

Block 3

**PERSONNEL
MANAGEMENT POLICY
& PRACTICES**

UNIT 8 PERSONNEL POLICY*

Structure

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Policy-making: Meaning
- 8.3 Public Personnel in India
- 8.4 New Policy Perspective
- 8.5 Conclusion
- 8.6 Glossary
- 8.7 References
- 8.8 Answers to Check Your Progress Exercises

8.0 OBJECTIVES

After reading this Unit, you should be able to:

- Examine the various normative personnel policies and practices that are followed at the macro level;
- Discuss the mechanism for evolving cohesive framework of constructive personnel management system; and
- Highlight the new policy perspective for proactive, responsive, accountable, sustainable and efficient administration.

8.1 INTRODUCTION

Administration is the means of translating the state policies into programmatic action. An administration can discharge its role only through the media of required resources, the most important of which is the human resource or human capital. Public Administration must, therefore, so fashion its policies and programmes that the resources upon which it depends are not only adequately mobilised but also effectively utilised. The same is true of the human resource also. Management of human resources, therefore, is an important ingredient in the management system of the government. For managing the human resource of the system, what is inescapably necessary is a well co-ordinated policy framework, which integrates different aspects of personnel as an input.

The human input in management as a basic resource and not just a material commodity, has been a rather late realisation with the top management. For a long time, personnel in the administration had been taken for granted. They had not been taken as something, which required to be treated with special consideration and distinctive differentiation. Personnel were considered to be nothing but mere cogs in the organisational mechanism, which had its counter-productive toll on the system-efficiency. All this was due to wrong and misplaced policy-perception about the important contribution made by the

*This Unit has been adopted from BPAE-104, Block 4

personnel. This Unit will highlight the meaning of personnel policy in the Indian context.

8.2 POLICY-MAKING: MEANING

‘Policy- making’ is one of the common terminologies used in the discipline of public administration and management, though the more popular one is the ‘decision-making’. The differences between the two being those of depth and sweep, and not of quality of process. Decisions are taken by everybody, every moment, on everything - whether they are of great significance or on comparatively inconsequential matters. Though from a normative angle decisions ought to refer to planned and calculated exercise in rationality, in actual practice they are often subjective, probabilistic and arbitrary, as more often they are arrived at individually and not collectively.

Policy-making does not involve decision- making but every decision does not constitute a policy. Anderson (2003) opines, “Policy decisions are decisions made by public officials that authorise or give directions and content to public policy actions”. These may be decisions to issue executing orders, promulgate administrative rules or make important judicial interpretations of law.

Policy-making has been defined as a dynamic process for a normative event, arrived at through assessment of relevant facts and evaluation of judgement, providing guidelines for further action directed at the future with the objective of achieving a given objective through best possible means. The stages that are resorted to in this procedural exercise are — (i) isolation of issues, (ii) identification of problems, (iii) analysing the problems and looking for ideas, (iv) incubation (re-analysis of problems and development of ideas), (v) synthesis, (vi) evaluation, (vii) adoption of programme, (viii) implementation; and (ix) follow-up. However, every decision and every policy are expected to be made on any subject after taking into account all available, relevant facts and evaluating requisite dimensions and alternatives involved.

Indian Public/Personnel Scenario

Public Administration in this country has travelled a long way off, from the law and order and regulatory days of 1947 and before. Administration was then far removed from the people, having very little to do with the national development, economic regeneration, social progress and people’s well-being; its temper was authoritarian and its style was deeply formalistic. Its aim being preservation of status-quo, administration was not developmental and promotional. 1947 was the significant watershed, providing the final parting of the ways with the past not merely in the administrative ideology but also in its operational ways.

These new changes were reflected in at least the following four dimensions:

- i) The purpose of the State has changed with the adoption of a new vision and mission of people’s welfare.
- ii) The functions of the State have registered fundamental growth and phenomenal explosion in terms of variety, complexity and scale.
- iii) The methodology of the State-operation has also undergone radical transformation in terms of innovative practice, dynamic process, data-handling technology and leadership styles.

- iv) The personnel in the system have also numerically expanded in terms of categories, groups, specialities, etc.

But the old characteristic however, continue in that there has been no significant and radical change in the thinking and back-up action for reforming the system in the functional context. There has been no new, novel and dynamic policy thrust in public management system in general and personnel system in particular. The reality is that the days of negative, 'night-watchman' role performed earlier by the government are gone. The government, now has to play a more positive and pervasive part in shaping the citizen-life in all its multi-faceted aspects, more as an all round change-agent, accelerator of economic and social advancement, animator, if not the prime-mover, of total national development. Any modern government must harmonise the goals of the collective, communitarian welfare with the ideals of individual progress and enrichment of the quality of every life. General landscape of the new government is that it has to cater to the needs, demands and challenges of rising expectations of the people who now refuse to live under the shadow of poverty, hunger, illness, ignorance and squalor.

The Constitutional Pronouncement

The personnel, in the context of the New Public Administration, as in India have to be fine-tuned to the new ideology of the State and technology of dynamic, yet people oriented governance. They have to be enthused with the vibrant commitment towards the developmental objectives as enshrined in the basic charter of the State, that is, the Constitution of the country.

The Indian Constitution promulgated w.e.f. 26th January 1950 makes eloquent pronouncement of the lofty ideals in its Preamble, which assures justice, liberty, equality and fraternity to all its citizens. Its section on Fundamental Rights makes provision for the individual safeguards against State authoritarianism and ensures fundamental freedom for all citizens. The Directive Principles of State Policy enjoin upon the State the fundamental duty to create a promotive environment so that the citizens can lead a life of happiness, richness and fullness. This Constitutional culture has developed on the government a much wider rectangle of responsibility to shape the entire fabric of social and individual life in a more positive and constructive fashion.

8.3 PUBLIC PERSONNEL IN INDIA

Against this changed ideological backdrop of the State as a carrier of new values, the traditional 'folk-lore' administration in India has become development administration, that is, action- oriented and goal-oriented administrative system concerned with the achievement of definite programmatic goals in which the most important component is the personnel. Public personnel administration, similarly constitutes the central focus of Indian administrative system. If this vital sector is neglected, deficiencies would develop in the other sectors as well. As in human organism so in administrative organisation, vitality is a function of internal health and not derived from external cosmetics or superficial make-up. People in the administration must be efficient, effective, professionalised and well motivated to accomplish the goals set for them. This requires adoption of strategic policy for the induction, retention and optimal utilisation of personnel in the administrative system. The policy must cover all aspects in the life of human beings or personnel in government right from their birth in the bureaucracy to their separation from it.

Personnel Functions

Some of the modern personnel functions of significance, which would define in the ultimate analysis the policy frame for personnel management, are as follows:

- Survey of the contingent needs of the public services in the context of total development goals of the administration;
- Manpower planning;
- Cadre management;
- Job evaluation and position classification system;
- Recruitment:
 - ❖ Positive recruitment,
 - ❖ Talent-hunting,
 - ❖ Selection techniques, and
 - ❖ Psychological test.
- Training and development programmes;
- Career systems planning;
- Compensation administration;
- Motivation and productivity;
- Welfare programmes;
- Conduct, discipline and public service ethics;
- Terminal benefits systems (Retirement benefits, etc.); and
- Developing personnel organisation and capability.

The Government of India has also undertaken to perform many of these functions as its new charter of activities. The awareness to look at the personnel from a new angle, as input needing constant renewal has not come overnight. Initially, there was no planned policy-guide for handling personnel in the public organisations. There was on the contrary, vast army of persons at the lower echelons, particularly at the messengerial (Group 'D' or Class IV) and clerical (Group 'C' or Class III) levels, who mostly were denied opportunities of growth and were engaged in non-productive and routinistic functions. They were psychologically demotivated and highly discontented as promotions in the civil service were beyond their easy reach. They were not suitably trained, and were left to fend for themselves. They constituted a kind of drainage on the efficiency of the government. The middle level consisting of Group 'B' (or Class II) and some segments of Group A (or Class I) were also not comfortably, certainly not ideally, placed in terms of decision-making, delegation of power and exercise of constructive authority. The general management at the Group 'B' level was devoid of any sense of positive responsibility and felt cut off from the mainstream of functional bureaucracy.

The conditions in pre-Independence period were attributable to a lack of well-thought-out policy, and programming for the proper utilisation and motivation of public personnel. There was no plan for their career development; no uniform policy for objective performance appraisal; and management of bureaucracy for result-oriented achievement. This paucity of policy has not only hindered transaction of developmental goals but also nearly crippled the personnel administration

After Independence several investigations have been undertaken into the personnel system, together with structural and methodological aspects of Public Administration in India. These investigations were conducted by different Committees and Commissions as also by some eminent experts. They may be mentioned as follows:

- 1) The Secretariat Reorganisation Committee, 1947
- 2) The First Central Pay Commission, 1946-47
- 3) Report on Reorganisation of the Machinery of the Government, 1949
- 4) Report on Public Administration, 1951
- 5) Report on the Machinery of Government - Improvement of Efficiency, 1952
- 6) Public Administration in India - Report of a Survey, (Paul Appleby) 1953
- 7) The States Reorganisation Commission, 1955
- 8) The Report on the Public Services (Qualification for Recruitment) 1956
- 9) The Second Central Pay Commission, 1957-59
- 10) V.T. Krishnamachari's Report on Indian State Administrative Services etc., 1962
- 11) The Report of Committee on Prevention of Corruption, 1964 (Santhanam Committee)
- 12) The First Administrative Reforms Commission, 1966
- 13) The Third Central Pay Commission, 1970-73
- 14) The Fourth Central Pay Commission, 1983-87
- 15) The Fifth Central Pay Commission, 1994-97
- 16) The Second Administrative Reforms Commission, 2005
- 17) The Sixth Central Pay Commission, 2006-08
- 18) The Seventh Central Pay Commission, 2014-15
- 19) Five Year Plans.

All these reports have made their contribution towards making the personnel system more effective, and to align with the challenges of new environment. Their recommendations have made impact on policy formulation with an eye to dynamise public personnel management. But obviously, all these were not enough. The system still needs a lot of changes.

Check Your Progress 1

Note: i) Use the space given below for your answers.
ii) Check your answers with those given at the end of this Unit.

1) What do you mean by policy - making?

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2) Briefly list out the functions of personnel management in modern times.

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8.4 NEW POLICY PERSPECTIVE

In the field of personnel, new policies were evolved and the Ministry of Personnel, Public Grievances and Pensions has undertaken following measures to achieve a proactive, responsive, accountable, sustainable and efficient administration.

- **Premature Voluntary Retirement**

The new scheme for Premature Voluntary Retirement with five years additional service benefit was adopted as a policy to weed out the dead woods or the inefficient personnel and those who are not comfortable in the government from functional and adjustment point of view.

- **Central Administrative Tribunal**

The Central Administrative Tribunal was another milestone in new policy experiments in the personnel. The civil servants all over the country have largely benefited from these Administrative Courts in terms of time, cost, and harassment in alternative systems of grievance-handling.

- **Joint Consultative Machinery**

Another important schematic innovation was Joint Consultative Machinery (JCM) and Compulsory Arbitration (based on 2nd Pay Commission's recommendations) for conflict management with the employees. The Staff Relations Policy had its fruition in this JCM experiment, which has largely been successful in averting agitational methods to settle employer-employee disputes.

- **Administrative Vigilance**

The DoPT is the nodal agency, that is, responsible for formulation and implementation of vigilance and anti-corruption policies of the Government. The Services & Vigilance

Wing oversees government programmes for maintenance of discipline and eradication of corruption from public service. The Central Vigilance Commission (CVC) advises the government on all vigilance matters.

- **Central Bureau of Investigation**

Central Bureau of Investigation (CBI) was set up to investigate cases of bribery and corruption; and also violation of central fiscal laws, major frauds relating to government departments, Public Joint Stock Companies, passport frauds and serious crimes committed by organised gangs and professional criminals. The CBI was further strengthened by the addition of Economic Offences Wing by Resolution dated February 2, 1964.

- **Lokpal and Lokayuktas Act, 2014**

The Lokpal and Lokayuktas Act, 2014 aims to prevent and control corruption by setting up of an independent and empowered body at the central level, called the Lokpal that would receive complaints regarding corruption against public servants and ensure that these are properly investigated and effectively prosecuted. In this regard the Act also makes it incumbent for each state to pass, within a year, a law for setting up a body of Lokayuktas at the state level, and leaves it to the states to work out the details.

- **Cadre Management**

As per policy for management of the cadres of All India Services (IAS, IPS and IFS) and all three Secretariat Services, that is, Central Secretariat Services (CSS), Central Secretariat Stenographers' Services (CSSS) and Central Secretariat Clerical Services (CSCS), the DoPT is responsible. In addition, the Department frames and also revises rules and regulations pertaining to conditions of Service of the All India Services, such as Indian Police Service (IPS) and Indian Forest Service (IFS), in consultation with the Ministry of Home Affairs and Ministry of Environment, Forest and Climate Change. It is also responsible for cadre review of 58 Central Group 'A' Services on a periodic basis.

- **Senior Appointments under the Government of India**

The DoPT deals with appointments at senior level and personnel policies of the Government. All proposals for senior appointments where the approval of the Appointments Committee of the Cabinet (ACC) is required are processed by this Department. It includes board level appointments to Central Public Sector Undertakings and appointments under the Central Staffing Scheme for posts of Joint Secretaries, Directors and Deputy Secretaries in Ministries/Departments. In addition, all appointments by promotion that require the approval of the ACC are also processed.

- **Training Policy**

The DoPT is the nodal Department to impart training to the government functionaries. The training wing formulates policies, and implements training programmes by identifying areas of training, designing training programmes, development of trainers and training capabilities and administering policies in training.

- **Introduction of mandatory Induction Training for Probation clearance**

As per extant instructions during the period of probation, or any extension thereof,

candidates may be required to undergo such courses of training and instructions to pass examinations and tests as government may deem fit as a condition to satisfactory completion of the probation. The Government has decided that in case of direct recruitment there should be a mandatory induction training of at least two weeks duration. In this regard, successful completion of the training shall be a prerequisite for completion of probation.

- **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to provide a redressal mechanism for handling cases of sexual harassment at workplace, the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was promulgated. The Central Civil Services (Conduct) Rules, 1964 and the Central Civil Services (Classification, Control and Appeal) Rules, 1965, have now been amended to align them as per the provisions of the Act, 2013.

- **Staff Welfare**

The Central Government being the largest single employer in India discharges its responsibility for looking after the welfare of employees through various welfare measures.

The DoPT is the nodal Department for four registered societies, which are set up for the welfare of the government employees and their families. Besides, the Department lays down policies for Departmental Canteens; and supports the Resident Welfare Associations.

- **Right to Information**

The DoPT has brought out a comprehensive law in order to ensure right to information to the citizens in almost entire matters of governance at all levels from the central government to local self-government. The Law (RTI Act, 2005) has provided a mechanism where the Central Information Commission, being the apex body at the Centre, facilitates its citizens to access information in a time bound, hassle free and affordable manner.

- **Results Framework Document for the Department**

For monitoring and evaluating the performance of government departments and ministries a system has been put in place. It provides for preparation of a Results Framework Document (RFD) by the Department of Personnel and Training, summarising the main objectives and corresponding action for the year. The DoPT has prepared its RFD listing out objectives to be achieved in a given time- frame for monitoring and proper evaluation of its performance at the end of year. As a part of RFD exercise, after consultation with the stakeholders, the Department has prepared its strategy and strategic plan for five years.

- **Progressive Use of Hindi**

The government is committed to promote the use of Hindi as an official language, in official matters; and motivate compliance of the provisions of the Official Language Act, 1963, the rules framed there under. The DoPT ensures that the spirit of various orders and guidelines issued by the Department of Official Language are properly

enforced for implementation of the official language policy of the Union. In this regard, Official Language Division monitors the implementation of the policy in the Department.

- **Civil Services Day**

The government celebrates 21st of April every year as ‘Civil Services Day’ as an occasion for the civil servants to rededicate themselves to the cause of citizens and renew their commitment to public service and excellence in work.

- **Prime Minister’s Award for Excellence in Public Administration**

The Government has instituted ‘Prime Minister’s Awards for excellence in Public Administration’ to acknowledge, recognise and reward the extraordinary and innovative work done by officers of the central and state governments. The Scheme rewards the outstanding and exemplary performance of civil servants.

- **Chief Secretaries Conference**

Annual Conference of Chief Secretaries institutionalises the process of interaction; and serves as a standing forum for exchange of views between the centre and states. It provides an occasion for discussion on global developments that have bearing on the nation as a whole and the broad contours of national policies in selected areas of relevance.

- **Public Service Delivery**

From beginning to issue of Policy Guidelines on Public Grievances, the scope of public grievances envisages reduction in arising of grievances, by bringing continuous improvement in public service delivery through the extension of Quality Management System ‘Sevottam’ at the centre as well as in the states. In this regard, statutory backing for improvements in service delivery is sought to be given through the ‘Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011’.

Thus, Personnel policy is an integrated function, which encompasses many aspects of the personnel management. In fact, there are inseparable inter-linkages as amongst the diverse personnel activities. Personnel management starts even before the actual employment or recruitment in the organisation. In fact, recruitment itself has to be moulded by the overall employment policy of the organisation. Whether there has to be a greater proportion of direct recruitment i.e. emphasis on ‘catch them young’ as a principle or there should be more reliance on age, experience and longevity by promoting the people already in the organisation to higher positions are matters of policy, which management has to decide before-hand. The long-term planning of cadre has to be done in the beginning; and also as a part of a policy of having the right person, on the right job, in the right time, and at the right cost. Even this salutary personnel principle is not followed in some of the organisations, though all pay lip service to this dictum. The methodological issues of recruitment and selection processes — whether there should be positive recruitment, ‘campus’- recruitment or other forms of recruitment, also constitute matter of overall recruitment programmes. The employment policy must have to be linked up with training; and development policy, retention policy, promotion policy, compensation policy, motivation policy, career management policy etc. Besides there have to be well thought-out and positively articulated staff welfare policies and conflict management policy (i.e. Employer-Employee Relationship Policy). It is obvious

that all these are basic building blocks of a comprehensive personnel policy.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

- 1) Brief about the Central Bureau of Investigation and Lokpal & Lokayuktas Act, 2014.

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- 2) Discuss any three policies that have been evolved in the field of personnel administration.

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8.5 CONCLUSION

The analysis in the preceding unit reveals that whatever has happened is due to lack of professional approach to the personnel management. There was even less concern for evolving any positive policy towards public personnel who have been the object of callous neglect, and thoughtless indifference. The Public Administration had unfortunately ignored, the human being, the only asset that appreciates in time, the only resource that represents the 'dynamic difference' between success and failure of the organisation.

This Unit has tried to highlight the concept of public policy, efforts made so far to improve personnel system in India and the problems and loopholes confronting this system. One thing has to be remembered that the time is long past to rectify the past mistakes. Time is now to adopt the right policy for ushering in a right personnel system. The subsequent Units will give an idea about the different policies and practices in the field of recruitment, promotion, training and performance appraisal.

8.6 GLOSSARY

Fraternity	: The idea of fraternity ensures the dignity of individual and unity and integrity of the nation.
Human Capital	: Sum of knowledge, skills and aptitudes of the people in society.

8.7 REFERENCES AND FURTHER READINGS

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8.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Your answer should include the following points:
 - Policy-making is a variety of decision-making.
 - It is arrived at through assessment of relevant facts.
 - It is a procedure that involves identification of problems, analysis, adoption of programme, implementation and follow-up.
 - Sometimes policy makers depend on their own particularistic expertise, knowledge and experience to formulate policies.
- 2) Your answer should include the following points:
 - Manpower planning,
 - Cadre management,

- Job evaluation,
- Position classification,
- Career systems planning,
- Remuneration administration,
- Motivation, and
- Welfare programmes.

Check Your Progress 2

- 1) Your answer should include the following points:
 - Central Bureau of Investigation
 - Lokpal & Lokayuktas Act, 2014
- 2) Your answer should include any three of the following points:
 - Setting up of Administrative Tribunal.
 - Introduction of voluntary retirement scheme.
 - Establishment of Joint Consultative Machinery.
 - Administrative Vigilance.
 - Training policy.
 - Progressive use of Hindi.

UNIT 9 RECRUITMENT (RESERVATION IN SERVICES)*

Structure

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Meaning and Importance of Recruitment
- 9.3 Process of Recruitment
- 9.4 Types/Methods of Recruitment
- 9.5 Merit System
- 9.6 Methods of Testing Merit
- 9.7 Essentials of a Good Recruitment System
- 9.8 Recruitment System in India
- 9.9 Need for Reservation
- 9.10 Constitutional Safeguards
- 9.11 Reservation of Posts in Public Services
- 9.12 Conclusion
- 9.13 Glossary
- 9.14 References
- 9.15 Answers to Check Your Progress Exercises

9.0 OBJECTIVES

After reading this Unit, you should be able to:

- Explain the meaning and importance of recruitment in the personnel administration;
- Enumerate different steps in the process of recruitment, and highlight the different types of recruitment;
- Describe the origin and importance of 'merit system in recruitment and the various methods followed for testing the merit and suitability of the candidates;
- Discuss the Indian system of recruitment of civil servants, and its limitations; and
- Examine the need and provisions relating to reservation for Scheduled Castes and Scheduled Tribes, Other Backward Classes, Persons with Disabilities, and Ex-Servicemen etc., in the civil services in India.

*This Unit has been adopted from BPAE-104, Block 4

9.1 INTRODUCTION

We all know that the manifold functions of governments are carried out jointly by the ministers and civil servants. The Civil servants are full-time, paid, permanent, professional servants of the State. They are taken in the service of the State by a process, which is called the process of recruitment. The quality and efficiency of the civil service depends upon the policy of recruitment. If the recruitment policy is good, then the country will have better and efficient civil servants and administration will be successful. But if the recruitment is neglected, then the administration will fail and the civilised life may collapse. We can, therefore, say that 'recruitment' is considered as the most important aspect of personnel administration in all the countries. If undeserving and inefficient persons are recruited in the services, no amount of training can improve the country's administration. In the present conditions, due to the scientific and technological progress many new problems have come up before the administration. In order to solve these problems, able and meritorious persons are needed in administration. Old methods of recruitment have now totally changed and today, almost all the countries have accepted the 'merit system' for the recruitment of civil servants. Recruitment system of a country depends, to a great extent, upon the constitutional provisions and socio-political policy of that country. In this Unit, we will discuss the meaning, importance, types and process of recruitment. We will also examine the Indian recruitment system and the policy of reservation in the civil services.

