



**THE TAMIL NADU
Dr. AMBEDKAR LAW UNIVERSITY
CHENNAI**



STUDY MATERIAL

**“HUMAN RESOURCE MANAGEMENT
AND ORGANISATIONAL BEHAVIOUR”**

**WORK SUBMITTED TO
THE DIRECTOR, SOEL**

SCHOOL OF EXCELLENCE IN LAW

HUMAN RESOURCE MANAGEMENT AND ORGANISATIONAL BEHAVIOUR

Objectives

Management of people at work is as old as the existence of organisations. At the global level with the increased competition in business, organisations started to look at the ways of creating competitive advantage on the basis of their human resource. During the process of economic liberalization, the same pattern emerged in Indian companies. 'Human resource management' which emphasizes proactive approach of managing human resources, presents recent developments in the field and tries to relate how these developments in the field and tries to relate how these developments are relevant to Indian organisations.

UNIT- I.

Introduction of Human Resource Management. Definition, Importance of Human Resources; Objectives of Human Resource Management, Qualities of a good personnel manager – Evolution and growth of personnel Management in India Human Resource Policies: Need, Type and scope.

UNIT- II:

Human Resource Planning: Long and Short term planning, Job Analysis, Skills inventory, Job Description and Job Specification.

Recruitment and selection. Purposes, Types and methods of recruitment and selection, Personnel Search, Selection Instruments, Reduction of recruitment costs

Functions of Human Resources Management from Procurement to Separation – Placement, induction, Transfers, Promotions, Disciplinary actions, Termination of Services.

UNIT-III

Performance Evaluation Ranking, rating scales, critical incident method, removing subjectivity from evaluation, MBO as a method of appraisal, Job evaluation,

UNIT – IV

Wage and Salary Administration Meanings, Calculation of Wage, Salary, Perquisites, Compensation Packages, Cost of Living Index and Calculation of Dearness Allowance, Financial and non – financial incentives, Motivation. Early Theories and Contemporary theories.

Grievance Handling- Discipline and Domestic Enquiry – Handling of Sexual Harassment in the workplace – Introduction to Industrial Relations- current Trends and issues in HRM

UNIT V

Introduction to Organizational Behavior Historical background of OB – Relevance of OB to management functions – Contributing disciplines – Challenges Personality Determinants, Perception: Process – Distortions – Factors influencing perception Learning – Managerial implications. Group Dynamics – Foundations of Group behaviour Organisational Culture and Climate Concept – Creating and Sustaining Culture – Types of Organisational Culture.

Reference Books

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 - 2 Dessler, G Human Resource Management, 12th Edition, Pearson,2011
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HUMAN RESOURCE MANAGEMENT AND

ORGANIZATIONAL BEHAVIOUR

Organizations are made up of people and function through people, without people organizations cannot exist. The resources of men, money, materials and machinery are collected, coordinated and utilized through people. Therefore, people are the most significant resources of any organization.

According to Megginson human resources refer to “the total knowledge, skills, creative abilities, talents and aptitudes of an organization

Concept of Human Resource Management

Human Resource Management may be defined as a set of policies, practices and programmes designed to maximize both personal and organizational goals. It is the process of binding people and organization together so that the objectives of each are achieved.

Characteristics of Human Resource Management

On the basis of the definitions given below, the following features of human resource management can be identified.

- 1 **Comprehensive function** Human resource management is concerned with managing people at work. It covers all types of people at all levels in the organization. It applies to workers, supervisors, officers, managers and other types of personnel.
- 2 **People oriented:** Human resource management is concerned with employees as individuals as well as groups. It is the process of achieving the best fit between individuals, jobs, organizations together so that the goals of each are met.
- 3 **Action –oriented:** Human resource management focuses on action rather than on record keeping or procedures. It stresses the solution of human resource problems to achieve both organizational objectives and employees personal goals.
- 4 **Individual oriented:** Under human resources management, every employee is considered as an individual so as to provide services and programmes to facilitate employee satisfaction and growth.

