the work results as indicators.

How comprehensive will the evaluation be? The scope or the duration and comprehensiveness of the valuation is influenced by the available support, communication and evaluation purpose.

Who has the authority and responsibility? This will be determined by the factors like personnel, credibility of internal staff, communication, objectivity of internal staff to do an evaluation and regardless of results.

What are the sources of data? The most common sources of evaluation data are reactions, opinions and/or test results of the participants, managers, supervisors production records, quality control, financial records, personnel records, safety records, etc.

How will the data be collected and complied? Data can be collected before training for needs analysis or pre-testing purpose, during training programmes to make

improvements along the way and after training for evaluation. Next step is selection of treatment or control group and determination of nature of samples. Data can be compiled either manually or by computers.

How will the data be analysed and reported? First reporting issue is concerned with audiences like participants or trainees, training staff, managers, customers etc. second and third issues are concerned with analysis and results and accuracy, policies and format respectively.

4.9.3 Methods of Evaluation

Various methods can be used to collect data on the outcomes of training. Some of these are:

Questionnaires: Comprehensive questionnaires could be used to obtain opinions, reactions, views of trainees.

Tests: Standard tests could be used to find out whether trainees have learnt anything during and after the training

Interviews: Interviews could be conducted to find the usefulness of training offered to operatives.

Studies: Comprehensive studies could be carried out eliciting the opinions and judgments of trainers, superiors and peer groups about the training.

Human resource factors: Training can also be evaluated on the basis of employee satisfaction, which in turn can be examined on the basis of decrease in employee turnover, absenteeism, accidents, grievances, discharges, dismissals, etc.

Cost benefit analysis: The costs of training (cost of hiring trainers, tools to learn, training centre wastage, production stoppage, opportunity cost of trainers and trainees) could be compared with its value (in terms of reduced learning time, improved learning, superior performance) in order to evaluate a training programme.

Feedback: After the evaluation, the situation should be examined to identify the probable causes for gaps in performance. The training evaluation information (about costs, time spent, outcomes, etc.) should be provided to the instructors, trainees and other parties concerned for control, correction and improvement of trainee's activities. The training evaluator should follow it up sincerely so as to ensure effective implementation of the feedback report at every stage.

4.10 LET US SUM UP

As you have by now understood that human resource planners are attempting to address the short term needs to fulfill their long term goals. By providing training in various aspects, the organisations are maximizing performance and minimizing dissatisfaction and stress. This way they are attempting to enhance the skills and abilities and retain valuable employees to meet the demands of the business world. There is a growing awareness on the part of the organisation that productivity must be improved, through quality and innovation which would be possible only when the employees are satisfied and involved with the work.

4.11 UNIT END QUESTIONS

- 1) What is short term training? Delineate and explain the various training programmes that can be planned for employees of organisation.
- 2) What is assertive training?
- 3) What are six sigma interventions?

4.12 GLOSSARY

Cross-Cultural Training	:	Imparted to expatriates who are delegated on overseas assignments.
Diversity Training	:	Enhancing the skills of dealing with different work groups and shedding away stereo types.
Interim Staff	:	When the organisation has to meet some seasonal demands and wants to avoid over head costs they engage agents to help them in its productions and other activities.
Team	:	A group of people with complementary skill whose output increases above the sum of inputs.
Six Sigma	:	This is a method of coming close to the target produce without much deviation or wastage.

4.13 SUGGESTED READINGS

- Bhatia, S.K. (2005) *Training and Development Concepts and Practices*, New Delhi, Deep & Deep Publication.
- Rao, V.S.P. (2005) *Human Resource Management, Text and Cases*. 2nd Edition; New Delhi, Excel Books.