9.2 MEANING AND IMPORTANCE OF RECRUITMENT

The term 'recruitment' does not have a precise meaning. According to some writers like L.D. White, meaning of the term 'recruitment' is limited to attract the suitable and proper candidate for the post to be filled up. Some other writers think that recruitment is the entire process of filling up the vacant posts, beginning from advertisement to the appointment and placement of a selected person in the vacant post. In the words of J.D. Kingsley, "Public recruitment may be defined as that process through which suitable candidates are induced to compete for appointments to the public service".

We can, thus, say that recruitment is an integral part of the wider process of 'selection', which includes the process of examinations, interviews and certification etc. The entire process of filling up the vacancies in the government services seems to be wider than recruitment. Recruitment is, however, commonly understood as the process by which persons are taken in the services to fill up the vacant posts.

Recruitment is a common activity both in the private and public administration. However we should remember that in public administration, recruitment policy is determined by the constitutional requirements and political outlook. In this regard, no such limitations are there in the case of private administration.

Recruitment is the most important process in the administrative system. The tone and calibre of the civil servants are decided by the process of recruitment. The usefulness and relevance of the government and administration to the society depends upon a sound system of recruitment. It is, therefore, necessary that the recruitment policy should be sound and it should be implemented impartially and efficiently.

Recruitment is the entry point of the persons in the civil services. It is the key to a

strong public service. According to Stahl, recruitment is, “...corner stone of the whole public personnel structure”. In the modern times, due to technological progress, administration has become more and more complicated and complex. It requires the best, the talented and the most efficient persons to run the administration. Moreover civil service has become the most important career service in the present times. No element of the career service is more important than the recruitment policy.

The need of a sound recruitment policy was realised in ancient India and China, where principles of merit system and competitive examinations were adopted. Almost all the countries have adopted the merit system for the recruitment of public servants.

9.3 PROCESS OF RECRUITMENT

The process of recruitment, normally, consists of a number of steps, which may be briefly stated as:

1) Requisitioning of the Jobs/Posts

The process of recruitment in the government begins with asking the various government departments and agencies about their requirements of personnel. How many persons are required? How many posts are to be filled up by direct appointment? and How many posts are to be filled up by promotions? All this information is collected by the recruiting authority before the beginning of the process of recruitment. Different vacant posts are classified and total final requirements are estimated. At the same time, requirements of the different vacant posts are also considered for determining the qualifications, experience etc., required for the posts.

2) Determining Qualifications, Conditions and Requirements

The second step after the requisition of jobs is to determine the required qualifications, and other conditions for announcement in the newspapers, bulletins and other methods. The decision regarding the minimum educational qualifications, previous experience, age limit, residence, nationality, physical fitness etc. are taken at this stage. The constitutional provisions and government's policies relating to recruitment are considered before finalising these matters.

3) Designing of the Application Form

At this stage it is necessary to design a suitable application form, which will be given to the applicants for different posts or vacancies. The application form should contain the columns for the relevant information about the applicant's age, educational qualifications, residence, nationality, experience, physical and family background, religion, caste etc. Different application forms are designed for different posts or examinations or for different services.

4) Advertisement of the Posts/Examinations

After determining the qualifications, other conditions and requirements etc., the next stage is to announce the post/examination in the newspapers and bulletins or in radio and television etc. All the information necessary to attract and induce the maximum number of competent applicants to apply for the competitive examination is given in the advertisement. Application forms are supplied, within a specified date, to all those who want to apply. The 'proforma' of the application form itself is printed in the newspapers and the candidates are asked to apply on their own.

In order to attract more and more suitable candidates, many times, the 'advertisement' is repeatedly printed, broadcasted or telecasted and is even available on the digital platform. The recruiting agency may publish their own periodicals for the benefit of the prospective candidates e.g. the Government of India publishes 'Employment News' every week. Sometimes a specific day of every week is reserved for this type of advertisement by the Government's recruiting agencies e.g. UPSC. Advertisements are published in all newspapers on every Saturday of the week. Advertisement is thus an important step in the process of recruitment.

5) Scrutiny of the Applications

The applications, in the prescribed proforma are received within an announced date and the applications are scrutinised. All those who do not fulfill the minimum prescribed requirements/qualifications or conditions of application are rejected at this stage and informed accordingly, whenever possible.

Those candidates, who possess the minimum qualification required for being eligible to take the competition, are given information about their interview or examination schedule. If necessary, 'call letters' for interview or 'hall tickets' for the examination giving necessary details, about the date, time, place of examination/ interview etc. are sent to the eligible candidates. At this stage, many of the incompetent and unqualified applicants are eliminated from the process of recruitment. However, it should be noted here that scrutiny of the application forms should be done very carefully by the competent authorities so that no injustice is done to a qualified candidate.

6) Holding of Examination/Interviews, Other Tests

In order to select the most suitable and competent candidates, it is necessary to test their ability or 'merit'. This can be done by conducting examination or interview or other type of test. Examination is the formal process of testing the merit of a person. Through examination we can test (a) the qualification of a candidate, (b) determine the rank or position of a candidate, (c) determine the order of merit of the candidate and (d) establish a list or register of eligible candidates. Examinations or interviews are conducted for one of the above mentioned purposes. The scheme of examination is decided according to the job requirements and government's policy. The pattern of examination therefore, depends on different types of examinations like qualifying and main examination, general studies or technical examination, objective type or essay type examination etc. A list of successful candidates is prepared at the end of the examination.

Similar procedure is also followed in case of interview or other type of test. Then a final list of successful or qualified candidates is prepared.

7) Certification

After conducting the examination, interviews or other type of test etc., the name or roll number of the successful candidate is declared in the newspaper or on the notice board. A list of successful and hence, eligible candidates, is prepared and it is certified by the personnel agency like the Union Public Service Commission. This list of certified candidates is sent to the Government with the recommendation that the candidates may be selected and appointed from this final list of certified candidates only. This is the final work of personnel agency like the Public Service Commission. Normally the

Government makes the selection and appointment of the qualified candidates from this certified list only. In exceptional cases, only because of some very concrete reason, a candidate may be rejected from this list by the Government. In such case, it has to give an explanation in the Parliament.

8) Selection

Selection is an activity of choosing from among those candidates who are eligible, qualified and available. Although the eligibility of a candidate is tested through examination/interview and eligible candidates are certified by the personnel agency like the Union Public Service Commission, the final act of selection is the responsibility of the government. Even if a list of eligible and certified candidates is sent by the personnel agency, it is ultimately the government which has the power to select or reject a candidate. The normal practice is to select the candidates from this list only. But if the government finds that a particular candidate has an objectionable past record, or had been involved in violent, anti-national or criminal kind of activities then it has the power to reject appointment to such a candidate. For this purpose, police records are verified and secret enquiries about the candidate and his character are conducted in many countries. If the government is satisfied only then the candidates are selected for appointment.

In democratic countries like India, the government normally makes appointments out of the certified list of candidates recommended by the Union Public Service Commission. However if a candidate is rejected due to some reasons, the government has to give a reasonable and satisfactory reason for it, in the Parliament. In democracy, the Government has to be ultimately responsible and responsive to the people.

9) Appointment

After selecting the suitable and qualified candidates, the formal appointment is done by the government. It should be noted that in other countries appointments are done by a 'competent executive authority' and not by the personnel agency like the Union Public Service Commission. The constitutional and legal system of a country determines as to who should have the power to make appointments. The formal appointment letters are issued by or in the name of the legally recognised 'appointing authority' only. For example in India, all appointments in the Central Government are done in the name of the President of India, whereas all appointments in the State Governments are done in the name of the Governors of the States.

Appointment letters issued by the Government are of different types like:

- a) Permanent Appointment
- b) Temporary Appointment
- c) Provisional Appointment
- d) Appointment on Probation
- e) Appointment for indefinite term.

Initially no candidate is given permanent appointment letter. Normally a selected candidate is appointed on 'probation'. The probation period may range from 6 months to 1 year or upto 2 years. During the probationary period a person is considered to be in 'Temporary service'.

His/her performance is evaluated by the immediate superior authorities, and the relevant reports are submitted to the 'appointing Authority'. After the successful completion of the probationary period, a candidate is given 'confirmation' in the service and then this appointment is considered to be permanent. After confirmation he/she is posted on a permanent government post.

10) **Placement**

After the successful completion of the 'probationary period', service of a candidate is 'confirmed' and he is placed or posted in a right place. This is called as placement or posting. He/She is given charge of some specific nature of work associated with that post. He is given a chance to work on that post for a few years, so that he can learn from his experience. In some cases, before a person is posted, some kind of pre-entry or orientation training regarding the particular work assigned to him, is given. In many other cases, he/she is posted and allowed to learn while doing his work.

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) What is the importance of recruitment in personnel administration?

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2) What are the important steps in the process of recruitment?

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9.4 TYPES/METHODS OF RECRUITMENT

There are different kinds or methods of recruitment followed in different countries of the world. They are:

- 1) Direct Recruitment or Indirect Recruitment
- 2) Positive or Negative Recruitment
- 3) Mass Recruitment or Individual Recruitment

Let us understand these different kinds of recruitment one by one.

1) Direct and Indirect Recruitment

There are two methods of Recruitment — Recruitment from within i.e. by promotion; and recruitment from without means from the outside available sources of supply.

When the vacant posts in the government are filled up by the suitable and qualified candidates available in the open market then it is called as Direct Recruitment. But when the vacant posts are filled up by the suitable and experienced candidates who are already in the service of the Government then it is called as Indirect Recruitment by promotion. Both the methods of recruitment have some advantages and disadvantages. In all the countries of the world, both direct and indirect methods are adopted for the recruitment of the Civil Servants. Posts at the lower levels are normally filled up by direct recruitment and posts at the higher level are filled up by promotion i.e. by indirect recruitment. A judicious and practical combination of both types of recruitment is adopted in different countries according to their political and administrative policies.

Advantages and disadvantages of direct recruitment on the basis of merit principle; and indirect recruitment by promotion are discussed in Table 9.1.

Table 9.1: Advantages and Disadvantages of Direct and Indirect Recruitment

Direct Recruitment (on Merit Principle)	Indirect Recruitment (by Promotion)
Advantages 1) It gives opportunity to all qualified persons. It is, therefore, a democratic principle. 2) The source of supply is wider. 3) Young and better qualified people enter the civil services. 4) New ideas and changing technical, administration and socio-political conditions are reflected in the services. 5) Service can keep pace with the changing conditions and techniques. 6) Employees will work hard to improve their qualifications. Disadvantages 1) Inexperienced young persons are recruited to responsible positions. They do not have the confidence and skill in the discharge of their duties, at least in the beginning. 2) Training becomes very necessary for the inexperienced young persons appointed by direct method of recruitment.	Disadvantages 1) It gives opportunity to only limited persons, who are already in service. It is undemocratic. 2) The source of supply is narrow and restricted. 3) Young and competent persons are denied the chance to enter the services. 4) There is a fear of stagnation and conservatism in this as new ideas are not inducted. 5) Civil services cannot keep pace with the rapidly changing world. 6) Employees will wait for the opportunities for promotion. Advantages 1) Persons appointed have the necessary experience of administration and government work. They discharge their duties with responsibility and confidence. 2) Prolonged training is not necessary for the persons recruited by this method.

3) Curbs the chances of progress for those who are already in the services of the government. 4) Employees do not work efficiently and loyally, if they have no chance of promotion for them. 5) This method increases the burden of the Public Service Commission. 6) Employees will go to other prosperous services if there are no future chances —Competent and able persons will migrate to other employments. 7) Employee's experience, hard work and efficiency are totally neglected. 8) Examinations, interviews and other methods of merit testing are not foolproof and faultless methods of testing the ability and qualities of the applicants. The direct recruitment is less reliable method. 9) Direct method of recruitment is time consuming and costly. 10) If all top positions are filled up by direct recruitment, then the Government service cannot become an attractive career service. Young persons will become the higher 'bosses' of the old aged and experienced persons.	3) It provides ample opportunity for employees for progress and advancement in the service. 4) It encourages employees to work hard for promotion. They continue to work efficiently and loyally. 5) This method reduces the burden of the Public Service Commission to a great extent. 6) If there are chances of promotion, employees will continue in the service and civil services become attractive for the competent persons. 7) Hard work, efficiency and experience of the employees is utilised for the good of the country. 8) Work on the desk and experience of work really reveals the qualities and ability of the persons. Indirect recruitment therefore is more reliable method. 9) Indirect method is less time consuming and less costly. 10) Promotions are essential aspect of 'career-service'. Civil service is taken up in the prime youth with expectations of advancement and pursued until retirement. Without chances of promotion career service cannot exist.
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After studying the merits and demerits of the two types of recruitment, we can conclude that each system has some positive and negative aspects. In the process of appointment of government servants no one system can be adopted exclusively. A good recruitment policy should combine the two methods to achieve the best results. In almost all countries, including India, both direct and indirect methods of recruitment are followed by the government.

2) Positive and Negative Recruitment

When the recruiting agency actively searches the best qualified and most competent candidates for appointment in the government service, it is called as positive method of recruitment. On the contrary, negative method of recruitment aims at keeping the unqualified and unfit candidates out without adopting any active role in attracting the best candidates. At present in most of the countries, the positive methods like newspaper

advertisements, propaganda, cinema slides etc. are adopted to attract the best men and women to come forward. At the same time when the number of applicants is much more than the available vacancies, then negative method of eliminating the unqualified and less competent persons are adopted.

3) **Mass or Individual Recruitment**

When a large number of non-technical unspecialised posts of general nature are to be filled up, then mass recruitment techniques are adopted. Advertisement in mass media of communication, a large number of applications, cumbersome procedure of examination and interviews etc. have to be adopted to fill up large number of vacant posts in the government. But when particular posts requiring specialised knowledge, skill or technical know-how and experience, are to be filled up then individual recruitment method is possible and desirable. In such cases the number of posts to be filled up is very small. Both these methods are used by the Public Service Commissions in India.

9.5 **MERIT SYSTEM**

All the democratic countries of the world have adopted the Merit System of recruitment. The vacant posts in the government services are filled up by selecting the most suitable and qualified persons on the basis of the principle of merit tested through open competition. The aim of open competition is to judge the merit, qualifications and competence of the candidates. This is mostly done through written examinations, oral tests, interviews, performance tests, verification of past records and experience etc.

Although it is believed that in ancient China and India, selection of the officials was made by merit principle the modern merit system, however, is of comparatively recent origin. It was first introduced in India in the year 1854 and in Britain in the year 1855. In the USA, the merit system was for the first time introduced by the Pendleton Act of 1883 when a disappointed job-seeker assassinated President Garfield.

Before the merit system was adopted, the following three main systems were existing in different countries of the world:

- 1) Sale of Offices,
- 2) Patronage System, and
- 3) Spoils System.

In the pre-revolutionary France, the vacant posts were sold by public auction to the highest bidder. This brought revenue to the state, enabled the rich people to acquire the government posts and freed the government from patronage, favouritism and political interference.

Patronage system was followed in Britain and many other countries. Under it the appointments in the government were made by the appointing authority by selecting or choosing the candidates whom it wanted to favour on personal or political grounds. Family and kinship, relations, personal-loyalty, political links and all kinds of favouritism and nepotism were involved in the patronage system of recruitment. This system continued in Europe and India almost until the second half of the nineteenth century.

Spoils system was followed in the USA, where appointments in the government were considered as the spoils for the party winning the elections. When a new party came to

power it used to dismiss all the government servants appointed by the earlier government. Then it used to fill up all the vacancies, right from a secretary to a postman, with its own supporters. Therefore the permanent civil service did not exist in America. Political supporters having sympathy and loyalty to the ruling party or those having personal loyalty to the newly elected President, were appointed as government servants. This system continued for more than a century till the Pendleton Act 1883 was passed, and merit system was introduced in the USA.

Because of the growth of democratic sentiments and increasing complexity of the administration the above mentioned methods of recruitment became outdated and the system of recruitment on the basis of ability and merit has now been accepted by almost all the democratic countries of the world. The patronage or spoils system is nowhere followed now. On the contrary merit system has become a universally accepted method of recruitment in the present times.

9.6 METHODS OF TESTING MERIT

We have seen that in most countries the appointments of the civil servants are made on the basis of merit and ability. The questions, therefore, arise as to who should test the merit and what methods of testing and determining merit should be adopted? It is accepted in all the countries that the administration of recruitment by merit principle should be entrusted to a central, impartial, non-political and independent Personnel Agency, like the Union Public Service Commission. The merit and ability of the candidates is tested by such Central personnel agencies appointed by the government.

The merit of the candidates is normally tested by adopting any one or the combination of the following methods:

1) **Written Examination**

Written examination is the most common method adopted for testing intelligence, memory, knowledge, imagination and capacity for logical presentation of information. Written tests are of two types:

- i) Free answer or essay type; and
- ii) Short answer or objective type.

Essay type examinations are common in India. The question paper contains a few questions and the candidates have to write fairly long essay type answers in two to three hours. In this method the candidate is tested in regard to his/her general intellectual capacity, factual information, power of expression, memory, calibre of logical analysis and clarity of thought. But there is one difficulty about essay type examination system. Its assessment is difficult and subjective depending upon the calibre of the examiner. It is not objective.

The other type of examination is short answer or objective type. The question paper contains a large number of questions requiring short answers to be given within a prescribed time. Candidate is asked to indicate whether a given statement is true or false, to point out 'correct' answer out of the given series of answers, to fill up the blanks with correct words, to match the different statements correctly. The candidate is not required to write long answers, but to tick mark on the question-sheet itself. This type of objective written examination is useful in testing the candidate's factual

information and correct knowledge and at the same time his/her capacity of quick judgement and memory also. Making and assessment of such type of objective tests are objective and leaves no room for the examiner's subjective judgement. It is cheap, reliable and fair method of testing the ability and capacity of a large number of candidates.

Both these types of written examinations are followed in different countries. At higher levels where knowledge, expression and logical thinking are necessary essay type of examinations are preferred. At lower levels where the number of candidates is very large, objective type examinations are preferred. Sometimes written examinations are designed to test the general knowledge, ability and intellectual calibre of the candidates. In India and Britain, written examinations are held in some compulsory general papers like General knowledge, and General English etc. At the same time candidates are also examined in some optional academic papers of their choice, mostly drawn from the curricula of the colleges or University system. The philosophy behind this type of written examination is that intellectual capacity is more important than specialised knowledge, in administration. It is believed that an intelligent, and sharp person is useful for all kinds of administrative functions.

This philosophy is not accepted in countries like the USA and France. Their written examinations are designed to test the candidate's knowledge of the specific subjects related to particular needs of different services or posts. For example, for appointment in Police Department his/her knowledge of law, criminology and geography and for recruitment in Finance Department, candidate's knowledge of finance, accountancy, economics etc. are tested through written examination. Therefore, in these countries, the common combined competitive examinations (like India) are not possible. Separate examinations have to be held for different services.

2) Oral Test/Interview

Written examinations cannot reveal the personality and personal qualities of the candidates. In order to be a successful administrator, a person requires certain qualities like patience, initiative, presence of mind, alertness, power of decision-making, clarity and leadership qualities. These qualities cannot be tested by written examination. Therefore, oral test is necessary to correct the weaknesses and shortcomings of written examination.

Oral tests or interviews are of different types. For example oral test taken in the Universities is just a conversation between the candidate and his/her examiner which is called as viva voce test. The interviews taken for recruitment in the administrative service are intended to assess the total personality of the candidate and supplement the results of the written examination. Such interviews are called as personality tests. Sometimes interviews are taken to eliminate the unfit candidates. Such interviews are taken before the written examination. For specialised posts candidates are interviewed by experts in that field and his expertise, skill and knowledge is tested. Simultaneously the experience and past records of his/her work is also verified.

All the above mentioned interviews are held to assess the personality, personal qualities and suitability of the individual candidates for the job. This is simply impossible through the system of written examinations. In recent times, group tests are also becoming common. In many countries group discussions, group meetings and group behaviour tests are organised to test candidates' personality and personal qualities like behaviour, quickness, adaptability, leadership qualities, confidence, initiative, etc.

3) Performance Test

There are some jobs, which require skilled and trained persons in particular trade, craft or work. For example mechanics, drivers, stenographers, typists, electricians etc. In the selection of candidates for these posts performance tests are taken. The candidates' are asked to perform on the actual work to show how well they can do it. The performance test may be supplemented by written test to assess their knowledge of technical terms, tools, methods etc.

4) Evaluation of Past Record

There are many posts for which written examinations and/or interviews are not suitable. Specialist and technical posts in legal, medical, engineering, scientific and similar other services are filled up by assessing the qualification, experience and past record of the work of the candidates. The applicants, who fulfil the minimum required qualifications, are asked to produce their relevant documents regarding their qualifications, past experience and service record etc. A board of experts assesses these evidences produced by the candidates and makes selection after personally meeting and interviewing the candidates. This method is followed for the appointment of high level scientific, technical and specialised posts in the government service. University teachers are also recruited by this method.

5) Physical Test

It is necessary that the government servants must have good health. If they are not physically fit, they cannot give their best to the service. It is, therefore, almost compulsory that every person has to undergo a medical examination before joining the government service. Only after obtaining a certificate of physical fitness, a person is finally selected. Apart from this, the physical tests are compulsory for recruitment in the police, armed forces, manual and field services etc.

6) Psychological Test

In recent times psychological test has been introduced in many countries. It is considered to be necessary to test intelligence, mental calibre and mental maturity of the candidates to be recruited in higher positions. Similarly, aptitude of the candidate is also tested by adopting modern psychological tests. Psychological test is only to supplement other types of tests. It is not a full-fledged and independent method of selection.

We can conclude that merit system of recruitment is common in all the countries. In this portion of our Unit, we have studied different methods of testing merit like written examination, interviews, performance test, evaluation of past record of work, physical and psychological test etc. All these methods are made use for recruitment of suitable and able candidates in the Government Service. The ultimate purpose of all this is to get the best persons recruited to the service.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) Discuss the different kinds or methods of recruitment followed in different countries.

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- 2) Explain the different methods of testing merit?

9.7 ESSENTIALS OF A GOOD RECRUITMENT SYSTEM

So far we have studied various methods of recruitment followed in different countries. We know that recruitment is the most important step in personnel administration. It is, therefore, essential that the recruitment policy should be well planned and sound. It is also necessary to understand as to what are the essentials of a good recruitment policy. What makes a recruitment system good and sound? This is the question, we are going to discuss in this section of our Unit.

1) **Recruitment Policy must be Positive**

It must be planned to attract the best, most competent and qualified persons in the government service.

2) **Recruitment Policy must be Democratic**

It must be planned to provide opportunities to the maximum number of qualified and competent persons. All sources of supply should be given information about the vacancies in the government.

3) **Recruitment Policy must be Attractive**

It must permanently create a good employment market for the government service. Attractive literature and publicity techniques must be used to attract the best talented persons to join the government service. This flow should continue.