5. **Development oriented.** Human resource management is concerned with developing of employees so that they get maximum satisfaction from their work and give their best efforts to the organization.
6. **Pervasive function** Human resources management is inherent in all organizations and at all levels. It is equally useful and necessary in government, armed forces, sports organization and the like. It permeates all the functional areas.
7. **Continuous function:** Management of human resources is an ongoing or never-ending exercise rather than a one shot function. Human resource management requires a constant alertness and awareness of human relations and their importance in everyday operations.
8. **Future oriented:** Human resource management is concerned with helping an organization achieve its objectives in the future by providing for competent and well-motivated employees.
9. **Challenging function:** Managing of human resources is a challenging job due to the dynamic nature of people. People have sentiments and emotions so they cannot be treated like machines. It is therefore, necessary to handle them tactfully. It is not simply managing people but administering a social system.
10. **Science as well as Art** HRM is a science as it contains an organized body of knowledge consisting of principles and technique. It is also an art because it involves application of theoretical knowledge to the problems of human resources.

Objectives of Human Resource Management

Objectives of human resource management are derived from the basic objectives of an organization. In order to achieve organizational objectives integration of employer's interest and employee interests is necessary. In this light, the objectives of human resource management may be summarized as follows.

- i To help the organization attain its goals by providing well-trained and well-motivated employees.
- ii To employ the skills and knowledge of employees efficiently and effectively.

- iii. To enhance job satisfaction and self-actualization of employees by encouraging and assisting every employee to realized full potential.
- iv To establish and maintain productive, self-respecting and internally satisfying working relationship among all the members of the organization
- v To secure the integration of all the individuals and groups with the organization by reconciling individual or group goals with those of an organization

Importance of Human Resource Management

The significance of human resource management can be discussed at four levels.

1 Significance for an enterprise:

Human resource management can help an enterprise in achieving its goals more efficiently and effectively in the following ways

- a Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies
- b Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal etc ,
- c. Securing willing cooperation of employees through motivation, participation, grievance handling etc,
- d. Utilizing effectively the available human resources
- e. Ensuring that the enterprise will have in future a team of competent and dedicated employees.

2. Professional Significance:

Effective management of human resource helps to improve the quality of work life It permits team work among employees by providing a healthy working environment. It contributes to professional growth in the following ways.

- a. Providing maximum opportunities for personal development of each employee

- b. Maintaining healthy relationships among individuals, and different work groups
- c. Allocating work properly

3. Social significance:

Effective management of human resource helps to improve the quality of work life. It permits team work among employees by providing a healthy working environment. It contributes to professional growth in the following ways:

- a. Providing suitable employment that provides social and psychological satisfaction to people.
- b. Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.
- c. Eliminating waste of human resources through conservation of physical and mental health.

4. National significance:

Human resource management plays a vital role in the development of a nation. The effective exploitation and utilization of a nation's natural, physical and financial resources require an efficient and committed manpower. The level of development in a country depends primarily on the skills, attitudes and values of its human resources.

Functions of Human Resource Management

Management of human resources consists of several inter-related functions. These functions are common to all organizations though every organization may have its own human resource management programme. These functions of human resource management may broadly be classified into two categories.

1. Managerial functions

Managing people is the essence of being a manager. Like other managers, a human resource manager performs the function of planning, organizing, directing and controlling.

- i. **Planning:** planning is the process of deciding the goals and formulating policies and programmes to achieve the goals. In the area of human

resource management, planning involves deciding human resource management, planning involves deciding human resource goals, formulating human resource policies and programmes, preparing the human resource budgets etc ,

11. **Organizing** : In order to implement the plans, a sound organization structure is required. Organizing is the process of allocating tasks among the members of the group, establishing authority-responsibility relationships among them and integrating their activities towards the common objectives. In this way, a structure of relationships among jobs, personnel and physical factors is developed.
111. **Directing**: Directing is the process of motivating, activating, leading and supervising people. Directing includes all those activities by which a manager influences the action of subordinates. Directing also helps in building sound individual and human relations in the organization.
- iv **Controlling**: It implies checking, verifying and regulating to ensure that everything occurs in conformity with the plans adopted and the instructions issued. Controlling the management of human resources involves auditing training programmes, analyzing labour turnover records, directing morale surveys, conducting separation interviews and such other means.

2. Operative Functions

The operative or service functions of human resource management are concerned with specific activities of procuring, developing, compensating and maintaining an efficient work force.

- 1 **Procurement function**: It is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objectives. It consists of the following activities.
 1. Job analysis
 2. Human resource planning
 3. Recruitment
 4. Selection
 5. Placement

6. Induction or orientation

- ii. **Development function** Human resource development is the process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. This function comprises the following activities
1. Performance and potential appraisal
 2. Training
 3. Executive development
 4. Career planning and development
- iii. **Compensation function:** It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives. It consists of the following activities.
1. Job evaluation
 2. Wage and salary administration
 3. Bonus
- iv. **Integration function:** It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non-financial incentives, providing job satisfaction Handling employee grievances through formal grievance procedures, developing bargaining, workers participation in management, conflict resolution, developing sound human relations, employee counseling
- v. **Maintenance Function:** It is concerned with protecting and promoting the physical and mental health of employees. For this purpose, several types of fringe benefits such as housing, medical aid, educational facilities, conveyance facilities, gratuity, maternity benefits, group insurance are also arranged

Scope of Human Resource Management

The Indian Institute of Personnel Management has been described the scope of human resource management into the following aspects

1. ***The labour or Human Resource Aspect*** It is concerned with manpower planning, recruitment, selection, and development, induction, transfer, promotion, demotion, termination, training and development, layoff and retrenchment, wage and salary administration, incentives, productivity
2. ***The welfare Aspect*** This aspect is concerned with working conditions and amenities such as canteens, crèches, rest rooms, lunch rooms, housing, transport, education, medical help, health and safety, washing facilities, recreation, and cultural facilities.
3. ***The industrial Relations Aspect*** This is concerned with the company's relations with the employees. It includes union-management relations, joint consultation, negotiating, collective bargaining, grievance handling, disciplinary actions, and settlement of industrial disputes

Evolution of the concept of Human Resource Management

Modern concept of human resource management has developed through the following stages:

1. ***The commodity concept:*** Before the Industrial Revolution, the guild system was the beginning of human resource management. Guild was a closely knit group concerned with selecting, training, rewarding and maintaining workers. Industrial Revolution gave rise to the factory system. Due to the separation of owners from managers, close relationships between owners and employees were broken. Labour began to be considered a commodity to be bought and sold.
2. ***The factor of production concept*** Under this concept, employees were considered a factor of production just like land, materials and machinery. Taylor's scientific management stressed proper selection and training of employees so as to maximize productivity. The employees were treated primarily as operating organizations of machines or as mere appendage in the process of production. However, this concept was an improvement in so far as employees gained through better working conditions and higher earnings.

- 3 ***The paternalistic concept*** Employees organized together on the basis of their common interest and formed trade unions to improve their lot. The growing strength of democracy gave impetus to collective bargaining. The state also recognized that workers had a right to protection in the employment. Due to all these forces, employers began to provide schemes to workers. Employers assumed a fatherly and protective attitude towards their employees. The welfare schemes included health facilities, recreation facilities, pension plans, group insurance schemes, housing facilities etc., employers and employees both began to realize that they cannot survive and prosper without each other.
- 4 ***The Humanitarian concept***: Under the paternalistic approach, the employer was providing benefits to employees as a favour. The humanitarian approach is based on the belief that employees had certain inalienable rights as human beings and it was the duty of the employer to protect these rights. The industrial psychologists pointed out that an employee was not merely interested in material rewards. Rather social and psychological satisfaction was equally important.
- 5 ***The Human Resource concept*** Several studies were conducted to analyse and understand human behavior in organization. These studies led to the application of behavioural sciences to the problems of individual and group behavior at work. Motivation, group dynamics, organizational climate, organizational conflicts, became popular concepts. Employees began to be considered as valuable assets of an organization. Efforts were made to integrate employee aspirations could be achieved simultaneously. Focus shifted towards management practices like two way communication, management by objectives, role of informal groups, quality circles.
6. ***The emerging concept*** Now employees are considered as partners in the industry. They are gradually being given share in company's stock membership. Worker's representatives are being appointed on the board of directors. This emerging trend is aimed at creating a feeling among workers that the organization is their own. Slowly but steadily, human resource management is emerging as a special academic discipline and as a profession. It is growing as a career with distinct specialization like human resource development, industrial relations.