4) **Recruitment Policy must be Impartial and Non-Political**

First of all recruitment must be done by an independent, impartial and non-political recruiting agency like the Union Public Service Commission. There should be no interference from the government or politicians in recruitment of civil servants. Government should normally recruit only those candidates who are selected and recommended by the Public Service Commission.

5) **Recruitment must be Based on Merit Principle**

Only able, capable and meritorious candidates must be recruited after testing the merit and abilities of the candidates.

6) **Recruitment Agency must adopt Scientific and Modern Methods of Testing Merit**

It is necessary that scientific and up-to-date methods written and oral tests must be used to test the ability and calibre of the candidates. From time to time these methods must be reviewed and new up-date methods must be adopted.

7) Recruitment Policy must have a good Combination of Direct and Indirect Systems

Able and capable candidates who are already in the service must be given promotions and recruited to higher posts. At the same time, fresh, new, talented young persons must be recruited directly. Both systems have to be combined to make a good recruitment policy, and achieve best results.

8) Placement of Right Person to the Right Job

After the selection process is over, the candidates must be given placement in such a way that right person is appointed to the right job, that is, the job which is suitable to him/her and takes into consideration qualifications and capabilities.

9.8 RECRUITMENT SYSTEM IN INDIA

There are following services in India:

- 1) All India Services (like Indian Administrative Service (IAS), Indian Police Service (IPS), and Indian Forest Service (IFS).
- 2) Central Services (Group A, Group B, Group C and Group D).
- 3) State Services.

Our recruitment system is based on British model. It is based on testing the general ability and intelligence of the candidates by merit system employing open competition method. In the Indian Constitution, the work of recruitment to the All India Services and Central Services are entrusted to the Union Public Service Commission (UPSC). The UPSC is responsible for recruitment to Group A and B. In case of State Services, the work of recruitment is entrusted to the State Public Service Commission of the respective state.

For the All India Services and higher Central Services, the UPSC conducts combined competitive examinations. A systematic combination of written examination and oral test is employed for recruitment. For higher levels, only graduates are allowed to appear for competitive examinations. Presently the UPSC takes combined civil service examination, common for the All India Services (IAS, IPS, IFS, etc.) and higher Central Services.

Age of Entry and Number of Attempts

The Second Administrative Reforms Commission has recommended the permissible age, and number of attempts for appearing in the Civil Services Examination. On the basis of these recommendations, it was decided that changes will be implemented from Civil Service Examination, 2015. As per UPSC, Examination notice no. 09/2015 –CSP dated 23/05/2015, a candidate must have attained the age of 21 years and must not have attained the age of 32 years on August 1 of the year of examination. In this regard, prescribed age limits vary with respect to the caste reservations. For Scheduled Caste/Scheduled Tribe (SC/ST) Candidates upper age limit is 37, and it is

35 years for Other Backward Class (OBC) category. In this regard, upper age limit relaxation is also provided to certain candidates who are backward with respect to other factors and physically handicapped people (For more details, see Commission's website- <http://upsc.gov.in>)

The number of permissible attempts in the Civil Services Examination should be 6 for Unreserved Candidates, and 9 for eligible OBC candidates. In case of SC/ST Candidates, restriction on the number of attempts will not apply. A physically handicapped will get as many attempts as are available to other non-physically handicapped candidates of his/her community, subject to the condition that a physically handicapped candidate belonging to the General Category shall be eligible for nine attempts only.

The Civil Services Examination consists of the following two successive stages:

1) Civil Services (Preliminary) Examination (Objective Type)

This preliminary examination consists of two papers. Both papers are objective type and carry a maximum of 400 marks, i.e. two compulsory papers of 200 marks each. Only those who qualify in the preliminary examination are allowed to appear in the main examination.

2) Civil Services (Main) Examination (Written and Interview)

The main examination consists of two parts — the written examination and an interview test. The written examination consists of nine papers.

Qualifying Papers:

Paper A – 300 marks (Paper A and Paper B will be

Paper B – 300 marks of qualifying nature. The

marks obtained in these papers

will not be counted for ranking)

Papers to be counted for merit:

Paper – I

Essay – 250 marks

Paper – II to V

General Studies – 1000 marks (Four Papers of 250 marks each)

Paper VI to VII

Optional Subject – 500 marks (Two Papers of 250 marks each)

Sub Total (Written Test) – 1750 marks

Personality Test – 275 marks

Grand Total – 2025 marks

Question papers are set in English and Hindi

Those who qualify in the written examination are called for an interview (of 275 marks) conducted by the UPSC. The marks obtained in the written and interview tests are added and merit list is prepared on that basis. The UPSC is responsible for the recruitment to Group A and Group B posts in the Central Services.

Selection for the Central Services Group C and Group D is entrusted to a different agency called the Staff Selection Commission. This Commission conducts competitive examinations for selection of persons for clerical, secretarial and typing positions in the Central Government. The Commission provides a list of successful candidates to the concerned ministries; and day-to-day administration rests with the individual ministries under which the posts exist.

The Second Administrative Reforms Commission has recommended that unless a government employee undergoes mandatory induction training he/she should not be assigned any regular post.

Above all, the Ministry of Personnel and Public Grievances and Pensions, and Ministry of Finance are responsible for the management of all these services. At the state level, State Public Service Commissions are there in all the states, and they follow the similar methods in recruitment of Higher State Civil Services. For Group C and Group D categories of State Services, many states have also appointed the State Staff Selection Boards or Regional Selection Boards.

Indian Railways, Indian Audit and Accounts Department, Industrial establishments and Public Sector Undertakings have their own recruitment arrangements in India. They are kept out of the above mentioned centralised recruitment scheme under the UPSC.

At the local level, all the three systems viz., separate, unified, and integrated are prevalent in the municipal services in various states. In Rajasthan, Uttar Pradesh, Punjab and Haryana, municipal services have been unified up to the supervisory and clerical levels. However, at the lowest level, employees are recruited and controlled by the municipal authorities. In West Bengal, Maharashtra and Gujarat, the separate personnel model functions, under that the municipal bodies have authority to recruit and manage their own personnel, subject to the regulation of the concerned state government. In case of Panchayati Raj Institutions, most of the higher level administrative positions are manned by either the All India Services or the state service personnel (Ramesh K. Arora and Rajni Goyal).

9.9 NEED FOR RESERVATION

In India, certain communities, like, the scheduled castes, scheduled tribes, low ranking castes and sub-castes were subjected to constant deprivation. The centuries of exclusion, humiliation, poverty, persecution, oppression, and all sorts of exploitation have left a terrible mark on those communities and castes. The history has pushed them to disadvantage and left them economically, educationally and socially backward. Therefore, preferential treatment to those people was felt justified on the premise of past discrimination and future advancement. Such preferential treatment is expected to overcome the frozen inequalities and effects of the past injustice. It is viewed that preferential treatment is nothing but egalitarianism and social justice.

9.10 CONSTITUTIONAL SAFEGUARDS

The Constitution of India guarantees equality of opportunity for all the matters of public employment. Articles 16(4), 335, 341 and 342 of the Constitution of India provide for reservation in services in favour of the members of SCs, STs and other Socially and Educationally Backward Classes. At the same time Article 16, Clause 4, of the Constitution allows that the State can reserve seats or posts for any backward class of citizens which, in the opinion of the State deserves it. Article 335 of the Constitution empowers the State to give special consideration to the depressed and backward sections of the society. Beginning with reservation of posts in public services, ameliorative measures include reservation of seats in legislative and other representative bodies, preferential treatment in admission to educational institutions and incentives for their economic advancement. Thus we have the phenomenon of reservation in three spheres, reservation in legislature, reservation in educational institutions and reservation in government services.

The first reservation has been provided in the Constitution itself, while the second in creation of the Parliament and the third has emanated purely from an executive body concerned with the representation of scheduled castes and scheduled tribes in services. These reservations or special privileges were initially granted for a period of ten years only. They were extended subsequently.

9.11 RESERVATION OF POSTS IN PUBLIC SERVICES

Reservation of jobs in government on caste and community basis is not new in India. A number of representations and agitations were made by a number of people particularly the non-Brahmin communities and castes for the adequate representation for all castes of people in the government employment. The Montague-Chelmsford Reforms in 1919 provided certain special representation for non-Brahmin classes. The Reforms encouraged the organisation of the less privileged classes to demand the removal of unequal representation in the Public Services. The Government of India in 1925, initiated action to reserve certain percentage of posts in government to the minority communities. In 1934, an order was issued to reserve 25 per cent of all vacancies to be filled by direct recruitment to Muslims, and 8.75 per cent to other minority communities. In 1943, the Government also reserved 8.5 per cent of vacancies for the scheduled castes and raised it to 12.5 per cent in 1946 to correspond to the proportion of their population to the total population of the country. Thus, the importance of representative bureaucracy in Public Services was realised in view of socio and economic inequalities in India. However, the tribals were not provided any reservation by the British Government. The claim of tribals for reservation of posts was only recognised by the Independent India.

The Government of India, after Independence reviewed the whole reservation policy and has withdrawn the reservations to the competitive posts for communities other than scheduled castes. In 1951 the Constitution was amended to empower (Article 15 (4)) the State to make a special provision for the development of socially and educationally backward class of citizens, which in the opinion of State is not adequately represented in the services under the State.

The reservations in the services are made for the scheduled castes and scheduled tribes by the Government of India and also by the state governments. Rules and regulations are framed for implementation of the reservation policy. Originally 12 per cent was reserved for the SCs. and STs. It was raised to 15 per cent in 1970. After that the government has reserved 15 per cent of the jobs for the SCs, 7.5 per cent for the STs and 27 per cent for OBCs for direct recruitment by open competition. The Government has decided to carve out a sub quota of 4.5 per cent for minorities from within 27 per cent reservation for OBCs. However, Article 16 (4B) provides that the backlog and/or carried forward vacancies would be treated separately and shall not be subject to the ceiling of 50 per cent reservation.

For persons with disability, Section 33 of the PWD Act, 1995 provides that every appropriate government shall appoint in every establishment such percentage of vacancies not less than 3 per cent.

Check Your Progress 3

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) What are the essentials of a good recruitment system?

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2) Why are reservations necessary in India?

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9.12 CONCLUSION

Recruitment is the first and the most important step in personnel administration. If recruitment policy is faulty, the administration will fail because unqualified, incompetent and inefficient persons will enter the civil services. In this Unit, we have examined the meaning, importance, process and methods of recruitment. We have also studied the merit system and various methods of determining the merit. The Indian system of recruitment and the reservation policy has also been examined in this Unit. In the next Unit, we will examine the process of promotion as a method of indirect recruitment.

9.13 GLOSSARY

Egalitarianism : Principle of advocating equal rights for all.

Patronage system of : This type of system is also called spoils system.

Patronage is seen as a means of political control, the proteges of the ministers or the elected functionaries are nominated to the civil service. The public jobs are distributed as personal or political favours to their supporters. The system prevailed in Britain and the USA.

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9.15 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) Your answer should include the following points:

- Recruitment is the most important process in the administrative system.
- The tone and calibre of the civil servant is decided by the process of recruitment.
- Usefulness and relevance of the government and administration to the society, depends upon a sound system of recruitment.
- Recruitment is the entry point of the persons in the civil services.
- It is the key to a strong public service.
- No element of the career service is more important than the recruitment policy.

2) Your answer must include the following points:

- Requisitioning of the jobs/posts.
- Determining qualifications, conditions and requirements.
- Designing of the application forms.
- Advertisement of the posts.
- Scrutiny of applications.
- Holding of Examination/Interview/Test etc.

Check Your Progress 2

1) Your answer should include the following points:

- Direct recruitment or indirect recruitment
- Positive or negative recruitment
- Mass recruitment or individual recruitment

2) Your answer should include the following points:

- Written examination
- Oral Test/Interview
- Performance test
- Evaluation of qualifications, experience and past record of work
- Physical test
- Psychological test.

Check Your Progress 3

Recruitment (Reservation in Services)

1) Your answer should include the following points:

- Recruitment policy must be positive.
- It must be planned to attract the best, most competent and qualified persons.
- Must be democratic, it must give opportunity to the maximum number of qualified and competent persons.
- Must be attractive, impartial and non-political.
- Must be based on merit principle.
- Recruitment agency must adopt scientific and modern methods of testing merit.
- Must have a combination of direct and indirect system of recruitment.
- Placement of right person to the right job.

2) Your answer should include the following points:

- Scheduled castes, scheduled tribes, low ranking castes and sub-castes were subjected to almost a constant deprivation.
- The centuries of exclusion, limitation, poverty, persecution, oppression and all sorts of exploitation have pushed people to disadvantage.
- The history has pushed them to permanent disadvantage and left them economically, educationally and socially backward.
- Preferential treatment to those people was felt justified on the premise of past discrimination and future advancement.
- Preferential treatment is expected to overcome the frozen inequalities and effects of the past injustice.
- It is viewed that preferential treatment is nothing but egalitarianism and social justice.

UNIT 10 PROMOTION*

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Meaning and Importance of Promotion
- 10.3 Need of Promotion in Civil Services
- 10.4 Types of Promotion
- 10.5 Principles of Promotion
- 10.6 Methods of Testing Merit for Promotion
- 10.7 Essentials of a Good Promotion Policy
- 10.8 Promotion System in India
- 10.9 Conclusion
- 10.10 Glossary
- 10.11 References
- 10.12 Answers to Check Your Progress Exercises

10.0 OBJECTIVES

After reading this Unit, you should be able to:

- Describe the meaning, importance and need of promotion in personnel administration;
- Discuss the types, methods and principles of promotion like merit principle, seniority principle and seniority-cum-merit principle;
- Explain the essential elements of a sound promotion policy; and
- Highlight the promotion system as followed in India, in the past and at present.

10.1 INTRODUCTION

The vacant posts in the government services can be filled up directly by recruitment from outside; and also indirectly by giving promotion to those persons who are already in the government service. This indirect method is called 'promotion system'. In all the countries, both the direct and indirect methods are followed. In India also promotion is considered as an integral part of the career service. The two important principles that are followed in making promotion are the principle of Merit and the principle of Seniority. Both of these have some positive as well as negative aspects. The best way is to combine the merit principle with seniority and make promotions on the basis of merit-cum-seniority.

In India promotions were given to the government employees' right from the days of East India Company. Seniority was considered to be more important in the beginning but later on merit system was also accepted. Today also seniority-cum-merit principle is followed in the country. In this Unit, we will discuss the meaning, importance and need of promotion. The various types, methods, and principles of promotion will be explained. The essential elements of a second promotion policy will be discussed in detail. In the last section, the promotion system as followed in India will be highlighted.

10.2 MEANING AND IMPORTANCE OF PROMOTION

Meaning of promotion can be understood from two angles. For the Government, promotion is a system of indirect recruitment i.e., filling up the higher posts by selecting able and competent persons from those, who are already in the service. For the government servant, promotion is an advancement from a lower post, class or service to a higher post, class or service involving higher duties, responsibilities and authority. It also means elevation in the status, and increase in the salary for the employee. Mere increase in salary is not promotion. Going up or advancement in rank, status, duties, power, responsibilities and also increase in salary is referred as promotion in the civil service.

Promotion changes the rank, status, designation and salary of an employee. When a Junior Assistant becomes a Senior Assistant, a Deputy Secretary becomes a Secretary, then it is called as promotion. Promotion may mean change in the grade, i.e., from a lower grade to a higher grade in the same class. Promotion may be from lower group to higher group i.e., from group B to group A. Promotion may also be from one service to another higher service, i.e., from State Services to All India Services. It is, thus, clear that promotion may be from lower class to higher class, and lower service to higher service.

It should be remembered that transfer from one post to another post of the same status or responsibility is not promotion. Similarly annual increment i.e. annual increase in the same salary scale is also not promotion. Here, promotion means change of status as well as pay-scale.

For a government employee promotion is a reward for his/her faithful and hard work. If there are no chances of promotion for an employee, he will not work hard. He will search for a better job outside and leave the place where he is employed as early as possible. For many employees the government service is a lifelong service. They enter this service when they are very young and continue to work till retirement. They are retained in the services by making provisions for promotion. Civil service cannot be called as a career service without promotion. Without promotion we cannot attract the best talents to join the government service; we cannot retain the most talented and potential persons in the service; and we cannot get the best from them for the service and for the nation. It is clear that without promotion, we cannot have efficient, competent and satisfied civil servants in the country. Promotion satisfies a natural human urge to make progress and advancement in life. It gives great moral boost to the employees of the government.

10.3 NEED OF PROMOTION IN CIVIL SERVICES

Civil Service is a career service. A person who joins the civil service spends his life time in it. He makes progress and advances up in the service with the passage of time. From his recruitment as a young person till his retirement as an old person, it is the chances of promotion which keeps him in the service. Promotion is thus, an integral part of the career service. A proper scheme of promotion can only make the civil service as an attractive career and attract the best talents to join it.

Promotions can also serve as rewards for the employees. Opportunity of promotion is a possible reward for hard work, efficiency and faithful service. Government employees will work hard to get possible promotions. This means that promotion chances increase the efficiency and contentment of the employees in civil services.

Recruitment of best persons is the first and foremost important step in the personnel administration. But to retain the talented persons in the services is also equally important. By the device of promotion, it is possible to retain the best, talented and efficient persons in the civil services.

Human being is a growing creature. Everybody wants to make progress and advancement in life and seeks recognition from others. These basic human urges of advancement and recognition should be satisfied by the organisation, where he is working. Otherwise he will not be satisfied with his work and would like to change his job. This may cause problems for the civil services. These two basic human urges of recognition and advancement can be satisfied by the device of promotion.

A sound promotion system fosters the feeling of belongingness in the employees. It also contributes in maintaining continuity in the policies and programmes of the organisation. Promotion system builds up sound traditions and conventions in the civil service and adds to the goodwill of the government.

If there are adequate chances of promotion to higher levels in the government service, then competent persons would be ready to join the services at lower levels also. It will increase the efficiency of administration.

With the passage of time in the government service, persons acquire up-to-date practical experience of work. Their continuity in the service makes them competent to shoulder higher responsibilities. This experience and competence acquired by the civil servants can be utilised by giving them chances of promotions to higher and more responsible positions. The best use of manpower is possible only through a sound promotion system.

As the employees grow older in age, their family responsibilities keep on increasing. They need more money. Promotions give them opportunity to satisfy their increasing material needs and give their best to the services. This also reduces the chances of occurrence of malpractices and corruption in the services. The employees will not nurse grievances against the government. They would render more efficient, honest and faithful service to the government. There would be greater discipline, and higher morale among the civil servants.

10.4 TYPES OF PROMOTION

There are three types or categories of promotion:

- 1) Promotion from a lower grade to a higher grade in the same class, (i.e. from a Junior Assistant to a Senior Assistant or from a Junior Typist to a Senior Typist or Assistant Superintendent to Superintendent).
- 2) Promotion from one group to another , (i.e. from group B to group A)
- 3) Promotion from a lower service to a higher service (i.e. from State Service to All India Services).

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

- 1) Explain the meaning and significance of promotion.

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- 2) Why is promotion necessary in the civil services?

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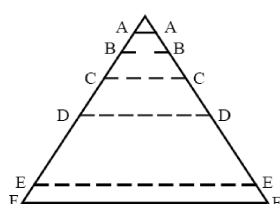
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10.5 PRINCIPLES OF PROMOTION

The principles of promotion need to be established because the opportunities, in any government service, for promotion are limited. Only a limited number of higher posts fall vacant; sometimes or other and that too not at regular and frequent intervals. A large number of servants working at the lower levels wait for these few vacancies.

Every one of them aspires to get promotion. But it is practically impossible to give promotion to all ambitious persons. In fact only few of them are promoted to the higher positions, and a large number of employees are denied the promotions. This is bad but unavoidable. Because the structure of administration is like a pyramid, the number of posts at the lower level is large (level F in the Figure 10.1). As we go up higher and higher, the number of posts is lesser and lesser (FEDCBA) and ultimately the pyramid ends at a single point (i.e. the Chief Executive or head of the Department i.e. level A in Figure 10.1).



Showing the Pyramidal Structure of Administration

Due to the above mentioned pyramid like structure of administration there is always an unavoidable conflict at the time of promotion. Those who are unsuccessful in getting promotion feel disappointed and lose interest in work. If the promotion is made *arbitrarily* then this adds to their indifference, inefficiency and insult. It is, therefore, necessary that promotion should be based on some well-defined and recognised principles.

Following are the principles of promotion, which are followed as alternatives or in combination:

- 1) **Principle of Seniority:** Seniority means length of service in a particular post or scale or grade. It is a very simple principle. The length of service or seniority is the sole basis in making promotion. According to it, one who has longer length of service must get the promotion. The senior most person is eligible for promotion first. A seniority list can be prepared and order of **precedence** can be decided according to experience and age.

The principle of seniority is very simple to apply. It is most objective. It leaves no scope for favoritism or nepotism. It gives respect to age and experience. It is in accordance with the established practices in society. A younger person does not become a boss of the older and more experienced persons. It is more democratic because it gives a chance of promotion to everybody irrespective of merit. Everybody cannot become meritorious but everybody is bound to become senior with the passage of time. It is safe for every employee and, therefore, seniority principle is readily accepted by the staff as against the merit principle.

But principle of seniority has many drawbacks. Those who are senior are not necessarily fit for promotion. Mere length of service is not a criterion of fitness. Experience is gained by a person in the first few years of service, but afterwards his experience does not increase indefinitely with the length of service. It is said that ten years of experience is nothing but one year's experience repeated ten times. Seniority and experience are, therefore, not rational criteria. All persons in a grade are not fit for promotion. Promotions are few and, therefore, all persons cannot get promotions. Seniority does not necessarily coincide with age. A younger person who joined the service at an early age may be senior to a person who joined the service late in his life. Seniority principle does not ensure that only fittest person will be posted at higher posts. On the contrary, inefficient and conservative persons may get promoted to higher post adversely affecting the over-all performance of the government services. Thus, the seniority principle is not rational and just. Hard work, efficiency and initiative of the energetic young person is not rewarded. On the other hand, physically weak, aged and less energetic persons are promoted to higher positions where hard work, alertness and energy are required.

- 2) **Principle of Merit:** Principle of merit is contrary to the principle of seniority. This principle implies that the most meritorious, best qualified and most competent person must be selected for promotion to the higher post. In the civil service, higher position means more power and responsibilities, which requires more competent and hard working persons. Therefore, those who have merit and qualifications must be promoted to higher positions. Merit, therefore, must be the sole criterion for promotion. The principle of merit is accepted because able and competent persons only deserve promotions and incompetent persons should be

left behind. At higher levels in administration only efficient, hard-working and meritorious persons are required. The merit principle selects the most suitable person for promotion. Energy, initiative and hard work are rewarded by merit principle. This increases efficiency and competitive spirit in the administration. It motivates the employees at the lower levels to work hard and take interest in their work.