Growth of HRM in India

In India, the origin of human resource management can be traced to the concern for welfare of factory workers during the 1920s. The Royal Commission on Labour recommended in 1931 the appointment of labour officers in order to protect the workers from the evils of jobbery and indebtedness, to check corrupt practices in recruitment and selection in Indian industry to act as a spokesman of labour and to promote an amicable settlement between the workers and management. Welfare officer was concerned mainly with the recruitment and welfare of workers. After 500 or more workers to appoint welfare officers. The Act also prescribed the qualifications and duties of welfare officers.

The appointment of welfare officers remained by and large symbolic, to satisfy statutory requirements. The welfare officers mainly play a policing and fire-fighting role. They became an appendage to the industrial system. With rising expectations, the welfare needs of the working class increased. As trade union movement gathered momentum in the country, industrial relations became the major task. Two professional bodies, viz., the Indian Institute of Personnel Management (IIPM), Kolkata and the National Institute of Labour Management (NILM), Mumbai were established during the 1950s.

During the 1960s, the personnel function widened beyond the welfare aspect. The major areas of practice, viz., labour welfare, industrial relation and human resource administration emerged as the complimentary parts of human resource management.

In the 1970s, concern for welfare shifted towards higher efficiency. A change in professional values of human resources managers was visible. During the 1980s, due to new technology and other environmental changes, human resources development became a major issue. The two professional bodies IIPM and NILM were merged to form National Institute of Personnel Management at Kolkata.

During 1990s, the overwhelming role of human factor in industry has been realized. Growing awareness about the significance of human side of

organization has led to the development of human resources management as a distinct discipline. Focus on human values and a philosophical approach, are likely to provide this discipline the status of a profession

Thus, the human resource function in India has grown through several stages. HRM has come a long way from being just a support, hygiene related function to a strategic function.

Qualities of a Human Resource Manager

The job of Human Resource Manager is quite complex and challenging. In order to be successful, several qualities are required in an HR manager. Some of these qualities are given below

- 1 *Educational Qualifications:* A Human Resource Manager should possess the following qualifications:
 - a. Degree of recognized University
 - b. Postgraduate degree in sociology, social work or human resource management.
 - c. Degree in law will be an additional qualification.
- 2 *Personal attributes* Like any other manager, the human resources manager requires several personal qualities. Some of these qualities are given below:
 - a. Intelligence
 - b. Communicative ability
 - c. Decisiveness
 - d. Human skills
 - e. Teaching skills
 - f. Executing skills
 - g. Leadership skills
- 3 *Training and experience* Training in industrial psychology, labour legislation and industrial relations is very useful for a human resource manager. Experience in an organization helps him to create a pertinent approach. To some extent, HRM is an art where practice makes one a successful manager.

4. *Professional attitudes.* HRM is emerging as a profession. A professional approach to the management of human resources is required in the global environment.

Role of Human Resource Manager

The role of human resource manager may be analysed as follows:

1. *As a Specialist* Human resource manager is an expert. As a specialist, he advises the heads of different functional department on various aspects of human resource management, such as human resource planning, recruitment, selection, orientation, training, appraisal, compensation, etc. With his counsel and suggestions, functional manager can perform these functions successfully. The human resource manager should provide information, suggestions and assistance in such a way that he is considered a source of help rather than a source of threat to line managers. He should earn their confidence and goodwill. Staff assistance is likely to be effective when it is wanted rather than when imposed.
2. *As an Information Source:* The human resource manager provides valuable information about labour market, labour laws and other related areas. Such information is necessary for the formulation of proper policies and procedures about human resources. He serves as a record keeper and researcher to provide the required information.
3. *As a change Agent* The human resource manager can serve as an internal change agent to initiate and spearhead necessary improvements in human resource practices. As a consultant, he can provide necessary infrastructure and support for organizational development. He helps in introducing and implementing major institutional changes in the organization. He is an innovator in human resource matters. To be an effective consultant, the human resource manager should be familiar with the needs and changing environment of the organization.
4. *As a controller* The human resource manager assists line manager in effective implementation of human resource policies and programmes. His advice and service is essential for monitoring and

controlling the progress. As an arm of the top management, the human resource manager ensures that the human resource policies and procedures approved and adopted by the management are being consistently carried out in all the departments

5. *As a Liaison man:* Very often the human resource manager is asked to act as a linking pin between different departments of an organization

CHAPTER II

HUMAN RESOURCES POLICIES

A policy is predetermined course of action established to guide the performance of work towards accepted objectives. It is a type of a standing plan that serves to guide subordinates in the execution of their tasks. Human resource policies are statements of human resource objectives of an organization and provide a broad framework within which decisions on human resource policies matters can be made without reference to higher authorities. Human resource policies lay down the criteria for decision making in the field of human resources management.

These policies define the intentions of the organization in the area of human resource management. Human resource policies need to be differentiated from human resource procedures, human resource programmes, and human resource practices. Human resource procedures imply the chronological sequence of steps used to implement human resource policies. Policies are general instructions whereas procedures are specific applications. Policies are guide to thinking but procedures are guides to action. Human resource procedures indicate who has the authority to implement a human resource policy, what paper work is involved and what records are to be maintained for monitoring and control.

Human resource programme refers to a plan of action. It is a single use plan that describes the activities to be carried out, the time period within which the task is to be completed and the way resources are to be utilized. Human resource practices represent the style and methods used in implementation of human resources programmes in keeping with prescribed policies and procedures. Human resource practices are very significant because the impact of human resources policies on employees depends upon the manner of implementation. High sounding policies and elaborated procedures are meaningless for employees unless appropriate practices are used to apply the policies and procedures.

Need and Importance of Human Resource Policies

The need for human resource policies arises basically from the fact that in order to achieve the human resource and overall objectives of the organization, a corporate thinking is required which will guide decision-making at operating level. Human resource policies provide the basis for uniformity and consistency. Sound human resource policies set the tone for proper administration of human resource programmes so as to achieve the objectives of the organization.

Sound human resource policies provide the following benefits:

1. **Clear thinking** The actual process of writing down a human resource policy helps to clarify management thinking. The management is required to examine its basic convictions and give full considerations to practices in other organizations. The top executives become aware of gaps, contradictions and vagueness in existing policies.
2. **Uniformity and consistency of Administration** Well established policies ensure uniform and consistent treatment of all employees throughout the organization. Such policies help to minimize discrimination and favoritism. Sound human resource policies are, therefore an essential base for sound human resource practices. Policies provide the base for management by principle as contrasted with management by expediency.
3. **Continuity and stability:** Written policies are a means of transmitting the company's heritage from one generation of executives to another. The accumulated wisdom in a company is lost when its top management team retires, dies or resigns. But if the wisdom is retained in the form of written policies, succeeding generations of managers can gain from the experience of their predecessors. Such continuity of policies promotes stability in the organization.
4. **Sense of security:** Written human resource policies provide advance information and predictable decisions on human resource matters. Employees know what action to expect in circumstances covered by the policies. Policies set patterns of behavior and permit employees to work more confidently. As a result, employees feel a sense of security.
5. **Delegation of authority:** Human resource policies are guides to decision on problems that recur frequently. They help manager to delegate authority. Subordinates are more willing to accept responsibility because policies indicate what is expected of them. The superior is freed from

repetitive and time-consuming decisions and can give more time to key matters

- 6 **Orientation and Training:** Written human resource policies can be used as guides for orientation and training of new employees.
- 7 **Teamwork and Loyalty** A well-prepared set of human resource policies Enables employees to see the overall picture and how their actions relate to the organizations goals. Participation of employees in policy formulation promotes mutual understanding throughout the organization As principles of fair play and justices, policies help to build up employee morale and loyalty
- 8 **Better control:** Human resource policies serve as standards or yardsticks for evaluating effectiveness of human resource management Policies facilitate management by exception
- 9 **Prompt decision-making:** Carefully defined human resource policies serve as guide for making-decisions on routine and repetitive issues. They prevent the wastage of time and energy involved in repeated analysis for solving problems of a similar nature
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Types of Human Resource Policies