But merit principle of promotion is difficult to implement objectively. Merit is a complex concept. It includes intellectual attainment along with personality, capacity for leadership, strength of character, etc. It is not easy to measure the merit objectively. Merit principle of promotion excludes senior and experienced persons from the competitive chance of improvement. Experience, seniority and age are set aside by the merit principle. Older persons cannot compete in the written examination or interviews etc. against the younger persons. The administrative experience and skills attained by a person, in the service with the passage of time are totally neglected by the merit principle.

- 3) **Practical Combination of Seniority and Merit Principles:** We have seen that both the principles of seniority and merit have some advantages as well as drawbacks. In practice, therefore, a third method is adopted where the seniority and merit principles are combined for making promotions. For example, minimum length/years of service (seniority) is fixed and then the fittest and meritorious person amongst those who possess that minimum experience is selected for promotion. This means the 'fittest amongst the seniors' is selected for promotion. Another way of combining these two principles is that the minimum qualification and competence is tested and then all other things being equal the senior most of them is preferred for promotion. This means the senior most amongst the meritorious persons is selected. It is observed that in most of the countries including India, the general pattern of promotion is based on the following lines:
 - 1) Promotion to the higher posts is made on the basis of merit principle only.
 - 2) Promotion to middle level posts are made on the basis of seniority-cum-merit principle.
 - 3) Promotion to lower level posts are made on the basis of seniority principle (but here also exceptional merit is rewarded).

10.6 METHODS OF TESTING MERIT FOR PROMOTION

We have seen that 'merit' is considered to be a more important element compared to 'experience' in making promotions in the government service. Now the question is how to test the merit essential for promotion to higher posts? In the last Unit on Recruitment we have studied the methods of testing merit for direct recruitment in the civil service, like written examination, interview etc. Those methods are not applicable for testing the merit for promotion. It should be noted that here we have to test the merit of those persons, who are already in the service. They possess minimum educational qualification required for recruitment in the service. They have already passed in the written and oral tests at the time of their recruitment. Now their merit is to be tested for promoting them to higher posts. This is more difficult and delicate.

Many employees, old and young, experienced and inexperienced, senior and junior working together for many years in the same grade and in the same organisation aspire to get promotion to the higher grade. The vacancies at the higher level are very few. Each of them thinks that he/she is most competent and fit for the higher post. In such a situation, it is very difficult and delicate to test their merit for promotion to higher position.

Normally the following three methods are employed for testing the merit for promotion:

- 1) Written and Oral Examination,
- 2) Efficiency Rating, and
- 3) Personal Judgment of the Head of the Organisation.

Written and Oral Examination

In many countries written examination is taken for promotion. It is an objective system of testing merit. It eliminates all kinds of favoritism and nepotism. It relieves the authorities from the troublesome work of making judgment about individual employees. It keeps the employees up-to-date about the developments. It gives equal chance to everybody to aspire and compete for higher position. It is good when the number of aspiring persons is very large or when the higher job requires specified knowledge. In many countries departmental examinations are taken. Everybody who wants a promotion is required to pass the qualifying departmental examination (It is common in the Banking Services in India.) Brilliant and hard-working employees get quick promotion by passing these examinations. The system of written examination for promotion has some drawbacks also. The employees neglect their routine administrative work because they are preoccupied with examinations. Faithful and devoted employees feel neglected. Older and experienced employees cannot study and memorise things for examination. Less experienced younger employees who are fresh from their college, normally get more marks in written examination compared to their experienced colleagues. Therefore, written examinations are not very popular for promotion among the experienced employees. Although these promotional examinations are competitive, but closed i.e. confined to those who are already in the service. They result in a lot of jealousy and heart-burning amongst the competent competitors.

In order to avoid the drawbacks of the system of written examination, in many countries, oral test or interviews are taken after the candidates pass the written examination. Candidate's overall personality, attitude and manners etc. are judged through the interview. His past experience and record is also assessed at the time of interview. Whether a person is fit to be appointed to a higher position and whether his personality is suitable for the higher post is also judged at the time of oral examination.

Efficiency Rating

It is an old and universal practice in the Civil Service to maintain the service records of each person. These service records are known by various names like confidential report, service book, personal record or personal file etc. In the past, these records were mostly used to locate a person with bad records and to keep him away from promotion. But now these service records are used to evaluate the relative merits of the employee for the purpose of promotion. This is comparatively a new method, which was first adopted in the USA for rating comparative ability and merit of the employees for the purpose of promotion.

Maintenance of service record itself is not efficiency rating. The service record provides the necessary data on the basis of which evaluation or rating can be done. In large organisations, there are many branches, divisions and sections having large number of employees. In each section, branch or department every year a confidential report relating to the overall service-record of each and every employee is prepared and maintained by the concerned head or superintendent or superior officer. These records are used for rating the efficiency and suitability of an employee at the time of promotion. This efficiency rating system is now widely followed for testing merit for promotion.

The efficiency rating system is most useful for finding the most able and efficient person for promotion. It is a fair and reliable system of rewarding the most efficient person and eliminating those who are comparatively less competent. It not only rewards merit but also the careful and faithful service. It keeps the employees alert and up-to-date. It guarantees the promotion to the best out of the available staff. These are some of the positive points of the efficiency rating system. But there are many negative aspects of this system, it is not objective as it depends upon the subjective judgement of those superior officers who prepare the service record, and also of the rating officers. It is difficult to prepare a good 'rating form' which will include all qualities, traits or criteria necessary for effective rating. More sensitive employees become nervous and self-conscious because of this system and their morale is depressed. The rating system leaves room for negligence, low integrity and subjective judgment of the rating officer. What qualities or traits must be taken for comparative rating and how to integrate the various judgments relating to different qualities or traits into one final decision? These questions pose many difficulties before the promotions are finalised. Therefore, this efficiency rating system does not provide an automatic basis of promotion. The final judgement has to be taken by the promotion making authority.

In this method, efficiency is rated on the basis of service records. These records are maintained in respect of all employees. Assessment is done on the basis of some qualities, traits, performance, output records, evidences, or check-lists, etc. Qualities or traits like knowledge of work, personality, judgement, initiative, accuracy, willingness to take responsibility, neatness, punctuality, organising ability, etc. or output of the employee is rated as below:

a) Above average

b) Average

c) Below Average

or it may be rated as:

a) Outstanding

b) Very Good

c) Good

d) Average

e) Fair

In India, the reporting and reviewing authorities award a numerical grading on a scale of 1 (lowest) to 10 (highest) for the quality of work output, personal attributes and functional competence of the officer. In this regard, 40% weightage be given to

assessment of work output, 30% each for assessment of personal attributes and functional competency and weighted average worked out as the overall grade. However, grading outstanding is given only when exceptional qualities and performance have been noted, mentioning the grounds for the grading.

Personal Judgement of the Head of the Organisation

In this system merit is determined by the head of the organisation. The head or the boss knows everybody. He has personal understanding about the overall performance of each and every employee working under him. He therefore, at the time of promotion, relies upon his own personal judgement and makes promotion of the person of his own choice. This system is based on nepotism and favoritism. It is like the spoils system. It gives scope for dictatorial tendency. It encourages politics and sycophantism (flattery) in administration. Sycophants surround the head of the office all the time. As a result there is lot of inefficiency, insecurity and uncertainty among the workers. Consequently, their morale is depressed. Only 'Yes men' and 'sycophants' have good chances of promotion in this system.

This system of promotion, left to the judgement of the head of the office, is mostly followed in business and industry but is not very common in the civil service. However, some very top level executive promotions are made in this system. Only in small organisations personal knowledge of the various employees is possible. Correct use of discretion and judgement depends upon the integrity and impartiality of the concerned head of the department. In practice, the actual judgment of the promotion authority is influenced by the service record, past performance and efficiency rating of the employee concerned. However, in the final selection of an employee, the personal judgment of head of the organisation plays its part.

We have discussed the various methods of testing merit for promotion in the preceding text. In fact, all these methods are suitably combined to fill up posts by promotion. The combinations are different in different countries.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) Examine the pros and cons of the principle of seniority.

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2) Discuss the disadvantages of promotion system based on the personal judgment of the head of the organisation

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10.7 ESSENTIALS OF A GOOD PROMOTION POLICY

Civil service is a career service, which offers life time job to the capable persons. It provides them opportunities for growth and advancement. Only good promotion system can make this possible. At the same time, only a fair promotion policy ensures supply of capable and competent persons for filling up higher positions without any breakdown. A good promotion policy is absolutely necessary for the success of civil service. In this regard essentials of a good promotion policy are as follows:

- 1) Promotion policy must be well planned in advance.
- 2) There must be a clear and sound classification of the civil services.
- 3) Posts or grades in each service or class must be arranged in a hierarchical manner.
- 4) Line of promotion and rules of promotion must be clearly laid down in advance.
- 5) Instead of a single person, a board or committee should be responsible for making promotions.
- 6) A systematically accepted method of promotion must be followed strictly.
- 7) Employee must know that the vacancy for promotion is an opportunity and not a right, and he must earn the promotion in competition with others.
- 8) Seniority should not be given excessive weight. However principles of seniority merit and efficiency must be combined. Here candidate's past performance, service record, and capability to assume higher responsibilities must be decisive elements. Various suitable devices like efficiency rating, examination, interviews, etc. must be adopted to test the merit for promotion.

10.8 PROMOTION SYSTEM IN INDIA

The question of promotion was first discussed during the British Raj in India in the year 1669, when the principle of seniority was accepted for promotion by the East India Company. The Charter Act of 1793 clearly accepted the principle of 'seniority' for promotion in the civil service. This principle remained in force till the enactment of the Indian Civil Service Act 1861. Although the seniority principle was continued, allowance was also made for merit, integrity, competence and ability in making promotion. Formula of seniority-cum-merit was followed till 1947.

In Independent India, the matter of promotion received attention in 1947 itself. The First Pay Commission (1947) recommended that direct recruitment and promotion system must be combined for filling up the positions in the civil service. According to it, principle of seniority must be adopted for those posts where more familiarity with office work is a necessary requirement, top positions must be filled up on the basis of merit and middle level positions on the basis of seniority-cum-merit basis.

The Second Pay Commission (1959) also recommended the principle of merit for filling higher level posts in administration. The First Administrative Reforms Commission (1969) also recommended the principle of seniority-cum-merit for promotions. The governing principle of promotion in India, is that of 'seniority-cum-merit'. The relative

weight age of the two factors of 'seniority' and 'merit' varies from service to service.

Promotion in India was made by the Union or State Government on the recommendation of the Head of the Department, sometimes with the approval of the Union or State Public Service Commissions.

The Second Administrative Reforms Commission has recommended the promotion of officers through Departmental Promotion Committee (DPC), up to the level of Selection Grade, may be delegated to the concerned Departments. In this regard, the Union Public Service Commission (UPSC) should supervise the functioning of these DPCs, through periodic review, etc. The Central Government has accepted this recommendation.

For the purpose of promotion, in many departments, we have Departmental Promotion Committees. Promotions are made in accordance with the seniority and on the basis of Annual Performance Assessment Reports. Principle of seniority-cum-efficiency is adopted invariably for promotions at lower and middle level posts like Assistants, Senior Assistants, Section Officers, Superintendents, etc. In addition to this practice, in some cases, government employees are allowed to appear in competitive examinations held for promotion. At higher levels of promotion, a Departmental Promotion Committee makes promotion out of a list prepared on the basis of 'merit and suitability in all respects with due regard to seniority'.

Modified Assured Career Progression Scheme

The Sixth Central Pay Commission (CPC) has recommended Modified Assured Career Progression Scheme (MACPS) for Central Government Civilian Employees. The MACPS is in supersession of previous Assured Career Progression Scheme. The government has considered the recommendation and accepted it with following modifications:

- i) The Government has accepted the scheme, which will be applicable to all regularly appointed group 'A', 'B' and 'C' Central Government Civilian Employees except officers of the Organised Group 'A' Service. The status of Group 'D' employees would cease on their completion of prescribed training as recommended by the Sixth CPC, consequently they would be treated as Group 'C' employees.
- ii) At the time of normal promotion, benefit of pay fixation shall be allowed at the time of financial upgradations under the scheme. The Commission recommended an increase of 2.5 per cent of pay and grade pay shall be available as financial upgradations. The government has accepted with further modifications.
- iii) The government has accepted the recommendations that the grade pay shall change at the time of financial upgradations. Under ACP scheme, the grade pay given at the time of financial upgradation will be the immediate next higher grade pay in the hierarchy of revised pay bands and grade pay being recommended. Thus, at the time of financial upgradation, grade pay in certain cases where regular promotion is not between two successive grades can be different than what is available at the time of regular promotion. In this regard, the higher grade pay attached to the next promotion post in the hierarchy of the concerned cadre/organisation will be given only at the time of regular promotion.
- iv) The commission recommended that financial upgradation will be available whenever

a person serves for 12 years continuously in the same grade. Under this scheme, not more than two financial upgradations shall be given in the entire career as was provided in the extant scheme. It will ensure suitable progression uniformly to all the employees in the Central government. The Government has decided to modify to the extent that the financial upgradations will be available whenever a person completes 10 years continuously in the same grade. In this regard, three upgradations after 10, 20 and 30 years of services will be allowed.

The system of promotion varies from service to service and class to class in India.

After critical evaluation of the Indian system of promotion, we find that there are some shortcomings in it. They are:

- 1) Heads of the departments deliberately exclude some persons from the list of potential competitors;
- 2) Personal records of the employees are not maintained satisfactorily and impartially;
- 3) In some cases, employees are not informed about the vacancies to be filled up by promotion;
- 4) Seniority is given too much importance; and
- 5) Absence of systematic promotion machinery makes promotions arbitrary and haphazard.

In order to overcome these shortcomings, it is suggested that a suitable and systematic promotion policy must be adopted. In this regard service-records must be kept objectively and impartially. An effective machinery for evaluation; and appeals must be established. Promotion boards or committees must be established in all government services at all levels.

Check Your Progress 3

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

- 1) What are the essentials of a good promotion system?

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- 2) Discuss the Indian system of promotion.

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10.9 CONCLUSION

Promotion is a process of filling up the vacancies indirectly from within the service. It is an integral part of the career service, which helps the competent persons to rise to higher positions in the service. It helps the government to make use of the best talents and experience of the persons who are already in the service. In most of the countries of the world merit principle of promotion has been accepted but at the same time, seniority also is given due consideration. In this Unit, we have discussed the meaning, importance, need and types of promotion. We have also examined the relative merits and demerits of the two principles namely 'Seniority' and 'Merit'. In addition, various methods of testing merit for promotion, including 'efficiency rating'. A detailed discussion on the promotion system in India was also made.

10.10 GLOSSARY

Career Service	: A service which a person joins at a very young age and continues throughout his life till retirement in the same service.
Seniority	: Length of service counted from the date of joining the service.
Efficiency Rating	: Comparative evaluation of the performance of an employee on the basis of his past service records.
Service Record	: Personal record of service about an employee maintained by his office.

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10.12 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) Your answer should include the following points:

- For a government servant promotion is a reward for his faithful and hard work.
- Without promotion we cannot attract the best talents to join the government service.
- We cannot retain the most talented and potential persons in the service.
- We cannot get the best from them for the service and for the nation.
- We cannot have efficient, competent and satisfied civil servants in the country.
- Promotion satisfy a natural human urge to make progress and advancement in life.
- It gives moral boost to the employees.
- For the government, promotion is a system of indirect recruitment, i.e., filling up higher posts by selecting able and competent persons who are already in service.
- For the government servant, promotion is an advancement from a lower post, class or service to a higher post, class or service involving higher duties, responsibilities and authority.

- It means elevation in the status and increase in the salary for the employee.
- Promotion may be from lower grade to higher grade, lower class to higher class, lower service to higher service.

2) Your answer should include the following points:

- Civil service is a career service.
- A person who joins the civil service spends his life time in it.
- He makes progress and advances up in the service with the passage of time.
- From his recruitment as a young person till his retirement as an old person it is the chances of promotion, which keep him in the service.
- Promotion is an integral part of the career service.
- A proper scheme of promotion can only make the civil service an attractive career and attract the best talent to join it.
- Opportunity of promotion is a possible reward for hard work, efficiency and faithful service.
- Government servants have to work hard to get possible promotions.
- Promotion chances increase the efficiency and contentment of the civil servants.
- By the device of promotion opportunity, it is possible to retain the best, talented and efficient persons in the civil services. Otherwise they will leave the civil service and join other prosperous services.
- The two basic human urges of recognition and advancement can be satisfied by the device of promotion.

Check Your Progress 2

1) Your answer should include the following points:

Pros	Cons
No scope for favouritism or nepotism.	Those who are senior are not necessarily fit for promotion.
Gives respect to age and experience.	Here length of service is not a criterion of fitness.
In accordance with the established practices in society	Seniority and experience are not rational criteria.
A younger person does not become a boss of the older and more experienced persons.	Seniority principle does not ensure that only fittest persons will be posted at higher posts.
It is more democratic because it gives chances of promotion to everybody irrespective of the merit.	On the contrary, inefficient and conservative persons may affect the overall performance of the government services.

2) Your answer should include the following points:

- In this system of promotion merit is determined by the head of the organisation.
- This system is based on nepotism and favoritism.
- It is like the spoils system.
- It gives scope for dictatorial tendency, encourages sycophantism in administration and sycophants surround the head of the office all the time.
- As a result there is lot of inefficiency, insecurity and uncertainty among the workers.
- Consequently, their morale is depressed.
- Only 'Yes Men' and 'Sycophants' have good chances of promotion in this system.

Check Your Progress 3

1) Your answer should include the following points:

- A good promotion policy is absolutely necessary for the success of a career civil service.
- Promotion policy must be well planned.
- Clear and sound classification of the civil services.
- Posts or grades in each service or class must be arranged in a hierarchical manner.
- Line of promotion and rules of promotion must be clearly laid down in advance.
- Accepted method of promotion must be followed strictly.
- Employee must know about the vacancy for promotion. He must be told that promotion is an opportunity and not a right.
- Seniority should not be given excessive weightage.
- Principles of seniority, merit and efficiency must be combined.
- Candidate's past performance, service record, and capability to assume higher responsibilities must be decisive elements.
- Efficiency rating, examinations, interviews, etc. must be adopted to test the merit for promotion.

2) Your answer should include the following points:

- First Pay Commission (1947) recommended that direct recruitment and promotion system must be combined for filling up the positions in the civil service.
- Second Pay Commission (1959) recommended the principle of merit for filling higher level posts in administration.

- The First Administrative Reforms Commission (1969) also recommended the principle of seniority-cum-merit for promotions.
- The Second Administrative Reforms Commission has recommended the promotion of officers through DPC.
- Principle of promotion in India has been that of seniority-cum-merit.
- The relative weight age of the two factors of 'seniority' and 'merit' varies from service to service.

Indian system of promotion, we find, has some shortcomings in it. These are:

- Heads of the departments deliberately exclude some persons from the list.
- Personal records of the employees are not maintained satisfactorily and impartially.
- Seniority is given too much importance.
- Absence of systematic promotion machinery.



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UNIT 11 TRAINING*

Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Meaning and Importance of Training
- 11.3 Objectives of Training
- 11.4 Types of Training
- 11.5 Methods and Techniques of Training
- 11.6 Indian System of Training
- 11.7 Agencies and Institutions of Training in India
- 11.8 Critical Evaluation of the Indian System of Training
- 11.9 Conclusion
- 11.10 Glossary
- 11.11 References
- 11.12 Answers to Check Your Progress Exercises

11.0 OBJECTIVES

After reading this Unit, you should be able to:

- Discuss the meaning, importance, and objectives of training;
- Make an overall assessment of the various types and methods of training employed in different countries;
- Describe the past and present system of training, and institutions of training in India; and
- Make a critical assessment of the Indian system of training.

11.1 INTRODUCTION

In the earlier Units, we have seen that only well educated, qualified and meritorious persons are recruited in the civil services. Most of them are graduates and degree/diploma holders. They have already obtained the minimum educational qualification required for entering the government service. Their education is normally completed before they enter the civil service but the process of education continues even afterwards. However they need a different type of education, which will help in their daily work and improve their skill and efficiency in administration. This new type of work-education is called training in the civil service.

In modern times, the administration has become more and more complex and

*This Unit has been adopted from BPAE-104, Block 4

complicated. It requires special knowledge and technical skills. Normal college and University education does not fulfill these requirements of modern administration. Therefore, there is an increasing need of training the civil servants. Training has now become an integral part of the modern personnel management. In almost all the countries including India, elaborate arrangements are made to provide suitable and effective training to their civil servants. In this Unit, we are going to discuss the meaning, importance, types and techniques of training. We will make a critical evaluation of the system of training in India.

11.2 MEANING AND IMPORTANCE OF TRAINING

The dictionary meaning of training is, “imparting instruction in a particular art, profession or occupation”. In Public Administration, training means conscious efforts made to improve the skills, power, and intelligence of an employee; and to develop his attitudes and value-system in a desired direction. In broad and general terms, training is a life-long phenomenon. Training, informally and unconsciously begins with our childhood itself. But in the narrow and specialised sense, training of civil servants is a deliberate effort, directed to increase the specific skills and vocational competence of the civil servants in their routine work.

Before familiarising ourselves with the objectives of training, we should try to understand the importance of training in developing countries like India. Training of civil servants has become an important aspect of modern personnel management. It has been recognised by all the governments that suitable and effective training programme for their civil servants is absolutely necessary for efficient and up-to-date administration. On the one hand, the functions of the governments have increased and expanded rapidly and on the other hand, administration has become more and more complex, specialised and technical. The recruitment policies and programmes based on ‘merit system’ try to select the best qualified and competent persons in the civil service. Most of the selected persons are well qualified and educated, they are degree or diploma holders. But the University degree or diploma is not enough to make them best administrators. It is necessary to have some practical knowledge of the actual work of administration. This practical knowledge is imparted through training. Training prepares an employee for the new administrative tasks. It improves his/her skills and efficiency. Training prepares him for higher and higher responsibilities. In fact, the very induction of an employee into an organisation needs training. An employee must know about the goals and objectives of his organisation; nature of work he is expected to perform in the organisation; and techniques and methods of doing his actual work. All this knowledge can be imparted only through a systematic training programme. Similarly, with the passage of time, the knowledge and skills acquired by an employee become out-dated. He needs new and up-to-date knowledge and skills. This up-dating of knowledge and skills is possible only through training, which is a continuous activity.