Human resource policies may be classified in several ways. On the basis of their source, policies may be classified into originates, appealed and imposed policies On the basis of their scope, policies can be general or specific

- a *Originated policies* These policies are established fomally and deliberately by top management. Senior executives initiate such policies to guide their subordinates
- b. *Appealed policies* These policies are formulated on requests of subordinates who want to know how to handle some situations. The

- need for such a policy arises because the particular case is not covered by the earlier policies.
- c. *Imposed policies* An organization accepts these policies due to pressure of external agencies like Government, trade associations, trade unions etc .
- d. *General policies* These policies do not relate to any specific issue in particular Rather they represent the basic philosophy and priorities of top management
- e. *Specific policies* These policies related to specific issued like staffing, compensation, collective bargaining etc., all specific policies must conform to, the broad pattern laid down by the general policies
- f. *Written or Implicit policies* These policies are inferred from the behavior of managers. Such policies tend to be more flexible than written policies.

Scope of Human Resource Policies

The subject matter of human resource policies is as wide as the scope of human resource management In most companies, policies are established regarding various functions guidelines on the following points

1. **Employment** . All policies concerning recruitment, selection, and separation of employees are included in the function. Employment policies should provide clear guidelines on the following points.
 - a. Minimum hiring qualifications
 - b. Preferred sources of recruitment
 - c. Employment of local people and relations of existing staff
 - d. Probation period
 - e. Layoff and retiring
2. **Training and development**
 - a. Attitude towards training- whether it is regarded as a device to overcome specific problems or as a continuing relationship between superior and subordinate
 - b. Objectives of training
 - c. Opportunities for career development
 - d. Basis of training
 - e. Methods of training
 - f. Programmes of executive development

3. Transfers and promotions:

- a. Rationale of transfer
- b. Periodicity of transfer
- c. Promotion from within or outside the organization
- d. Seniority required for promotion
- e. Seniority rights

4. Compensation

- a. Job evaluation
- b. Minimum wage and salaries
- c. Method of wage payment
- d. Profit sharing and incentive plans
- e. Non- monetary reward
- f. Procedure for getting pay

5. Workers conditions

- a. Working hours
- b. Number and duration of rest intervals
- c. Overtime work
- d. Shift work
- e. Leave rules

6. Employee services and welfare

- a. Types of services- housing, transportation, medical facilities, group insurance, social security
- b. Financing of employee services
- c. Incentives to motivate

7. Industrial relations

- a. Handling of grievances
- b. Recognition of trade union
- c. Suggestions schemes
- d. Discipline
- e. Workers participation

CHAPTER III

HUMAN RESOURCE PLANNING

Human resource planning has been defined as “the process by which management determines how an organization should move from its current manpower position to its desired manpower position. Through it management strives to have the right number and the right kind of people at the right place, at the right time, doing things which results in both the organization, and individual receiving, maximum long range benefit”.

Objectives of Human Resource Planning

The main objectives of human resource planning are as follows

- 1 To ensure optimum use of existing human resources
- 2 To forecast future requirement for human resources
3. To link human resources planning with organizational planning
4. To assess the surplus and shortage of human resources.
- 5 To determine levels of recruitment and training
6. To provide a basis for management development programmes
- 7 To facilitate productivity bargaining`

Process of Human Resource Planning

- 1 **Analyzing organizational plans** First of all, the objectives and strategic plans of the company are analyzed. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organization's structure and job design should be made clear and changes in the organization's structure should be examined.
2. **Forecasting demand for human resources.** On the basis of corporate and functional plans, and future activity levels, the future needs for human resources in the organization are anticipated. The number of people and the skill levels needed in future depend on the production and sales

budgets in a manufacturing enterprise. It is necessary to make projections for new positions to be created and the vacancies arising in current manpower. Job analysis and forecasts of future activity levels help in human resource forecasting.

The techniques employed in manpower planning are

Managerial judgement

Work study method

Ratio trend analysis

Mathematical models

3. **Forecasting supply of human resources:** Every organization has two sources of supply of human resources – internal and external. Internally, human resources can be obtained for certain posts through promotions and transfers. Human resources flow in and out of organization due to several reasons. Policies relating to these aspects need to be reviewed regularly to judge their impact on the internal supply of human resources.

Problems of Human Resource Planning

The main problems in the process of human resource planning are

1. **Inaccuracy:** Human resource planning involves forecasting the demand for supply of human resources. Therefore, it cannot be cent percent accurate.
2. **Uncertainties:** Labor absenteeism, labour turnover, seasonal employment, technological changes are the uncertainties which serve as constraints to human resource planning.
3. **Inefficient information system:** In most of the Indian industries, human resource information system has not been fully developed. In the absence of reliable data, it is not possible to develop effective human resources plans.
4. **Time and expense:** Manpower planning is a time-consuming and expensive exercise. A good deal of time and cost are involved in data collection and forecasting.

CHAPTER IV

JOB ANALYSIS AND JOB DESIGN

Concept of job analysis

Job analysis is a formal and detailed study of jobs. It refers to a scientific and systematic analysis of job in order to obtain all pertinent facts about the job. Job analysis has been defined as “ the process of determining by observation and study the task which comprise the job, the methods and equipment used, and the skills and attitudes required for successful performance of the job.” Job analysis is essentially a process of collecting and analyzing data relating to a job.

Objectives of job analysis:

The main objectives of job analysis are

1. **Job redesign** A job may be analysed to simplify the process and methods involved in it. Such work simplification helps to improve productivity.
2. **Work standards:** In order to establish job and time standards, a job has to be analysed in detail. A systematic study of the job reveals the time that should be taken in performing the total task. Once the time requirements become known standards relating to daily performance can be established.
3. **Miscellaneous:** Job analysis provides support to other human resources activities such as recruitment, selection, training, performance appraisal, job evaluation, safety etc.,

Significance of job analysis

A comprehensive programme of job analysis is an essential element of sound human resource management. It provides valuable information for taking right decisions about the organizations human resources. A sound job analysis system has become critical as new jobs are being created and old jobs are being redesigned or eliminated. Most functions of human resource management can be carried out with the help of information generated by job analysis. The specific uses of job analysis are given below

1. **Organizational Design:** Job analysis is useful in classifying jobs and interrelationship among them. Responsibility commensurate with authority and accountability for various jobs can be specified so as to minimize duplication or overlapping. In order to improve organizational efficiency, sound decisions concerning hierarchical positions and functional differentiation can be taken on the basis of information obtained through job analysis.
2. **Human resource planning:** Job analysis provides useful information in forecasting manpower requirements in terms of knowledge and skills. It also helps in planning for promotions and transfers by indicating lateral and vertical relationships between different jobs. Job analysis helps in determining quality of human resources required in an organization. It also facilitates division of work.
3. **Recruitment and selection:** Information relating to the tasks, responsibilities, knowledge and skills serves as a realistic basis for hiring people. Job vacancy is advertised on the basis of job description and job specification. Job analysis provides understanding of what an employee is expected to do on the job. Such understanding serves as the basis for meaningful forecast of job performance.
4. **Training and development:** Job analysis provides valuable information required to identify training needs, to design training programmes and to evaluate training effectiveness. A clear idea of what is required on the job helps in deciding what is to be learnt and how. Similarly, employee development programme such as job rotation, job enlargement and job enrichment are based on analysis of job requirements.

The process of Job Analysis

The main steps involved in job analysis are as follows

1. **Organizational analysis:** first of all an overall view of various jobs in the organizations is obtained. This is required to judge the linkages between jobs and the organizational goals, interrelationships among jobs, and the contributions of various jobs to efficiency and

effectiveness of the organization. For this purpose, background information is collected in the form of organization charts, class specifications, work flow charts, etc., organization charts show the relation of the job with other job in the organization. Class specifications describe the general requirements of the job family Work flow charts indicate the flow of activities involved in the job.