Although the formal education of an employee is normally completed before he enters the civil service, but the process of education in the form of training continues even afterwards. Training is thus, necessary before entering the civil service and even afterwards. Like education, training is also a life long process. But training has narrow and specific objectives as compared to education. As you have already read in Unit 2, Block 1, education is much wider than training. Education influences the entire process

of the upbringing of an individual from the childhood, formation of the personality, character, habits, manners, attitudes, mental and physical capabilities etc. The education, in general, aims at broadening the mind. But training aims at improving the specific skills and knowledge required for some particular kind of work or profession. However, both education and training are, closely related to each other and many times they overlap each other. The importance of training has been recognised by most countries, including India. They have devised suitable training programmes for their civil servants and established many training institutions for implementing these programmes. However, these arrangements are inadequate and a greater need of training is felt in many countries.

11.3 OBJECTIVES OF TRAINING

The major objectives of training of civil servants are as follows:

Firstly, the training improves the efficiency of the employees in administration;

Secondly, training improves the occupational skill and knowledge of the employees, so that they can do their work effectively;

Thirdly, training inducts a new employee into the organisation and imparts him/her knowledge of the goals and objectives of the organisation, employee's own role in organisation and techniques and methods of carrying out his duties. Consequently, the employees can best contribute to the attainment of organisational goals;

Fourthly, because there are constant changes in the goals and techniques of the organisations, training adjusts the employees with the new organisational changes;

Fifthly, training makes up for the deficiencies of the newly recruited persons. Fresh University graduates are given necessary training to shape and mould them in the desired direction and make them suitable for government work.

Sixthly, training keeps the employees informed about the latest developments in their field and thus, keeps his/her knowledge up-to-date;

Seventhly, training improves the integrity and morale of the employees. The very existence of the training process gives the trainees an added sense of dignity and pride in their work and office;

Eighthly, training develops a sense of community service and belongingness in the employees. They realise that their work is an essential part of the organisation and the community. Therefore, they put more efforts in their work. This gives employees a sense of pride and self-fulfilment in their work. It is, therefore, said that everybody in the civil service must get an opportunity of training of one kind or other;

Ninthly, training makes the employees, people oriented. It inculcates a basic principle in them that they are public servants and not masters. This is necessary in a democratic administrative system;

Tenthly, training prepares the employees for higher positions and greater responsibilities; and

Finally, training fosters homogeneity of outlook and broadens the vision and outlook of the employees.

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

- 1) Explain the importance of training in modern times and make a distinction between training and education.

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- 2) What are the aims and objectives of training?

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11.4 TYPES OF TRAINING

There are different types of training, which are imparted in different countries. Some of the major varieties of training are as follows:

1) **Formal and Informal Training**

Informal training is training by experience, which an employee acquires during the course of his actual routine work in his organisation. No special efforts are necessary for informal training. This is a routine organisational activity. It does not require planned training programme, specialist trainers or some training institutes. This kind of informal training neither prescribes a specific time period nor a group of trainees is especially selected for it. This has been traditional method of training in Public Administration. But this process is very hard way of learning and requires a lot of persistence and patience on the part of the employees. It is slow, ineffective and frustrating. Formal training is free from these defects. That is why informal training is not popular amongst most of the countries.

Formal training is that kind of training, which is carefully planned, arranged and conducted under the expert supervision and guidance. Specialist trainers in a training institute or under the auspices of the departmental training programme, impart formal training to a specially selected group of trainees during a specific time period. It consists of a chalked out course of study with lectures, seminars, workshops, group discussions, conferences, work projects and written reports, etc. It may lead to the award of a professional degree or a certificate of satisfactory completion of training. It may be imparted before the entry into the service or during the probationary period of the career service. It may be full-time or part-time. It may be an orientation course or a course of general nature. The formal training has defined objectives, pre-determined course of topics, planned course of action and systematically chosen methods or techniques. It inculcates

necessary administrative skills through well defined courses conducted at appropriate stages during the career-service. As the need of improving the administrative efficiency is felt urgently everywhere, therefore the system of formal training is becoming more and more popular. In fact, the best way is to supplement informal training by formal training programmes. Both must be combined to give best results, but the various training programmes adopted in different countries like pre-entry training, post-entry training, orientation training, etc., normally focus more on formal techniques of training only.

2) **Short-term and Long-term Training**

These two types of training depend upon the duration of the training course. The duration of the training depends upon the subject-matter of training course, nature of the service and needs of the government. If the training course is completed in a few weeks or a month or two it may be called short-term training compared to the long-term training programmes conducted for a period from six months to one or two years.

3) **Pre-entry and Post-entry Training**

It is clear from the names itself that the training imparted before entering the civil service is pre-entry training, whereas, that is, given after a person enters the service is called as post-entry training. For pre-entry training, many training institutions have been set up to provide training courses for administrative and managerial positions in the government. Similarly, there are many institutions and centres, which provide training to the candidates appearing for competitive examinations. In some places, practice of internship and apprenticeship is commonly employed for pre-entry training of the probable potential recruits in the services. Practical administrative training is also provided in some universities and colleges.

Post-entry training is given after a person joins the service. Post-entry training is very common in many countries. It is also called in-service training. The in-service training may be a combination of formal or informal methods; and it is imparted at all levels in the service. It helps in improving the efficiency and performance of the employees and makes them professionally more competent and able. Sometimes post-entry training is not directly concerned with the actual work of the employee but directly it is of much help to improve his/her general ability and organisational performance.

4) **Centralised and Departmental Training**

When training programme is made within a department or office, its aims are limited. It only aims to improve the specific knowledge and skills relating to the department; and it is only conducted for its own employees. This type of training is called departmental training. Such training is imparted by experienced officers of the department itself. The Sardar Vallabhbhai Patel National Police Academy is an example of this type of training. But when training to the officers of many departments is provided by a Central Training Agency, it is called centralised training. The training programme of the Lal Bahadur Shastri National Academy of Administration (LBSNAA) is an example of centralised training system in India.

5) **Skills Training and Background Training**

Background training is of general nature. It provides knowledge of such subjects, which help the trainees to understand the social, economic, political, administrative,

and constitutional background and conditions prevailing in the country. The purpose is to broaden the mind and knowledge of the employees and to make them aware of the society, and their own role in the society. But when it is intended to improve the skills of the employee in a particular kind of work, it is called skills training. It aims at providing employees with the knowledge of special skills, techniques, procedures, methods, (craft) or complicated systems, etc., necessary to carry out his specialised kind of work. Here, Craftsmanship training, and income-tax officer's training are examples of the skills training, whereas the IAS entrant's training at LBSNAA at Mussoorie is an example of background training.

6) Orientation Training

A new entrant must know about his/her organisation, work and working situation and methods. He/She has to be introduced to new organisation. This is done through orientation training, which is planned effort to adjust an employee to an organisation, and job. Basic objective of orientation training is to introduce an employee to the basic concepts of his/her job, new work environment, aims and objectives of organisation and employee's own place in that organisation. Orientation training is also necessary to keep the civil servant up-to-date and attend to new developments in the field. Now, orientation training is becoming more and more important in India.

Training of civil servants is of prime importance in all countries. In order to make civil service more efficient and effective, everywhere, suitable training programmes are chalked out. Training is necessary not only for new entrants but also for those who are already in the service. It may be of any type — formal or informal, short-term or long-term, pre-entry or post-entry. Training programmes must be planned according to the requirements of different services, keeping in view the socio-political and administrative conditions prevailing in the country. However, we can conclude that whatever may be its type, training is a permanent need of Public Administration.

11.5 METHODS AND TECHNIQUES OF TRAINING

There are many techniques and methods of training followed in different countries. Some of the important methods are as follows:

- **Training by Experience on the Job**

A person is posted on one job and allowed to learn from the experience gained by doing that job. Then he is posted to another section/department to learn by experience about that new section. In this way an employee may be transferred from branch to branch, section to section or department to department and allowed to learn by doing a job. Senior and experienced officers help the trainee, in this process of learning, by giving necessary oral and written instructions and directions from time to time. In order to give him/her wide experience of administration, a trainee is sometimes sent to work in an outside office or organisation. Short visits to other related offices, inter-departmental exchanges or study tours etc. are also arranged. This is like the method of internship or apprenticeship commonly used in industrial management training. This method is cheap and simple. With the passage of time, a person learns the techniques of administration and improves his/her performance as an administrator. But this method is slow and time consuming. Many times it does not have clearly defined objectives and specific

time limit. However, this method of training is extensively adopted in most of the countries.

- **Training by Formal Instructions**

In this method of training, formal instructions are given by the senior officers to the trainees by arranging some lectures, or classes. Lectures of outside experts are also arranged. A specific course is planned and lectures, classes, group discussions, seminars, addresses or workshop, etc. are arranged for imparting the necessary training to the employees. Head of the Office/department also addresses the employees and gives them necessary instructions. This is arranged through an agency or institute of training. Nowadays in most of the countries, this technique of training by formal instructions has been followed. Selected groups of trainees are given formal courses in specialised training institutes. At the time of the formal training, necessary written instructions, information, documents, rules and regulations, etc. are also provided to the trainees. Films, Audio-visual aids and computers are also used for this type of formal training.

- **Conference Method of Training**

This method of training has become very common now. A selected group of trainees from different departments are brought together to discuss various problems in a meeting or a conference. The trainees are the active participants in this method of training. Some specific cases are given for discussion in the conference. All the participants express their views and opinions, based on their own experiences. This method of training provides the opportunity to learn from the experiences of others. In lecture method of training, the trainer has an active role, whereas in conference method the trainees have the active role. They learn from each other by exchange of experiences and ideas. The chairperson of the conference plays the role of a guide and instructor. His role is to put the discussion on the right track. In the USA and many other countries, the conference method has become very popular. In India also this method is used for short- term training of higher civil servants like IAS, etc.

In conclusion, we can say that all the governments have to make training arrangements and establish suitable training organisations for the civil servants. While the broad objectives of training are decided by the government, it is the duty of the training organisations to plan the training programmes and adopt suitable methods of training. No one method is best. Different methods may be combined to suit the requirements of the jobs of the training programmes. Lectures and talks of the senior departmental officers or experts may be arranged. Seminars, conferences, workshops, group discussions and field visits may be organised. Refresher or orientation courses may be conducted. Case-analysis method can be adopted. All these methods may be employed singly or in combination according to the needs and available facilities.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) Explain pre-entry and post-entry training.

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- 2) Discuss the evolution of the concept of civil service training.

11.6 INDIAN SYSTEM OF TRAINING

History of civil service training in India can be traced back to the days of East India Company, which established Haileybury College in 1805 for the training of the young recruits to the civil services. The Indian Civil Service (ICS) was manned by the products of the Haileybury College until 1855 when the first competitive examination was held. The successful ICS candidates were required to spend 1 to 2 years in British University and learn subjects like Indian History, Indian Law and Indian language, etc. During the Second World War, a camp school was set up at Dehradun to impart training to the new entrants in the ICS. After independence, the Indian Civil Service was converted into Indian Administrative Service (IAS) and the institutional training was imparted to the new recruits at the IAS Training School, Metcalfe House, Delhi. The Indian Administrative Service Staff College was set up at Shimla to train senior officials and recruits other than direct recruits. Both these training institutions were subsequently merged and the National Academy of Administration was set up in September 1959 at Moussorie. The academy is now named as Lal Bahadur Shastri National Academy of Administration (LBSNAA), which is the most important central institution of training of the higher civil services including the All India services.

During the British Raj, it was believed that the education received before joining civil service was sufficient to qualify a person for the job. After joining the service, he/she was generally left to learn by experience on the job. Formal training was not considered to be essential for the civil servants. Only the ICS and technical personnel were provided with institutional training. Police, Telegraph, Railways, Income-tax, Accounts and Audit were the departments that required training arrangements for their technical personnel. However, in spite of all these arrangements, government relied more on training by experience on the job till Independence.

The problem of civil service training has assumed special significance only after Independence. With the changes in the social, political and constitutional conditions, the nature of government work has changed, the functions and machinery of the government has expanded and many new services have been constituted. As a result of all these rapid developments, it has become imperative for the Central and state governments to plan and provide suitable training to their civil servants. Accordingly, a number of National Training Institutions have been set up by the Central Government. In almost all the States there are State level Training Institutions. Apart from these institutions, many other academic bodies and Universities also provide training to the civil servants. In this regard, the government has promulgated National Training Policy

(NTP) calling for Training of all. The DoPT coordinates NTP, sponsors training and provides assistance to training institutions.

Indian system of the training of civil servants is largely conditioned on the British pattern. At the higher level, emphasis is on a University degree. The principle of catch them young results in recruitment of persons who have no education or training in Public Administration. They are usually brilliant young men and women with a background of liberal University education. Before giving them new administrative responsibilities, they need a systematic training in the skills and techniques of administration in the total ethos of modern democratic administration. Therefore, new entrants to the All India Services and higher Central and State Services are provided with well planned institutional training in India. A few departments have their own staff colleges or training institutes e.g. Indian Railways, Department of Posts, Indian Audit and Account Department etc. However for lower levels, there is on the job training under expert supervision. The initial post-entry training is imparted in two different ways:

- 1) Institutional training; and
- 2) Departmental Training under the guidance of senior and experienced officers.

There is emphasis on the training of higher civil services in India. The training canvas in the LBSNAA draws its structure from the recommendations of a Committee appointed by the Government of India under Dr. R.V. Vaidyanatha Ayyar, IAS (retd.) that reviewed the Syllabus of Induction level training in 2008.

The LBSNAA Offers variety of programmes, based on a detailed training needs assessment.

Training Programmes

- 1) Probationers of the All India Services, like IAS, IPS, IFS and Central Services Group A are given the institutional training in two phases:
 - a) **Foundation Course (15 weeks)**

The foundation course is of fifteen weeks duration conducted by the LBSNAA. It equips fresh recruits with requisite skills, knowledge and attitude to shoulder responsibility as public servants. The main objectives are to:

- Foster cooperation and coordination among various public services by building an esprit de corps; and
- Promote development of the personality of an officer trainee, that is, intellectual, moral, physical and aesthetic.

The idea behind the foundation course is that the officers of the higher services in India should live together and develop a spirit of belongingness to common public service; a feeling of comradeship; and a broad common outlook. It removes the barriers between various services. It can be called a 'National Course' of training of higher services in India.

After the completion of the foundation course at the National Academy, the second phase of training in professional course is given to the probationers. Those who belong to the IAS continue to stay at the Academy and a further professional training is given to them.

b) **IAS Professional Course, Phase-I (26 weeks)**

This Course imparts training to the trainee of the Indian Administrative Services in a wide range of subjects to enable them to handle varied assignments that they would typically hold in the first decade of their service. This programme has following two modules: the Winter-study tour and academic module.

- ***The Winter Study Tour (WST)*** precedes the academic module wherein the trainees travel across the country to experience its rich cultural diversity. It also includes a week-long attachment with the Bureau of Parliamentary Studies that exposes them to the functioning of the Parliamentary system in India. During this attachment, the trainees also call on important dignitaries such as the President of India, the Vice-President of India, the Prime Minister of India and others.

- ***The Academy module*** is theme-based, which covers the following subjects:

- IAS in perspective/Role of the IAS in policy-making
- National Security/ Law and order
- Social Sector/Weaker Section & Minorities
- Agriculture /Land Management and Administration
- Rural Development /Decentralisation and Panchayati Raj
- Urban management/Infrastructure and Public-Private Partnership
- E-Governance/Office Management/Administrative Skills
- Soft skills (Leadership, Organisational Behaviour, Inter-personal skills)
- Projects Management, and Engineering Skills
- Financial management and project Appraisal

District Training (52 weeks)

District training, that is a drill, to enable the trainee to see, study and live the paradox, that is, the quintessential India- with its unfathomable diversity, myriad challenges and opportunities. They study the administrative set-up, interact with people, political leaders and officials in order to understand the paradigm of development as well as effectiveness of strategies.

IAS Professional Course, Phase-II (8 weeks)

This phase provides a platform to the trainees to share individual learning experiences gained in the field; and enables them to articulate the strengths and weaknesses of our administration and governance. This phase is supplemented with special sessions with distinguished experts from within and outside the government. It serves as a vibrant learning ground for trainees.

2) **Mid- Career Training Programmes**

The Academy conducts in-service training of IAS Officers who have put in a few years of service at different levels of seniority as mentioned below:

- Phase-III for IAS officers with 7-8 years of seniority;

- Phase-IV for IAS Officers with 15-16 years of seniority; and
- Phase-V for IAS Officers with 25 years of seniority.

3) Induction Training (8 weeks)

Courses are conducted for those officers who are promoted to the IAS from the state civil services. The basic aim of these courses is to update their level of knowledge and skills; and provide them opportunities for exchange of ideas, views and experiences with people who have developed expertise in different sectors of national development. In this training, considerable focus is given to new managerial techniques and skills as well as to areas of technology and its management.

4) Vertical Integration Training Programmes, Seminars and Conferences

The Academy organises one-week Vertical Integration Training Courses, Seminars and Conferences on specific themes for senior civil servants across services. These include subjects like Ethical Issues in Administration, Total Quality Management in Government, Human Rights, Disaster Management, Rural Development, Gender Issues etc.

For the training of probationers of other All India Services (like IPS, IFS) and Central Services, the specialised and professional training institutions have been established. After the completion of the foundation course at the National Academy, they are sent to various specialised training institutions for further professional training. The IPS (Indian Police Service) probationers go to the Sardar Vallabhbhai Patel National Police Academy at Hyderabad to receive professional training in drill, handling of weapons, crime and criminology, law, combating techniques, etc. The probationers of Indian Audit and Accounts service receive professional training at the National Academy of Audit and Accounts, Shimla.

Training Methods

Following training methods are being used at the various training institutions mentioned above:

- 1) Lectures and presentations on the subject matter of the course;
- 2) Assignments given to trainees;
- 3) Case-analysis method;
- 4) Other latest techniques of training like group and panel discussions, interactions, experience sharing, field visits, screening of training films, syndicate presentation, project work, case studies, book reviews etc. are being included to invoke the best innovative and creative skills of participants; and
- 5) Apprenticeship, i.e., on the job training.

In order to strengthen the training system and capacity building of government servants, the government has accepted the following recommendations of the Second Administrative Reforms Commission :

- a) All government servants should undergo a mandatory training at the induction stage, and also periodically during their career. Successful completion of these training programmes should be a minimum necessary condition for confirmation in

service and subsequent promotions. Mandatory induction training should also be prescribed for Group D staff, before assigning postings.

- b) An effective monitoring mechanism should be set up for overseeing the implementation of the National Training Policy (1996).
- c) The practice of a common Foundation Course for all Group A Services – generalist, specialised and technical, should continue. In this regard, for Group B and C Services, the Institute of Secretarial Training and Management (ISTM) may be developed as a nodal agency for design and delivery of common foundation courses.
- d) Every civil servant should undergo mandatory training before each promotion and each officer/official should be evaluated after each training programme. Successful completion of these training programmes should be made mandatory for promotions.
- e) The main objective of mid-career training should be to develop domain knowledge and competence required for the changing job profile of the officer. In this regard,, mid-career learning opportunities relevant to specific domains or specialisations should be made available for officers.
- f) Public servants should be encouraged to obtain higher academic qualifications; and write papers for reputed journals.
- g) A strong network of training institutions at the Union and State levels needs to be built up to cater to the training needs of civil servants.
- h) The composition of governing bodies of the national training institutions like the LBSNAA, SVPNPA, and also the State Administrative Training Institution should be broadened by inducting eminent experts. To this end, the governing bodies should also be adequately empowered to enable them to discharge their functions efficiently.
- i) A national institute of good governance may be set up by upgrading one of the existing national/state level institute. This institute will identify, document, and disseminate best practices; and also conduct training programmes.

11.7 AGENCIES AND INSTITUTIONS OF TRAINING IN INDIA

Compared to most of the developing countries, India has a long tradition of training in the Civil Services. Ever since the days of East India Company, institutional training has been provided to the higher civil servants. After independence, the social, economic and political changes resulted in tremendous expansion of the government machinery, and its functions. In order to meet the requirements of the rapid post-independence changes, the need for systematic and up-to-date training of the civil servants was felt urgently. Training needs were emphasised by all efforts of the administrative reforms in the country. Today training of civil servants has become an integral part of the personnel policy of the central as well as state governments. A number of new training institutions have been set-up by the Central as well as state governments. These institutions provide both general and professional training to the civil servants at the entry point and also during their career. The number of training institutions is very large. Some of the most important institutions of civil service training are briefly described below.

- 1) **Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie:** Established in 1959, the Academy is the most important training institution in the country. It provides the following:
 - i) Foundation course for all the probationers of the All India Services like IAS, IFS, IPS and of the Central Services Group A;
 - ii) Professional training for the new entrants of the Indian Administrative Service;
 - iii) Mid- Career Training Programmes for in-service training of IAS officers;
 - iv) Induction Training for those officers who are promoted to the IAS from the state civil services; and
 - v) Vertical Integration Training Programmes, Seminars and Conferences for senior civil servants across services.
- 2) **Internal Security Academy (ISA) at Mount Abu:** Functional as Central Police Training College since independence and was providing training to IPS Officers of the country. At later stage, it was known as National Police Academy (NPA). When NPA moved out to Hyderabad in its re-christened version as SVP NPA in 1975, ISA was set up at the very same place, and Central Reserve Police Force (CRPF) was given the responsibility to manage this Academy. It is one of the premier and prestigious training institutions of the country, imparting specialised training on Internal Security to the Officers from various organisations of the union of India as well as state governments. The Academy is conducting pre-promotional courses for CRPF officers, three types of internal security courses for all CRPFs and officers of state police and administration including Indian Navy. (For more details see website crpf.nic.in/training.htm).
- 3) **Sardar Vallabhbhai Patel National Police Academy (SVPNPA), Hyderabad:** Established in 1976, it provides professional training for the new entrants. It also conducts refresher course for the senior IPS Officers. The mission statement of SVP NPA, inter states, “*the Academy will be a focal point for training of trainers of police training institutions all over the country, and will provide consultancy services to sister training institutions for improving their management of training function.*” (www.svpnpa.gov.in)
- 4) **Administrative Staff College of India (ASCI), Hyderabad:** Established in 1956, it provides advance level training for the highly placed senior administrators and experienced executives drawn from the government public sector, and private business and industries. Exchange of experiences and ideas in group discussions, syndicates and panels is the method emphasised for the training.
- 5) **National Institute of Rural Development & Panchayati Raj (NIRD&PR), Hyderabad:** Established in 1956, it organises regular orientation courses for the higher and middle level civil servants engaged in the field of rural development administration. It is also engaged in research in the area of rural development. It trains functionaries from the government, development banking institutions and community based organisations for all-round rural development.
- 6) **Indian Institute of Public Administration (IIPA), New Delhi:** Established in 1953 apart from research in Public Administration, the IIPA organises short-term

orientation and refresher courses for the senior and middle level servants of the central and state governments. These courses are regularly conducted for the benefit of senior and middle rank officials. These specialised professional courses heavily rely upon lectures by senior officers and experts in the subject. At the same time exchange of ideas and experiences in the group discussions and field visits are also arranged. The IIPA also organises a nine month educational programme for the senior and middle level civil servants. This is the only course of its kind in the whole country.

- 7) **National Institute of Disaster management (NIDM).** New Delhi: A National Centre for Disaster Management was established in 1995 in the IIPA by the Ministry of Agriculture and Cooperation, which was the nodal ministry for disaster management at that time. On 16th October 2003 this Centre was upgraded as the National Institute of Disaster management (NIDM). This Institute is responsible for developing training modules; and organising training programmes for stakeholders including government functionaries and undertake training of faculty members of the state level training institutes.
- 8) **National Centre for Good Governance(NCGG):** The NCGG was set up by the Government of India by upgrading National Institute of Administrative Research, Mussoorie and renaming it as NCGG with an expanded mandate in February 2014. It aims to be an apex think tank of the country in guiding and implementing good Governance reforms. The NCGG is a high level institute for research and training to deal with the entire gamut of governance issues – from national to state to the local level and in sectors across the Government.

Many of the Central Services also have set up their own training institutions, where institutional training of professional nature is provided to their respective civil servants. Some of the leading training institutions are listed below:

- 1) National Academy of Direct Taxes, Nagpur;
- 2) National Academy of Customs, Indirect Taxes and Narcotics(NACIN), Faridabad
- 3) National Academy of Indian Railways, Vadodara;
- 4) Institute of Secretariat Training and Management, New Delhi;
- 5) Forest Research Institute, Dehradun; and
- 6) National Academy of Audit and Accounts, Shimla.

11.8 CRITICAL EVALUATION OF THE INDIAN SYSTEM OF TRAINING

Training of civil servants has assumed great importance after Independence. It has become an integral part of the government's personnel policy. A number of new training institutions have been set - up in the country to provide both general and specialised training programme. A large number of employees are benefited by these training arrangements in the country. In spite of this boon, the training system has not been able to fulfil the expectations that have been there from it. There have been many weaknesses in the Indian system of training.

Firstly in the light of the vastness of the country and rapidly expanding sphere of the

government functions, the training arrangements are not adequate to meet the training requirements.

Secondly, too much emphasis is laid on entry-point and in-service training of the higher civil service like All India Services, and Central and State Group A Services.

Thirdly, there is a general lack of seriousness in providing training to middle and lower level staff. Even selection of the trainees is not done carefully. In certain cases, bureaucratic politics and patronage play an important role in the selection of trainees. Generally serious thought is not given to properly utilise the training opportunity, after a trainee returns back to his organisation.

Fourthly, the contents of the training programmes are not always relevant for the trainees. It is necessary for training agencies to develop co-ordination between the training programmes, and needs of systematic career development.

Fifthly, in certain cases the training institutes follow traditional lecture method of training. Up-to-date and modern methods of training are not easily adopted. Lecture method occupies major part of the training in some institutions.

Finally, training system is not linked with proper research in all training institutions. In this regard, systematic evaluation of the training results and follow-up of the effects of training on the efficiency in administration is not attempted. Thus there are various problems in training methods and techniques in India, and there is a lot of scope to improve the Indian training system in the years to come.

Check Your Progress 3

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of this Unit.

1) Which are the important training institutions in India?

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2) Critically evaluate the Indian system of training.

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11.9 CONCLUSION

In modern times, training has become an integral part of personnel management. As the functions of the government have increased, therefore the administration has become a complicated, complex and technical activity requiring specialised knowledge and

skills. Systematic and coherent training of civil servants has, therefore, become absolutely necessary. In almost all the countries elaborate training arrangements have been made and appropriate training institutions have been set up to provide suitable and effective training for the civil servants. India is not an exception to this. In post-independence period, training of higher civil services has received very careful attention in the country. Both pre-entry or entry-point training as well as in-service training courses have been systematically planned, and innumerable general and specialised training institutions have been set up in the country. An increasing number of civil servants are now receiving training during their career.

In spite of this boon in the field of civil service training and proliferation of the training institutions in the country, the Indian system of training has not been able to fulfil the desired expectations. There are many weaknesses in it, and a lot remains to be done to improve the Indian system of civil service training in the days to come.

In this Unit, we have studied the meaning, objectives, need, types and techniques of training. We have also examined the historical development of the civil service training in general, and the rapid development of the Indian training system in particular. The present system of training in India has also been critically evaluated in the Unit.

11.10 GLOSSARY

Entry-point	:	Period after the selection, but before the actual placement to a job.
Probationer	:	Recruits to the All India Services during the training period are called probationers. A probation period normally lasts for one year.
Orientation	:	Updating of knowledge and skills of an employee in accordance with changing requirements of the job, development of new scientific and technological methods and specific subject knowledge. This is given at regular intervals in an employee's service in order to prevent him/her in becoming static and inefficient.

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11.12 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) Your answer should include the following points:

- In modern times, the administration has become more and more complex and complicated.
- It requires special knowledge and technical skills.
- College and University education does not fulfil the requirements of modern administration.
- Training has now become an integral part of the modern personnel management.
- It has been recognised by all the governments that suitable and effective training programme for their civil servants is absolutely necessary for efficient and up-to-date administration.
- Most of the selected persons are well qualified and educated.

- The University degree or diploma is not enough to make them best administrators.
- It is necessary to have some practical knowledge of actual work of administration. This practical knowledge is imparted through training.
- Training prepares an employee for the new administrative tasks.
- Training prepares him/her for higher and higher responsibilities.
- Training improves his skills and efficiency. In fact, the very induction of an employee into an organisation calls for training.
- An employee must know about the goals and objectives of the organisation, nature of work he/she is expected to perform in the organisation, and the techniques and methods of doing his actual work. All this knowledge can be imparted only through a systematic training programme.
- With the passage of time, the knowledge and skills acquired by an employee become out-dated. He/She needs new and up-to-date knowledge and skills. This up-dating of knowledge and skills is possible only through training and orientation.
- Training is a continuous activity, like education training is also a life long process.

2) Your answer should include the following points:

Training :

- Improves the efficiency of the employees in administration;
- Improves the occupational skill;
- Inducts a new employee into an organisation;
- Provides knowledge of the goals and objectives of the organisation to an employee;
- Adjusts the employees with the new organisational changes;
- Make- up for the deficiencies of the newly recruited persons;
- Keeps the employees informed about the latest developments;
- Improves the integrity and morale of the employees;
- Develops a sense of community service and belongingness in the employees;
- Makes the employees people-oriented;
- Prepares the employees for higher positions and greater responsibilities; and
- Fosters homogeneity of outlook, and broadens the vision and outlook of the employees.

Check Your Progress 2

1) Your answer should include the following points:

Pre-entry training :

- Prepares future recruits for the service;
- Many training institutions have been set-up to provide training courses for administrative and managerial positions in the government;
- Practice of internship and apprenticeship is commonly employed for pre-entry training of probable potential recruits in the services; and
- Comprehensive pre-entry training programmes are there in the USA and many western countries.

Post-entry training:

- Is given after a person joins the services;
- Is also called in-service training;
- Service training may be a combination of formal or informal methods;
- Is imparted at all levels in the service;
- Helps in improving the efficiency and performance of the employees;
- Makes personnel professionally more competent and able; and
- It helps to improve his/her general ability and organisational performance.

2) Your answer should include the following points:

- Conscious and systematic training began only after the industrial revolution in the field of private industry, business and management.
- Industrial expansion required skilled and expert workers to operate the intricate machines.
- The training of employees, thus, became necessary for the success of the industrial administration.
- In the field of civil administration, training was not considered to be necessary because of limited functions.
- Civil servants were expected to learn by experience through a process of trial and error.
- This method of the hardway of learning continued for a long time.
- In modern times the social and political conditions have changed.
- Modern State has become a Welfare State and functions of government have tremendously increased.
- All these changes have made administration a very complex activity.
- There is a need for highly skilled personnel to run modern administration.
- The need for planned and purposeful training for the civil servants has been felt urgently everywhere.

Check Your Progress 3

1) Your answer should include the following points:

- Lal Bahadur Shastri National Academy of Administration.
- Internal Security Academy
- Sardar Vallabhbhai Patel National Police Academy.
- Administrative Staff College of India.
- National Institute of Rural Development & Panchayati Raj.
- Indian Institute of Public Administration.
- National Institute of Disaster Management
- National Centre for Good Governance.

2) Your answer should include the following points:

- There have been many weaknesses in the Indian system of training.
- The training arrangements are not adequate to meet the requirements.
- Too much emphasis is laid down on entry point.
- There is a general lack of seriousness in providing training to middle and lower level staff.
- In some organisations, bureaucratic politics and patronage play an important role in the selection of trainees.
- The contents of the training programmes are not always relevant for the trainees.
- In certain cases, the training institutes follow traditional lecture method of training.
- Training system is not linked with the education and research methods in all training institutes.

Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Compensation: Meaning
- 12.3 Principles of Pay Fixation
- 12.4 Methods of Pay Fixation
- 12.5 Job Evaluation
- 12.6 Principles of Salary Administration
- 12.7 Incentives: Meaning
- 12.8 Other Benefits
- 12.9 Conclusion
- 12.10 Glossary
- 12.11 References
- 12.12 Answers to Check Your Progress Exercises

12.0 OBJECTIVES

After reading this Unit, you should be able to:

- Describe the principles and methods of pay fixation;
- Discuss the various methods of job evaluation;
- Highlight the principles of salary administration; and
- Examine the recommendations of the Central Pay Commissions in India.

12.1 INTRODUCTION

Compensation plan has an integral role in personnel administration and it is based on the classification system of the public services. The importance of pay or compensation is very great for every employee. The standards of living and the social prestige of an employee depend to a great extent on the pay he/she draws. A person chooses his/her career on the basis of many factors and most importantly the salary or pay, which he/she expects to receive. Mason Haive remarks “pay...is certainly one of the mainsprings of motivation in our society”.

This Unit will highlight the significance of salary administration and the various components of it, such as, the principles and methods of pay fixation and job evaluation. It will also discuss the system of incentives and retirement benefits, as recommended by the Sixth Pay Commission.

*This Unit has been adopted from BPAE-104, Block 5

12.2 COMPENSATION: MEANING

Compensation may be defined as money that is given to the employees in performance of their jobs. Also, it entails benefits and services other than money. There are two categories of compensation, namely:

- Direct compensation that refers to money, that is, the gross pay; and
- Indirect compensation that refers to what employer pays for employees' welfare, such as social security benefits in the form of provident fund, retirement benefits, accident and health insurance, etc.

12.3 PRINCIPLES OF PAY FIXATION

Policies related to salary administration should be clearly expressed to ensure uniformity and stability. Moreover, salary policies are to be evaluated periodically, so as to ensure their adequacy for current needs.

The pay scales of public employees are fixed in accordance with following principles:

- **Economic Position of the Country**

The pay scales of public services are related to the per capita income and economic position of the country.

- **Cost of Living and Price Level**

Salaries in government services should also bear relationship with the cost of living. So there should be provisions for revision and adjustment of pay rates with major changes in the cost of living. In short, salary scales in the public services should be both just and adequate. Inadequate salaries in the public service are an expense and not an economy.

Also, the cost of living varies from region to region in the same country, so regional and local variations should be kept in mind in compensating the employees. The level of consumer prices is among the factors relevant to the determination of rates of remuneration of government servants.

- **State as Model Employer**

The minimum wage of salary should not be determined only on economic considerations, but should also satisfy social tests. Even above the minimum level, government should remunerate their employees fairly.

The principle of the fixation of salaries should also take into account the remuneration existing outside; besides once the demands of efficiency of public service are satisfied, social considerations require limitation of disparities between the highest and the lowest salaries, and their reduction as far as possible. With the minimum and maximum salaries having been determined on a combination of social and economic considerations, sound and equitable internal relatives constitute the most important single principle to be followed in the determination of the intermediate salaries and wages of government servants.

- **Equal Pay for Equal Work**

Equal pay for equal work is an important factor in the determination of pay scales. There should not be individual variations in the pay scales on the basis of favouritism. There should be compensation of the position and not the individual.

- **Prevailing Market Rate**

Initially, the system of paying in kind was in vogue. Later, the traditional labour market supply system came, when the autonomous forces of demand and supply of labour in the market place determined what salary employer was going to pay to the government servants. The conditions of labour market as well as the competitive forces in the market determined the level of salaries.

Then, we come across the institutional labour market supply, where labour organised itself in the form of trade unions with a view to protect their economic interests.

Besides the above, a tri-partite system of salary administration also prevails.

- **Policy of Government**

The driving force behind salary administration is to attract, promote, retain and motivate competent employees to perform their tasks. This is one of the main principles' in the fixation of salaries of government servants. By and large, the political complexion of the government, the ideologies professed and practised by it and the level of opposition faced by it, determine the policy of the government in fixing the various scales of pay. The variety, magnitude and number of pay scales depend upon the challenges encountered by it from the private manufacturers and industrialists.

Besides, salary payments should fulfil a wide variety of human needs, including the need for self-actualisation, as a well paid employee can concentrate on his job efficiency, which ultimately can lead to organizational efficiency.

12.4 METHODS OF PAY FIXATION

There are various methods followed by various countries in fixing up salaries of public servants. Some of these methods are given below:

- **Legislature**

Salaries are fixed by statute of the legislature. Also, in federal set up such as in countries like India, the legislature lays down the plan in broad schematic outlines but leaves the details to be determined by the executive. Such is the case in India and in most of the federal governments.

- **Collective Bargaining**

Salaries are fixed up by collective bargaining. Such is the case with all private enterprises and also with most of the public enterprises.

- **Wage Boards**

Salaries are fixed by wage boards. Determination of salary is based upon periodic study of prevailing rates. This method is usually adopted in public corporations and public enterprises.

- **Pay Commissions**

Pay Commissions are constituted periodically by the Central Government to revise the pay structure for its employees. Even State governments also constitute pay bodies to fix salary structure for their employees.

12.5 JOB EVALUATION

There is always a need to determine salary on the basis of inputs required on behalf of the employees, such as, education and training. A pay structure is needed that can ensure equilibrium between the inputs and the salary structure. This can be done through job evaluation system, which helps in fixing the salary structure with fairness and equity. Job evaluation is a systematic method of appraising the value of one job in relation to other in an organization. It involves comparison of a job to other jobs in the same organization, so that employee is equitably compensated for the services rendered by him on the basis of:

- 1) the nature of job; and
- 2) the present worth of that type of job

Thus, it is an important tool in fixing the pay scales. It aims at measuring the value of job description. When job description is determined, it is translated in terms of money to develop a balanced wage structure in the organisation.

We will now discuss some of the methods of job evaluation.

Methods of Job Evaluation

There are two methods of job evaluation that are normally used by the organisation:

- 1) Non-analytical; and
- 2) Analytical

1) Non-analytical

Non-analytical methods establish grade hierarchy but are non-quantitative. Small organisations prefer non-analytical methods, as compared to analytical methods, which are used by large organisations. There are two non-analytical methods:

- **Job Ranking Method:** Ranking is a direct method of comparing jobs together, so that they are ranked in their order of importance. This technique simply lists the relative worth of the various jobs under consideration; jobs are not divided up factor-wise but are considered as a whole. Because of the difficulties in ranking a large number of jobs at one time, the 'paired comparison' technique of ranking is sometimes used. Ranking system is easy and quick to administer. However, disadvantage of the method is that it is subjective, that is, as there are no 'yardsticks' for the jobs and obviously the underlying assumption of those doing the ranking cannot be examined.
- **Job Classification Method:** In this method, one or two jobs from each level of the grading structure are selected and standard descriptions of the duties, responsibilities and requirements of the job are prepared. These jobs are known as benchmarks or key jobs. Then all jobs are fitted into these classes of jobs on

the basis of their job description. Jobs are classified into the grades or levels that seem to be the most appropriate. This method is preferred to the ranking method, as it is based on pre-determined yardsticks for classifying jobs.

2) Analytical

Analytical methods are quantitative. Therefore, they can be expressed in numerical form. Various factors of a job are considered and points are assigned to them according to their respective worth.

There are two analytical methods of job evaluation:

- **Weighted Point Assessment:** The point method of job evaluation analyses several factors such as skill, effort, responsibility and working conditions that are common to the job being evaluated and then rates each job along a scale of each factor.
- **Factor Comparison Method:** The factor comparison method is more complicated than the point method. Some of the essential features are:
 - i. Selects job factors or characteristics
 - ii. Constructs a scale for each job factor
 - iii. Measures and ranks all jobs in terms of the factors

The methods discussed above have some limitations and are not fool proof. The most difficult task is the establishment of base compensation for the job. We must adopt a systematic method of compensation, which could promote equity and satisfaction.

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those answers given at the end of the Unit.

1) Discuss the principles of pay-fixation.

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2) Job evaluation is considered as an important tool in fixing salaries of public servants. Explain.

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12.6 PRINCIPLES OF SALARY ADMINISTRATION

A sound wage and salary administration system must follow certain basic principles.

Often, there is more emphasis placed on the techniques and processes than on the objectives and principles of salary administration. Sound principles have to be there to ensure efficient salary administration.

- 1) Job evaluation (or rating) plan and compensation plan must be separate and distinct and so understood by all. Both the job evaluation and compensation plans should be sufficiently flexible. Job evaluation (or rating) must be scientifically sound and easily comprehensible. Job rating and compensation plans should be understood by and acceptable to the employees, in order that they may appreciate the objectivity and impartiality of the procedure.
- 2) Wage administration plan should also cater to the interests and satisfaction of the employer.
- 3) The plan must at all times be consistent with management policies or programmes.
- 4) There should be employee representation in the administration of the plan, in conduct of locality wage surveys and in the original rating of new positions.
- 5) The plan itself must be acceptable to and in the interest of the public, which is affected, directly or indirectly, by the enterprise.
- 6) The plan must be flexible and responsive to changing circumstances growing out of locality conditions.
- 7) The plan must be consistent with nature and objectives of the organisation.
- 8) The plan must simplify and expedite, rather than impede the other administrative processes; and
- 9) The wage administrator must occupy a responsible niche in the organisation and his/her responsibility must be to coordinate with all other divisions of organisation.

The basic principles must guide the formulation, execution and modification of salary administration system. From time to time, Pay Commissions have been set up to look into the matters of salary administration. The Pay Commission is an administrative mechanism, that the Government of India established in 1956, to determine the salaries of government employees. The First Pay Commission was established in 1956 and since then every decade a Pay Commission is appointed to decide the wages of government employees for a particular time-frame.

We have taken the recommendations of the Fifth Pay Commission 1994, Sixth Pay Commission 2006 and the Seventh Pay Commission 2016.

Recommendations of the Fifth Pay Commission, 1994

The Fifth Central Pay Commission was set up under the chairmanship of S. K. Tuteja in 1994. The Commission made the following recommendations:

- **Pay Scale**

The Commission brought down the number of pay scales from 51 to 34. The rationale was to ensure a sufficiently long span, which along with the scheme of Assured Career Progression (ACPS) (separately recommended by the Commission) would ensure that the employees did not stagnate at any point in their entire career. The Report was centered on the fact that employees, in a

majority of cases, put in more than 35 years of service.

However during implementation, the government increased the fitment benefit to 40% as against 20% recommended by the Commission. Many of the pay scales got 'burst' at the time of initial fixation, where revised pay of some of the employees became higher than the maximum of the revised pay scale and therefore had to be fixed at the maximum of the revised pay scale at the initial stage itself. These employees, therefore, had started to stagnate right from the time of implementation of the Fifth Commission's pay scales.

- **Assured Career Progression Scheme**

The Fifth CPC was of the opinion that the government should formulate a promotion scheme that caters to the promotion aspirations of central government employees in general. They recommended the Assured Career Progression Scheme (ACPS) for the general employees in the Government.

The Fifth CPC had also recommended use of cadre review mechanism to bring uniformity in the career prospects of Group A Central Services. .

- **Dearness Allowance**

The Fifth CPC recommended that dearness allowance equal to 50% of the basic pay should be converted as dearness pay each time the Consumer Price Index increased by 50% over the base index. The dearness pay was to be counted as basic pay for all purposes, including retirement benefits. The base index for computing DA, however, was not changed. The Commission did not favour the option of employing separate indices for each category of employee because of the sheer impracticality of the task and therefore, recommended using the 12 monthly average of All India CPI (WI) with base 1982 for calculating DA.

The Fifth CPC had recommended that DA should be converted into DP each time the CPI increased by 50% over the base index. The Government merged 50% of DA with the basic pay with effect from 1-4-2004.

- **House Rent Allowance**

The Fifth CPC had recommended a high increase in the House Rent Allowance (HRA) of Metropolitan cities like Delhi and Mumbai in view of the inordinate increase in monthly rents for residential accommodation. The Commission also persisted with the population criteria for classification of cities and towns and recommended creation of a new category of A-1 cities for cities having a population of 50 lakh and above.

- **Educational Allowance**

The Commission had recommended educational allowances for the children of government employees. The benefit is available up to 3 children, in respect of children born up to 31/12/1987 and 2 children born thereafter.

The educational allowances are:

- i) reimbursement of tuition fees of up to Rs.40 per month for students in Class I to X and Rs.50 per month for students in Class XI and XII. In case of physically handicapped and mentally retarded children, the maximum limit is Rs.100 per month.

- ii) Children's education allowance is payable at the rate of Rs.100 per month, in case a government employee is compelled to send his child to a school away from the station of his posting.
 - iii) Hostel subsidy at the rate of Rs.300 per month is paid, in case an employee is obliged to keep his children in a hostel away from the station of his/her posting and residence on account of transfer.
- **Superannuation**

The Fifth Pay Commission increased the age of superannuation to 60 years.

Recommendations of the Sixth Pay Commission, 2006

The Sixth Central Pay Commission of the Government of India was constituted on October 5, 2006 under the Chairmanship of Justice B.N. Srikrishna. The Commission also comprised of 3 Members. The recommendations were submitted in 2008. The implementation of the revised pay scales is to be done retrospectively from January 1 2006.

It is for the first time that a Central Pay Commission has been asked to look into the measures that could improve the delivery mechanisms, which have a direct bearing on the services provided by various government agencies to the citizens. The Sixth Central Pay Commission, therefore, had not only to evolve a proper pay package for the government employees but also to make recommendations rationalizing the governmental structure with a view to improving the delivery mechanisms for providing better services to the In addition to the linking of the pay packages with simplification of systems and processes within the government, the Pay Commission emphasized on accountability, transparency, responsibility, discipline and assimilation of technology in the job.

The main objective of the Sixth Pay Commission was to make sufficient modifications in the scheme of pay scales given by Fifth Central Pay Commission, so as to ensure that various anomalies existing across various ministries/departments/organizations are removed. One of the important tasks of the Pay Commission was to reduce the number of pay scales/i his was considered necessary for de-layering the government with a view to hasten decision making and improving the existing delivery mechanisms for benefit of the citizens.

For fixing minimum salary, the Commission has mainly been guided by various factors like ensuring fair wages keeping in view the capacity of the government to pay, the inflationary impact of such increase on the economy in general and on the various autonomous bodies, state governments and other organizations that follow the Central Government's pattern of pay; and the fact that the minimum salary in government can only be available at the entry level.

- **Minimum and Maximum Salary**

The minimum salary at the entry level, that is, at the level of Pay Band I (PB-1) is to be Rs.6660 (Rs.4860, as pay in the pay band plus Rs.1800 as grade pay). The maximum salary at the level of Sepretary/equivalent is to be Rs.80000. The minimum: maximum ratio is 1:12. The total number of grades is reduced to 20, spread across four distinct running pay bands.

- **Pay Bands**

A major departure from the earlier Pay Commissions has been made in respect of pay scales. For the first time, the Commission has recommended running pay bands for civilian employees as well as for the Defence Forces. A conscious departure has been made in recommending running pay bands because of the inherent advantages of such pay scales. In order to remove stagnation, the Commission has recommended running pay bands for all posts in the government, presently existing in scales below that of

Rs. 26,000 (fixed). Eventually, four distinct running pay bands are being recommended - one running band each for all categories of employees in Groups 'B and C and the second running pay bands for Group A posts. Distinct scales have been recommended for the posts of Secretary and Cabinet Secretary. Employees in group D are to be retrained and upgraded to the lowest grade in pay band for Group C.

Annual increments are to be paid in form of two and half percent of the total of pay in the Pay Band and the corresponding grade pay. The date of annual increments, in all cases, is to be first of July. Employees completing six months and above in the scale, as on July 1, are to be eligible.

Another form of variable increments for Group A-Pay Band-3 is where annual increments in the band will vary depending upon the performance. Eighty per cent or more employees in the grade are to be allowed normal increment at the rate of 2.5%. The high performers (not exceeding 20 per cent) during the year are being allowed increment at the higher rate of 3.5%. Recommendation for the extension of scheme of variable increments in running pay bands of PB1 and PB2 was also made.

Introduction of running pay bands will have the following benefits:

- i) This will result in merger of many pay scales, which will bring about a structural reduction of layers in the government, thereby accelerating the decision making process and improving flexibility in functioning.
- ii) Since all the pay bands have a long span, the problem of stagnation in a pay scale will be effectively addressed. The movement from one pay scale to another frequently leads to problems in -pay fixation like a senior drawing lower salary vis-a-vis a junior. Therefore, the Commission has recommended for running pay bands, which would address all these problems with the view of removing pay scale related anomalies.

- **Performance Related Incentive Scheme**

The Commission has recommended several innovative features to ensure better delivery systems in the government with emphasis on citizen satisfaction, which is the primary criterion for judging the efficiency of an organisation. Introduction of Performance Related Incentive Scheme (PRIS) is a step in this direction. This is not a new concept. Many of the earlier Central Pay Commissions as well as various expert committees constituted in the past have recommended performance related incentives in one form or the other. The Fourth and Fifth Pay Commissions had also commented on the issue of rewarding better performances/The Fifth Pay

Commission has recommended the scheme of performance related increments for all Central Government employees, where an extra increment was to be paid to the exceptionally meritorious performers with the under-performers being denied even the regular/normal increment.

The Sixth Pay Commission has tried to devise a workable and practical model by which the concept can be implemented in the government. The adoption of PRIS is voluntary. In the event of ministries/departments deciding not to adopt the PRIS, the employees will continue to receive normal salary and compensation and will not be covered under PRIS. The Commission asserts that the end objective of introducing PRIS in Government is not just confined to improving employee motivation, obtaining higher productivity and delivering quality public service; but to bring in a systematic change that will enable responsive governance.

- **Contractual jobs**

The Commission recommends introduction of contractual appointments for selected posts, particularly those requiring high professional skills

- **Pension Rules**

The Commission has recommended modifications in the Central Civil Services (Pension) Rules, 1972 that will enable payment of pension at the rate of 50% of the average emoluments/ last pay drawn without any reference to the qualifying service of 33 years for full pension. The Pay Commission has recommended as such so that government employees are facilitated to leave the service at a relatively young age, in case they feel that they have more prospects outside, or to opt for contractual appointment for specified posts within the government. Simultaneously, the government will be able to tap the best available expertise from within or outside the government for senior positions. A fast track promotion mechanism has been recommended by means of Limited Departmental Competitive Examination that is proposed to be introduced in most of the levels in Groups B and C.

- **Women employees**

The Commission has also made recommendations for conducive working conditions for women. As part of the package to create an inclusive work environment, the Commission has proposed measures like:

- i) better accommodation facilities in the form of working women's hostels;
- ii) flexible working hours;
- iii) enhanced maternity leave of 180 days from the earlier 135 days;
- iv) child care leave;
- v) enhanced education allowance; and
- vi) women employees having minor children may be allowed total leave of up to two years (730 days). This can be for the purpose of taking care of up to 2 children- whether for rearing the children or looking after any of their needs like examination, sickness, etc.

- **Persons with disabilities**

The Commission has recommended various measures to alleviate the problems faced by government employees with disabilities. They include:

- i) enhanced number of casual leave;
- ii) special aids and appliances for facilitating office work;
- iii) higher interest subsidy for automobile loans;
- iv) liberal flexi hours;
- v) extra allowance for disabled women employees to take care of their children till the time the child attains the maximum age of two years;
- vi) higher rate of transport allowance;
- vii) better prosthetic aids; and
- viii) grievance redressal machinery.

- **Leave**

The Commission has also recommended encashment of leave up to 60 days while in service.

- **Medical facilities**

A new medical insurance scheme has been recommended for government employees. The scheme would be optional for existing central government employees and pensioners. New government employees are to be compulsorily covered under the scheme.

- **Allowances**

The Commission recommends that the All India Consumer Price Index with base year as 2001 may, henceforth, be used for the purpose of calculating DA. It further elaborated that the base year should be revised, as frequently as possible. The Commission has not recommended merger of dearness allowance with basic pay at any stage. It has recommended adequate revised rates of HRA and Transport Allowance separately. Regarding housing and transportation, the Commission is of the view that larger cities and towns have much better facilities than smaller places. Consequently, the commission recommends abolition of City Compensatory Allowance.

- **House Rent Allowance**

The rate of house rent allowance for cities, presently classified as A, B-1 and B-2 will go up to 20% from the current 15%. For C class cities the house rent allowance will be 10% and for the unclassified cities the rate will be 10%.

- **Educational Allowance**

The Commission recommends merger of Children Education Allowance and reimbursement of tuition fee. Henceforth reimbursement will be up to the maximum sum of Rs.1000 per child, per month subject to a maximum of 2 children. Hostel

subsidy will be reimbursed up to the maximum of Rs.3000 per month, per child. The limits would be automatically raised by 25% every time the DA on the revised pay bands go up by 50%.

- **Retirement Age**

Taking into consideration 38.41 lakh pensioners, the Commission recommends a 40% increase in the pension/family pension. Pension is paid on the average emoluments/last pay drawn without linking it to 33 years of qualifying service for grant of full pension. The superannuation age is 60.

The Commission has come up with the recommendation that an employee can also retire voluntarily by giving 3 months' notice on completion of 20 years qualifying service. However, in this case, acceptance by the Appointing Authority is necessary.

The Commission recommends that all Central Government employees seeking voluntary retirement on completion of qualifying service equal to or more than 15 years but less than 20 years should be paid one time, lump-sum, retirement benefit equal to 80 months' on the basis of last drawn salary or average salary, whichever is more beneficial to the retiring employee, inclusive of benefits like service gratuity and death-cum-retirement gratuity that shall stand subsumed.

Further, higher rates of pension for retirees on attaining the age of 80, 85, 90, 95 and 100 years are also recommended.

Implications

The Commission recommended several measures to ensure specific, measurable, achievable, reliable and timely governance. These include:

- a pay structure that will reduce layers and hierarchy in government and prevent stagnation and reward merit;
- steps that will lead to improvement in the existing delivery mechanisms by more delegation, downsizing of the scalar chain and an emphasis to achieve quantifiable and concrete end results;
- shift from career based to post based selection in the higher echelons of government that will get the best domain based expertise. This will create a development-oriented environment and intrinsic satisfaction in work for the employees;
- ensuring availability of the best possible talent for government;
- promoting autonomy and self-regulation in functioning;
- introducing Performance Related Incentive Scheme (PRIS) for rewarding performance;
- emphasis on training academies and training processes within the government;
- greater emphasis on field offices/organisation at the cutting edge of delivery;
- parity between posts in field offices and the secretariat; and
- enhanced pay scales for nurses, teachers, constabulary and postmen with whom the common citizen has frequent interface.

This is the first Pay Commission with the mandate to make recommendations on the structure of emoluments in regulatory bodies Telecom Regulatory Authority of India, Insurance Regulatory Development Authority, Central Electricity Regulatory Commission.

Recommendations of the Seventh Pay Commission, 2016

The Seventh Pay Commission was constituted in February 2014 under the Chairmanship of Justice A.K Mathur and 3 other members. It was tasked with reviewing and proposing changes to the pay, pension and efficiency of government employees. The Seventh Pay Commission submitted its report on 19 November 2015 and the recommendations were implemented with effect from 1 January 2016. These recommendations applied to 33 lakh central government employees, in addition to 14 lakh armed forces personnel and 52 lakh pensioners.

The following are some of the recommendations of the Seventh Pay Commission:

1. **Minimum Pay:** Based on the Aykroyd formula, the minimum pay in government is to be set at ₹ 18,000 per month.
2. **Maximum Pay:** ₹ 2,25,000 per month for Apex Scale and ₹ 2,50,000 per month for Cabinet Secretary and others presently at the same pay level.
3. **New Pay Structure:** Considering the issues raised regarding the Grade Pay structure and with a view to bring in greater transparency, the present system of pay bands and grade pay has been dispensed with and a new pay matrix has been designed. Grade Pay has been subsumed in the pay matrix.
4. **Annual Increment:** The rate of annual increment was retained at 3 per cent.
5. **Modified Assured Career Progression (MACP):**
 - a. Performance benchmarks for MACP have been made more stringent from “Good” to “Very Good”.
 - b. The Commission also proposed that annual increments not be granted in the case of those employees who are not able to meet the benchmark either for MACP or for a regular promotion in the first 20 years of their service.
6. **Cadre Review:** Systemic change in the process of Cadre Review for Group A officers was recommended.
7. **Allowances:** The Commission has recommended abolishing 52 allowances altogether.

Another 36 allowances have been abolished as separate identities, but subsumed either in an existing allowance or in newly proposed allowances.
 - a. **House Rent Allowance:** Since the Basic Pay has been revised upwards, the Commission recommended that HRA be paid at the rate of 24 per cent, 16 per cent and 8 per cent of the new Basic Pay for Class X, Y and Z cities respectively.
8. **Central Government Employees Group Insurance Scheme (CGEGIS):** The Rates of contribution as also the insurance coverage under the CGEGIS have remained unchanged for long. They have now been enhanced suitably.

9. **Pension:** The Commission recommended a revised pension formulation for civil employees including CAPF personnel as well as for Defence personnel, who have retired before 01.01.2016. This formulation will bring about parity between past pensioners and current retirees for the same length of service in the pay scale at the time of retirement.
10. **Gratuity:** Enhancement in the ceiling of gratuity has been done from the existing ₹ 10 lakh to ₹20lakh. The ceiling on gratuity may be raised by 25 percent whenever DA rises by 50 percent.
11. **New Pension System:** The Commission has recommended a number of steps to improve the functioning of NPS. It has also recommended establishment of a strong grievance redressal mechanism.
12. **Regulatory Bodies:** The Commission has recommended a consolidated pay package of ₹ 4,50,000 and ₹ 4,00,000 per month for Chairpersons and Members respectively of select Regulatory bodies.
13. **Performance Related Pay:** The Commission has recommended introduction of the Performance Related Pay (PRP) for all categories of Central Government employees, based on quality Results Framework Documents, reformed Annual Performance Appraisal Reports and some other broad Guidelines. The Commission has also recommended that the PRP should subsume the existing Bonus schemes.

12.7 INCENTIVES: MEANING

The term incentive is used to describe material and non-material benefits to employees in addition to their normal salaries for making their best efforts to promote productivity and efficiency. It may take the form of wage payments related to employees' performance in addition to the normal salaries given for the standard work assigned to them. Such incentive plans must have a 'base line' standard, so that performance over and above this standard can be rewarded. These incentive plans are linked directly or indirectly to standards of productivity or the profitability of the organisation or to both the criteria. According to Wendell French, the purpose of incentive plans is to increase the morale and motivation of employees to contribute to the goals of the organisation, by offering financial inducements above and beyond basic wages and salaries. Megginson defines incentive wages as the extra compensation, paid to an individual, for all production over a specified magnitude, which stems from his/her exercise of more than normal skill, effort or concentration, when accomplished in a pre-determined way involving standard tools, facilities and materials.

One of the biggest challenges to modern organisations is how to ensure productivity/efficiency. Most of the individuals become slow and lazy, as they realise that their performance has no relevance to them. They are convinced that their extra interest or labour would not make any difference to them. Paul Pigors has rightly posed this challenge when he stated "a continuing challenge for management is how to share the gains from higher productivity in ways that will stimulate the interest of employees in improving their performance in the job and the productivity of the organisation as a whole". Incentive systems can impel an employee to earn more by working hard.

Non-material incentives may take the form of recognition of the work of the employees through appreciation letters, merit certificates, medals, etc. Such awards benefit the employees indirectly, that is, promotion or nomination to higher posts.

It has been recognised that economic gain is not the only incentive. In this connection, Allport observes, “employees in an organisation are ‘not economic men’, so much as they are ‘ego-men’. What they want, above all else, is credit for work done, interesting tasks, appreciation, approval and congenial relations with their employers and fellow workers. These satisfactions they want even more than high wages or job security.”

R.K. Misra favours the judicious use of both monetary and non-monetary incentives to achieve productivity. He points out that “while budgetary restrictions and temporary improvements in performance place a limit on the potency as a motivator, non-financial incentives involve only human ingenuity as investment and also ensure a relatively stable acceleration in output”. Monetary incentives imply external motivation; non-monetary incentives involve internal motivation. Both are important. It is a judicious mix-up of the two that tends to cement incentives with motivation.

There are two types of incentive plans, namely ‘Material Incentive Plan’ and ‘Non-material Incentive Plan’, which are now being discussed below:

1) **Material Incentive Plans**

- **Individual Incentive Plan**

It is the plan to award individuals or a group of individuals, an extra payment for the extra work done by them. According to Loudon, the purpose of individual incentive plan, “... is to offer a financial incentive for a worker or group of workers to produce work of an acceptable quality over and above a specified quantity.” According to Wolf, “their primary purpose is to aid in obtaining minimum unit costs, thereby, contributing to enterprise profits”. These individual incentive plans can be categorised into piece rate plans and production-bonus plans.

There are a large number of problems to institute individual incentive plans. The most serious problem is the criteria to fix standards. Besides, the scheme may generate friction among workers and also reduce quality.

- **Group-incentive Plan**

The purpose of group-incentive plans is the same as that of individual incentive plans, except that incentives are paid to a group rather than the individuals engaged in a particular plant or section.

- **Profit-sharing Plan**

The purpose of profit-sharing plans is to distribute the additional profits among employees as incentives in the form of bonus, which may be paid in cash or transferred to their account. The amount credited to their account can be withdrawn only if the employees have worked for minimum period of time.

2) **Non-material Incentive Plan**

These incentive plans may take the form of appreciation letters, award of gold/ silver medals, merit certificates, etc. These incentive plans can be of great use in organisations where business, commercial or industrial outlook is absent. In organisations dealing with welfare activities or law and order or defence it is very difficult to compensate the hard work of the employees with money. Here, we can make use of non-financial incentives that can keep the morale of employees strong.

All incentive schemes, if not properly implemented can create problems, such as: (i) tendency amongst employees to improve quality at the cost of quantity; (ii) safety regulations may be disregarded by workers and can result in higher accident rates; (iii) workers may undermine their health under the strain of work; and (iv) such schemes may generate misunderstanding and jealousy among the workers because of the differences in earnings.

However, it must be clear that a properly planned and implemented incentive scheme can promote efficiency/productivity. The Study Group of the National Commission on Labour has recommended that “under our conditions, a wage incentive is concerned with an effective utilisation of manpower, which is the cheapest, quickest and surest means of increasing productivity. The only practicable and self-sustaining means of improving manpower utilisation is to introduce incentive schemes and stimulate human efforts to provide a positive motivation towards greater output”.

The Second ARC (2008) had advocated the use of incentives to promote efficiency in organisations. Incentives for timely completion of a specific project may be provided through suitable awards, such as, a rolling cup or a shield. In individual cases, commendatory certificates may be issued. Cash awards or one or two advance increments may be given to those who give valuable suggestions for simplification of work leading to economy in expenditure or otherwise increase efficiency. Any exemplary or special achievement may be recognised by grant of medals.

12.8 OTHER BENEFITS

1) Allowances and Perks

Pay is not the only form of remuneration that an employee receives from the employer. Fringe benefits are the common supplement to his/her salary or wages. For the employees, fringe benefits represent extra income, additional security or more desirable working conditions and these have considerable value in raising the employees' morale to keep them happy in their jobs. It is suggested that fringe benefit scheme should be carefully planned. Management should take a logical, objective and integrated attitude towards the fringe package. Considerable attention is needed in determining the optimum combination of fringe benefits for the organisation that will maximise employees' satisfaction and assure more efficiency.

Fringe benefits, nowadays, represent a substantial portion of the total personnel cost for an organisation. Employee's morale is directly and indirectly influenced by the quantum of the allowance and perks provided to the employees from time to time.

- **Dearness Allowance (DA)**

It is intended to compensate the employees for the rising prices and cost of living from time to time.

- **City Compensatory Allowance (CCA)**

This allowance is given keeping in view the rise in cost of travel in cities.

- **House Rent Allowance (HRA)**

It means an allowance granted to an employee to cover the house rent facility. It will be paid to the employee according to his/her basic pay.

- **Travelling Allowance (TA)**

This means an allowance granted to an employee to cover the expenses which he/she incurs while travelling on official work from one place to another.

- **Daily Allowance (DA)**

It is an allowance for each day of absence from headquarters, which is intended to cover the ordinary daily charges incurred by the employee to maintain himself/herself.

- **Leave Travel Concession (LTC)**

This is granted to the employees once in 4 years, so as to enable them to undertake journeys to their home place or other places in the country.

- **Medical Allowance**

Medical facility is being provided to the employees with a view to save them from abnormal costs of medicine and treatment.

- **Conveyance Allowance**

It is given in connection with travelling for official purposes within the city.

- **Uniform Allowance**

Some categories of the government servants have to put on special uniforms, while discharging their duties. For example, the police, the peons, etc. They receive a special allowance for their dress.

- **Children's Education Allowance**

It is given to the employees to enable them to get their children educated.

In addition to the above allowances and perks provided by the government, the employees enjoy benefits of security of tenure, leave, advances, holidays, promotion, provident fund and retirement benefits.

2) **Retirement Benefits**

There are three forms of retirement systems namely (i) non-contributory; (ii) partly contributory; and (iii) wholly contributory. Under the first system the Government, undertakes to defray the entire cost of making the retirement allowances. The employees are not called upon to contribute any money to the retirement fund. Under the second system, the cost is partly met by the government and partly by the employees. The contribution of the employees is secured through compulsory deductions from their salaries, which are carried to a provident fund along with the government's contributions. Under the third system the entire cost is met by the employees through deduction made from their salaries.

In India there are two main schemes of retirement benefits for the Central Government employees, namely, the pension scheme and the contributory provident fund scheme.

- **Pension Scheme**

The pension scheme involves cash disbursement to the retired employees in fixed monthly amounts. It guarantees them a secure life as long as they live. Pension

system enables the government to exercise greater control over the employees even after retirement. Pensions can be withheld at any time when found that the pensioner is engaged in any subversive activity against the State or has otherwise acted against the prestige of the government. Pension cannot be claimed as a right. It is earned on the basis of satisfactory and approved service and future good conduct is an implied condition of every grant.

According to circumstances and conditions under which pensions are admissible, they may be classified into ordinary and extraordinary pensions.

The ordinary pensions may be of the following kinds:

- i. Superannuation pension is given to an officer who retires at the prescribed age.
- ii. Retiring pension, given to an officer who retires after completing a fixed period of qualifying service.
- iii. Invalid pension is given to an employee who is permanently incapacitated for his work.
- iv. Compensatory pension is granted to an officer whose permanent post is abolished and the government is unable to provide him with an alternative post.
- v. Compassionate allowances are given when pension is not admissible on account of a public servant's removal from service for misconduct, insolvency or inefficiency.

Extraordinary pensions are either in the form of injury pensions or family pensions. Injury pensions are paid to the government employee, if he gets injured in the course of duty. Family pensions are payable to the widow or minor children or in some cases to the parents of an employee who gets killed in the course of the discharge of his/her duties. The Central Government and also some of the State Governments have, of late, made provisions for family pensions for those permanent government employees, who die prematurely. This is one step forward towards ensuring economic security of the families of public servants.

Besides pensions, there are, in certain countries other benefits like insurance benefits given to the public servants at retirement. Insurance systems are usually wholly contributory, the government incurring only the establishment charges.

A government servant shall continue to be entitled to commute for a lump sum payment up to 40% of his pension.

- **General/Contributory Provident Fund**

Under the system, there is a provision for provident fund to which an employee also makes a contribution to the fund. Hence, till the time of retirement, the employee makes a big amount of Provident Fund which he/she enjoys for the rest of the life.

Check Your Progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those answers given at the end of the Unit.

1) Discuss the different types of incentives plans.

2) What are the retirement benefits available to the Central Government Employees?

12.9 CONCLUSION

It is an indispensable fact that any compensation plan or salary structure cannot satisfy all the constituents. As a matter of fact, the efficiency of an administrative system can be promoted only through dedication and loyalty of the civil services. Incentives cannot be a substitute for good industrial relations, better work-planning and scientific management. As Pandit Nehru said, “the New India must be served by earnest, efficient workers who have an ardent faith in the cause they serve and are bent on achievement, and who work for the job and glory of it and not for the attraction of high salaries. The money motive must be reduced to the minimum”.

12.10 GLOSSARY

Compensation	: Salary or pay.
Grade Pay	: a fixed amount attached to each post in the hierarchy
Gratuity	: A part of the pension covered into a lump sum to be received on retirement.
Incentive	: Material or non-material benefits given to the employees, in addition, to their salaries.

12.11 REFERENCES

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12.12 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Your answer should include the following points:
 - Economic position of the country, cost of living and price level, State as a model employer, equal pay for equal work, prevailing market rate and policy of government.
- 2) Your answer should include the following points:
 - Read carefully Section 12.5 and understand the same and write the answer in your own words.

Check Your Progress 2

- 1) Your answer should include the following points:
 - Material incentive plans
 - Non-material incentive plans
- 2) Your answer should include the following points:
 - Pension scheme
 - General/Contributory Provident Fund

UNIT 13 PERFORMANCE MANAGEMENT*

Structure

- 13.0 Objectives
- 13.1 Introduction
- 13.2 Understanding Performance Management
- 13.3 Difference between Performance Appraisal and Performance Management
 - 13.3.1 Tools of Performance Management
 - 13.3.2 Technology and Performance Management
 - 13.3.3 Performance Management Techniques
- 13.4 Performance Management Process
- 13.5 Performance Management and Administrative Reforms Commission
- 13.6 New Trends in Performance Management
- 13.7 Conclusion
- 13.8 Glossary
- 13.9 References
- 13.10 Answers to Check Your Progress Exercises

13.0 OBJECTIVES

After reading this Unit, you should be able to understand:

- The meaning of Performance Management;
- Difference between Performance Appraisal and Performance Management
- Techniques of Performance Management
- The process of Performance Management in the forms of tools and technology and the new trends in Performance Management.

13.1 INTRODUCTION

Performance Management is a vital process for modern organisations. In today's times enterprises comprise of hundreds and thousands of employees and therefore it is not feasible to wait for the annual review of results to assess the performance of employees nor can an enterprise afford to wait for customer feedback to discover that they're not. In simple terms, Performance management is a process that provides feedback, accountability, and documentation for performance outcomes. It helps employees to channel their talents toward organisational goals. Managers need effective performance management tools and techniques set in place to receive on-time and pertinent feedback. More importantly, employees expect feedback and a culture that fosters their development.

*Contributed by Dr. Sandhya Chopra, Consultant, Faculty of Public Administration, SOSS, IGNOU.

Today, all the major activities of HR are driven towards development of high performance leaders and fostering employee motivation. So, it can be interpreted that the role of HR has evolved from merely an appraiser to a facilitator and an enabler.

13.2 UNDERSTANDING PERFORMANCE MANAGEMENT

Performance management is the current buzzword and is the need in the current times of cut throat competition and the organisational battle for leadership. Performance management is a much broader and a complicated function of HR, as it encompasses activities such as joint goal setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programmes and rewarding achievements.

The process of performance management starts with the joining of a new incumbent in a system and ends when an employee quits the organisation.

Performance management can be regarded as a systematic process by which the overall performance

of an organisation can be improved by improving the performance of individuals within a team framework. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable benchmarks.

According to Armstrong and Baron (1998), Performance Management is a strategic and an integrated approach that delivers successful results in organisations by improving the performance and developing the capabilities of teams and individuals.

The term performance management gained its popularity in early 1980's when total quality management programs received utmost importance for achievement of superior standards and quality performance. Tools such as job design, leadership development, training and reward system received an equal impetus along with the traditional performance appraisal process in the new comprehensive and a much wider framework.

13.3 DIFFERENCE BETWEEN PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT

Performance Appraisal implies a rational assessment of the performance of an individual, based on pre-determined standards. On the other hand, performance management alludes to the management of performance of the manpower working in an organisation. While Performance Appraisal is a yearly system while if we talk about Performance Management, it is a continuous process that does not occur eventually. Performance Appraisal means the analysis of an employee's performance and their caliber for future growth and development.

Performance Management is the management of human resources in an organisation. Performance Appraisal is defined as an assessment of employees by the manager, in which he/she evaluates the overall contribution made by the employee to the organisation. It is a systematic and logical review, conducted by the organisation annually to judge his potential in performing a task. It helps to analyse the skills and abilities of

an employee for their future growth that increases the productivity of employees. It helps to identify, the employee who performs their task well and those who are not, along with the reasons for the same.

Performance Appraisal is an organised way of evaluating employee performance, for which a comparison is made between actual performance and the preset standards. The results of the performance appraisal are documented. After that reviews are given to the employee about their performance during the year, to tell them where they require improvements. Employees also wish to know their position in the organisation after a particular period of time.

Performance Management is a continuous process that aims at planning, monitoring and evaluating the objectives of an employee and his total contribution to the organisation. The basic purpose of performance management is to encourage and improve employee's efficiency and effectiveness. In this process, both the employees and the managers participate in setting the objectives, assessing the performance or progress, providing training and feedback to the employees at regular intervals for improvement, implementing development programs for employees and rewarding them for their achievements.

With the help of this process, both the employee and the employer get a chance to set the combined goals of the employee that relates to the ultimate goal of the organisation by considering the employee's performance. In this way, the objectives of the parties became clear that helps to achieve the overall objectives of the organisation and the growth & development of the employee as well.

Key Differences between Performance Appraisal and Performance Management

The following are the major differences between performance appraisal and performance management:

1. An organised way of evaluating the performance and potential of employees for their future growth and development is known as performance appraisal. The complete process of managing the human resources of the organisation is known as performance management.
2. Performance appraisal is a system while performance management is a process.
3. Performance appraisal is inflexible, but performance management is flexible.
4. Performance appraisal is an operational tool to improve the efficiency of employees. However, performance management is a strategic tool.
5. Performance appraisal is conducted by a human resource department of the organisation, whereas managers are held responsible for performance management.
6. In performance appraisal, corrections are made retrospectively. In contrast to performance management is forward looking.
7. Performance appraisal has an individualistic approach which is just opposite in the case of Performance Management.
8. Performance appraisal is carried on eventually, but Performance Management is an ongoing process.

Therefore, we can say that the term performance appraisal and performance management are completely different. But, it can't be said that they are contradictory because performance appraisal itself is a part of performance management. In this way, we can say that performance management is a bigger term that involves some steps.

Performance appraisal is a process while performance management is a system, that's why it is even called Performance Management System(PMS). When properly designed and implemented, performance management techniques and processes enable an organisation to monitor, manage and improve strategy execution and the delivery of results. Performance management is therefore one of the most critical factors in an organisation's success, and the ability to successfully manage performance is the single most important skill for leaders and managers. Performance management involves measuring, reporting and managing progress – from the individuals who work for a company, right up to the organisation as a whole – with the aim of improving performance.

The importance of establishing a culture of high performance Organisations of all sizes and across all industries need to develop, implement and improve their performance management processes, from small start-ups to large multinationals, and from non-profit or government organisations to blue-chip companies. Whatever sector or industry you're operating in, as business becomes more and more competitive, performance becomes more critical than ever before. In short, performance drives results, and no company can afford to ignore performance management. It's therefore vital to establish a high performance culture at every level of the company, so that each individual is aware of how their activities relate to the organisation's wider strategy, every manager is able to monitor and manage performance effectively, and the leadership team can ensure the company's strategy is being properly executed and delivering the expected results. Without this culture, even the most impressive performance management systems and processes are wasted.

13.3.1 Tools of Performance Management

Performance Management Tools and Techniques

There are numerous techniques that serve as tools of Performance Management and that help in facilitating the process of performance management. They are as follows:

1. Be straightforward about your expectations: Employees need well-defined goals, not vague requests or retroactive feedback. They need to understand that what is required of them and what their personal benchmarks are and what guidelines are there to achieve them. Employees can't be marginalised or left in the dark running around in a proverbial hamster wheel. They need to feel a part of and see the bigger picture of how they fit in with — and contribute to — corporate objectives. Define specific goals, define paths and explain rationale and context.
2. Be direct about how you measure performance: After setting goals employees must know what constitutes success. The guidelines for measuring success must be clear and objective. Measuring success is a large part of the Performance Management process and must not be a rare or annual review practice. Both managers and employees must always have at their disposal a clear and easy to read analysis of where they are relative to their goals, peers and personal benchmarks and be able to course correct or get guidance if necessary.

3. **Make sure you focus on work essence:** If you decided on certain Key Performance Indicators (KPIs), ask yourself – are these KPIs measuring the actions that lead to good performance or are they just retroactively measuring success? While the first will let you motivate employees, improve performance and fix problems the latter will just cause underperforming employees to disengage and won't teach you much. Another question to ask is – Will employees improve performance as a result of working towards these KPIs or they just work on the specifics of what's being measured?
4. **Invest in building motivation:** Happy, motivated workers perform better. There are many different options for motivating employees. Anything from pep talks to showing appreciation for a job well done can do the trick. The more employees are involved with their performance management process the more they are likely to be motivated to improve. A good option for building motivation is gamification i.e. using processes and experiences from game mechanics and design such as leader boards, status bars and badges to generate intrinsic motivation.
5. **Monitor & adjust:** Performance management should offer constant and direct insights and feedback that allows managers to, for example, improve employee engagement, or provide precise, on-demand, bite-sized training in areas where skills are lacking. If any of the measures you take are not relevant or not working you should be willing and quickly able to adapt.

13.3.2 Technology and Performance Management

Technology to the Rescue

The technology developed to support and improve performance management in organisations is constantly improving. Now a days performance management technology can facilitate all of the above practices — from streamlining goal-setting via digital processes where objectives are synced with data analytics on actual business performance and are altered as needed in real-time, to tethering efficiency measurements to the employee/manager discourse, through to using gamification platforms to instantly display targets and performance and build narratives that engage employees during their day to day grind. The aim of all these tools is to improve performance by empowering, substantiating and focusing the discourse between employees and managers and giving both sides the tools to improve.

Utilising performance management platforms such as Gamefactive generates transparency through collecting data from the company's various enterprise systems and presenting it to employees and managers in the form of easy to understand, easy to relate to game elements, for example, missions and points. Additionally Gamefactive connects performance to learning prompting employees to complete relevant training campaigns or micro-lessons based on weaknesses seen in their work or their ability to hit certain KPIs.

Gamefactive provides a performance management platform, with gamification features built in, designed to significantly improve business outcomes through real-time performance tracking, goal-setting, employee engagement and on-the-job achievements.

The platform provides: an open architecture for easy integration with existing systems, working across numerous enterprise applications simultaneously, and on mobile, TV,

and the web. It enables: quick launching of gamification projects, real-time performance metrics that go beyond just using leader boards and points in performance gamification, sophisticated analytics for visualising performance over time and across any benchmark and engaging themes and narratives to help drive motivation and learning.

13.3.3 Performance Management Techniques

Six Performance Management Techniques

As more and more companies are realising the importance of a people strategy, retention and attraction of top talent is increasing. Placing employee personal development at the heart of the business not only appeals to new recruits but maximises the productivity and performance of staff. But knowing how to implement effective performance management can be a challenge to managers, especially when overseeing today's multi-generational workforce. There are a variety of different techniques that can be adapted by organisations to help manage team performance effectively.

1. Set SMART objectives

According to research by the Chartered Institute of Personal Development (CIPD), over 25% of the respondents were unhappy with their development opportunities in 2016. This is not only demotivating employees but will be affecting the performance output of a business, which can lead to high staff turnover rates and a damaged reputation. Every company should have a plan in place for every new and existing employee that not only aligns with the strategic direction and culture of the business but incorporates the career progression of each individual and how the two work together.

This should be a collaborative task that involves both parties, providing clarity on what the end goals are and how they can be reached and any objectives set within this plan should be specific, measurable, attainable, and realistic and time bound. From this, employees can understand how they're contributing to the success of the business, whilst managers have transparency over who is accountable to what.

2. Empower your employees

When setting objectives and goals, your employees should be involved from the very beginning. Not only does empowerment drive staff motivation, but it gives them a chance to shape their career path and recognise how they can be proactive in the role to contribute to the company's success.

By giving them the authority to make decisions on their development gives them the confidence and the authority to make decisions that will lead to their personal success. It will prevent them from being absorbed by minor roadblocks, and give them ownership over certain tasks, allowing managers to hold them accountable for different actions without micromanaging.

3. Provide continuous coaching

Whilst employees should be taking a proactive approach to their workload and any challenges they may face, it's important they feel they can approach the managerial team to learn from or to ask for their assistance. Managers should be recognising their strengths and weaknesses, and be providing continued support that focuses on their achievements and dynamics within the working environment.

Regular performance meetings should also be scheduled in especially as millennials and generation enter the workforce. They should provide both the management staff and the employees a chance to review the personal development plan, to understand if objectives are being met, to share feedback on achievements, to identify any barriers and adapt the plan if there are changes in teams or the organisation.

4. Arm employees with the right tools and resources

Managers should be taking the time to listen to what employees are saying. One of their challenges to meeting their target may be that they don't have the right tools or resources to carry out their job as efficiently as you'd both like. Requested equipment or software might result in an upfront cost for the business, but it'll boost morale and give your employees the opportunity to do their job well, resulting in a long-term benefit for the business.

Time and investment should also be spent researching relevant training courses or events that will not only develop the skills of your employees and increase motivation, but boost the profile of the company. These should be integrated into the personal development plan, and some time should be allocated during the working day to allow staff to better themselves.

5. Carry out 360 degree feedback

Whilst many organisations don't see the benefit of carrying out 360 feedback, it can be a valuable performance technique if reported back to the individual in a constructive way. By gaining feedback from not just their supervisor, but people they work with, employees gain insight into how they're performing and take action that contributes to their career growth.

As a manager, there are some important elements to take into consideration when implementing 360 feedback. When sending out the feedback questions, it's important that those taking part understand the purpose of exercise and they do it without keeping the individuals work performance in mind. Managers should also be mindful that there is a follow-up plan in place. Behavioural change isn't especially, especially if it's contributing to an individual's development plan, so there should be a follow-up schedule put in place to tie-in with performance reviews.

6. Conduct annual appraisals

Annual appraisals were once the most common performance technique, and whilst there have been hearty debates into how effective they really are, they can still be relevant to the parties involved. However, managers should be adapting yearly performance reviews to suit the employee's personal development plan, aligning it with their objectives and company movement.

By having more informal check-ins throughout the year, it reduces the need to have a thorough performance management review, but it's still an important communication tool between the employee and their line manager. It gives the both the individual and the appraiser the chance to look back over the last twelve months, highlight their achievements and knowledge growth and identify any pain points or roadblocks. It also provides the opportunity for the staff to move up in their career, setting new goals and adapting their personal development plan.

13.4 PERFORMANCE MANAGEMENT PROCESS

Performance management is an ongoing communication process which is carried between the supervisors and the employees through out the year. The process is very much cyclical and continuous in nature. A **performance management system includes the following actions.**

- Developing clear job descriptions and employee performance plans which includes the key result areas (KRA') and performance indicators.
- Selection of right set of people by implementing an appropriate selection process.
- Negotiating requirements and performance standards for measuring the outcome and overall productivity against the predefined benchmarks.
- Providing continuous coaching and feedback during the period of delivery of performance.
- Identifying the training and development needs by measuring the outcomes achieved against the set standards and implementing effective development programs for improvement.
- Holding quarterly performance development discussions and evaluating employee performance on the basis of performance plans.
- Designing effective compensation and reward systems for recognising those employees who excel in their jobs by achieving the set standards in accordance with the performance plans or rather exceed the performance benchmarks.
- Providing promotional/career development support and guidance to the employees.
- Performing exit interviews for understanding the cause of employee discontentment and thereafter exit from an organisation.

A **performance management process** sets the platform for rewarding excellence by aligning individual employee accomplishments with the organisation's mission and objectives and making the employee and the organisation understand the importance of a specific job in realising outcomes. By establishing clear performance expectations which includes results, actions and behaviors, it helps the employees in understanding what exactly is expected out of their jobs and setting of standards help in eliminating those jobs which are of no use any longer. Through regular feedback and coaching, it provides an advantage of diagnosing the problems at an early stage and taking corrective actions.

To conclude, performance management can be regarded as a proactive system of managing employee performance for driving the individuals and the organisations towards desired performance and results. It's about striking a harmonious alignment between individual and organisational objectives for accomplishment of excellence in performance.

Check Your Progress 1

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1) What do you understand by Performance Management?

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2) What are the tools of Performance Management?

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3) What is the difference between Performance Appraisal and Performance Management?

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13.5 PERFORMANCE MANAGEMENT AND ADMINISTRATIVE REFORMS COMMISSION

Performance Management and Administrative Reforms Commission

It is important to understand that the current systems in government only ‘appraise’ and not really ‘manage’ performance. The performance measurement parameters are based on the ACR (Annual Confidential Report) system. While it is quite an established system, it has several gaps that hinder it in becoming as an effective performance appraisal tool.

“The Second Administrative Reforms Commission has identified the deficiencies in the system of appraisal of civil servants in India (other than the All India Services). Some of the gaps in the present system can be listed as follows:

- a. It lacks in quantifying of targets and their evaluation against achievement of targets.
- b. The ACR system does not entail scope for a two way consultative process and there is a lack of clarity about performance standards.
- c. Performance appraisal becomes meaningless in cases where the suitable job is ignored while posting an officer, and where there are frequent transfers.
- d. The quality is seriously affected when reporting officers write ACRs of a large number of employees, some of whom they may not even personally recognise.
- e. Since the present system shares only an adverse grading, a civil servant remains unaware about how he/she is rated in his/her work. Hence there is no incentive for good performance.

- f. Many reporting officers pay little attention to distinguish between good and average workers. So, most Government officials end up getting very good/outstanding grading which is considered “good for promotion” and there is no motivation for real performers.
- g. The system of deciding on representations against adverse entries takes so long that reporting officers avoid giving an adverse entry. Often, for want of evidence against an employee, the reporting officer is in a defensive position and thus unable to justify the adverse remarks. In fact it will not be inappropriate to say that we rarely punish and never reward in the present system.
- h. Due to a plurality of cadre controlling authorities, members of different Services working in the same Ministry may be appraised using different formats, which is irrational.
- i. The current practice is to appraise the ‘individual’ rather than his/her ‘performance’, making the assessment almost personality oriented and not function related. In the absence of a mechanism to link the individual performance with the organisational goals and achievements, the appraisals are reduced to a narrow focus in the larger context of performance management compliance with process regulation; it fails to indicate what are the results achieved by the activities of government in general and deployment of public funds in particular. In fact, the focus on input for accountability and control has led to a situation in which civil servants are rarely held accountable for the outcomes.

Recommendations of the Second Administrative Reforms Commission

The salient features of the recommendations made by the Commission are as follows:

- a) Appraisal formats of civil servants need to be more specifically linked to tasks assigned to them and the goals of their organisation. The appraisal format prescribed for civil servants should have three sections namely; (i) a generic section that meets the requirements of a particular service, (ii) another section based on the goals and requirements of the department in which the employee is working, and (iii) a final section that captures the specific targets relating to the post that the officer holds.
- b) The system should not only provide the means of reviewing past performance, but also find ways of future development of the individual’s potential in line with the organisation’s strategic plan.
- c) A performance review mechanism constituting two reviews at 14 and 20 years of service should be introduced to ensure accountability and further continuance in service after 20 years should depend on the outcome of the performance reviews.”

13.6 NEW TRENDS IN PERFORMANCE MANAGEMENT

New trends in Indian Performance Management Scenario

Performance management systems in government have earned the dubious distinction of being closed and centralised with a focus on procedures, processes and inputs. However, there are certain new developments in the public management scenario in the areas of Public Finance, Public Administration and government interface with the community and civil society.

Public Finances

Outcome budgeting: India took an important step towards outcome budgeting in 2005-06 with a note of caution in the budget speech that outlays do not necessarily mean outcomes and that the people of the country are concerned with outcomes. Outcome budget, as a performance management tool, helps in better service delivery, decision-making, evaluating programme performance and results. It is a progress card on what various ministries and departments have done with the outlays announced in the annual budget.

Public Administration

Citizen's Charter: Citizen's Charter is a declaration by the agency or department providing public service to specify the standards of service delivery and avenues for redressing grievances. About 107 Citizen Charters have been formulated by the ministries and departments at the Center and State levels and about 629 Charters have been introduced by other public organisations.

Sevottam: The Department of Administrative Reforms and Public Grievances has introduced a model for benchmarking 'Excellence in Public Service Delivery (Sevottam)'. This is a framework for organisations to assess and improve the quality of service delivery for the citizens. It guides government departments to identify the services to be delivered to set service norms, align delivery capability with expectations of citizens, gauge the quality of service delivery through an objective assessment and to improve quality using interventions like business process redesign and information technology. 'Sevottam' is currently under implementation in ten central ministries and departments with large public interface.

Right to Information (RTI) Act: Through this recently enacted Act, citizens of India have access to information under the control of public authorities with the objective of promoting transparency and accountability in these organisations. The influence of this Act as a new paradigm in accountability is very significant in improving performance.

Civil Society initiatives in performance management in government

The focus of this Unit is on the performance management mechanisms in government, it is worthwhile to look at a few path-breaking accountability tools initiated by the civil society movement which can be helpful in improving performance management.

Citizen's Report Card (CRC): These report cards are surveys that solicit user feedback on the performance of public services to enhance public accountability. These scores reflect the performance of public service providers based on citizen feedback. The CRC has a good potential to evolve as a tool to support performance management system.

Community Score Card (CSC): It is a community based monitoring tool that is a hybrid of the techniques of social audit and citizen report cards (CRC). This is an instrument to extract social and public accountability and responsiveness from service providers. As the citizens are empowered to provide immediate feedback to service provider, it facilitates community monitoring and performance evaluation of services, projects and even government agencies.

Social Audit: Social audit is a mandatory process of transparency whereby records are placed by government officials or elected representatives for public scrutiny.

Whereas the 73rd and 74th amendments to the Constitution have created a large space for democratic decentralisation, social audits are mandated in the programmes under NREGA and NRHM.

Check your progress 2

Note: i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1) What are the techniques of Performance Management?

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2) What are the various recommendations that have been given by ARC with regard to Performance Management?

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13.7 CONCLUSION

This Unit has analysed the existing concept of performance management scenario in Private enterprises and the government as well and has given a deep insight into its tools, techniques and the emerging trends. Simultaneously the Unit also suggests the recommendation given by ARC for better and effective performance management in any given organisation particularly the government. The various dimensions of Performance Management will help in understanding the concept thoroughly.

13.8 GLOSSARY

Performance management : It is a systematic process by which the overall performance of an organisation can be improved by improving the performance of individuals within a team framework.

Performance Appraisal : It is a rational assessment of the performance of an individual, based on pre-determined standards.

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13.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1. Your Answer should include the following points:
 - Definition of Performance Management
 - Current Connotation
2. Your Answer should include the following points:
 - Six major tools of Performance Management
3. Your Answer should include the following points:
 - Key differences between Performance Management and Performance Appraisal

Check Your Progress 2

1. Your Answer should include the following points:
 - The major techniques of Performance Management
2. Your Answer should include the following points:
 - Current appraisal system
 - Recommendations of the Administrative Reforms Commission for the performance management of an organisation.