2. **Organizing job analysis programme**: It is necessary to plan and organize the programme of job analysis. The company must decide who will be in charge of the programme and must assign responsibilities. A budget and a time schedule should be developed.
3. **Deciding the uses of job analysis information**: It has been stated above that information generated by the job analysis can be utilized for practically all function of human resource management Nevertheless, it is desirable to focus on a few priority areas in which the job analysis information is to be used These areas can be decided on the basis of the need, priorities, and constraints of the particular organization. How the job information will be used and for what purpose will determine the extent to which jobs are to be analysed.
4. **Selecting representative jobs for analysis**. It would be highly time consuming and costly to analyse all the jobs It is therefore desirable to select a representative sample of jobs for the purpose of detailed analysis Priorities of various jobs needing analysis can also be determined
5. **Understand job design**: The job analyst should obtain information concerning the current design of the representative job For this purpose, current job description and job specification, procedure manual, systems flow charts, etc. can be studied.
6. **Collection of data**. In this step, data on the characteristics of the job, and qualifications and behavior required to do the job effectively is collected Data may be collected from the employees who actually perform the job analysts appointed to watch employees performing the job. Several techniques are available for job analysis. Care should be taken to use only those techniques which are acceptable and reliable in the given situation.
7. **Developing a job description** The information collected in the previous step is used in preparing a job description This is a written

statement that describes in brief the tasks, duties and responsibilities which need to be discharged for effective job performance

- 8 **Preparing a job specification** The last step in job analysis is to prepare a job specification or employee specification. This is a written statement which specifies the personal attributes in terms of education, training, experience and aptitude required to perform the job.

Techniques of job analysis

A variety of sources and methods are used to collect data relating to a job. The main methods are given below:

1. **Job performance:** Under this method, the job analyst actually performs the job under study to obtain a firsthand experience of the actual tasks, physical and social demands and the environment of the job. This method can be used only for jobs where skill requirements are low and can, therefore, be learnt quickly and easily. This is a time-consuming method and is not appropriate for jobs requiring extensive training.
2. **Personal observation:** Here the analyst directly observes the worker or a group engaged in doing the job. The tasks performed, the pace at which activities are carried out, the working conditions, the hazards involved etc, are observed during the complete work cycle. The information thus obtained is recorded in a standard format. This method is appropriate for jobs which involve manual standardized and short job cycle activities. Draftsman, mechanic, weaver are example of such jobs. There are however, many aspects of involving mental process and unforeseen circumstances which cannot be directly observed. Such jobs do not have an easily observable and complete job cycles. Observation method can be effective only when the job analyst is skilled enough to know what to observe and how to analyses what is observed
3. **Interview** The analyst personally interviews the employee, his supervisor and other concerned persons and records answers to relevant question. A standard format is used to record the data so that the data collected from different employees can be compared to identify the common and critical aspects of the job. The interviewer uses standardized interview schedule and asks job related question in the

interview Interview is a widely used method particularly for jobs wherein direct observation or actual performance is not feasible.

4. **Questionnaire:** In this method, properly drafted questionnaires are set out to job holders. After completion these are returned to supervisors. As the data is often incoherent and disorganized it is discussed with the jobholders. After due correction, the same is submitted to the job analyst.
5. **Critical incidents:** In this method, jobholders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe. A fairly clear picture of actual job requirements can be obtained by distinguishing between effective and ineffective behaviours of workers on the job.
6. **Log records:** In this method, a diary or logbook is given to each jobholder. The jobholder daily records the duties performed making the time at which each task is started and finished. The record so maintained provides information about the job. This method is time-consuming. Moreover, it provides incomplete data because information concerning working conditions, equipment used and supervisory relationship is not available from the logbook.

Job Description

The data collected through job analysis provides the basis for preparing job descriptions and job specifications. Job description is a functional description of what the job entails. It is descriptive in nature and defines the purpose and scope of a job. Job description is a written record of the appropriate and authorized contents of a job. It is a factual and organized statement describing the job in terms of its title, location, tasks, and duties, responsibilities, working conditions, hazards and relationship with other jobs. It tells us what is to be done, how it is to be done and why. The main object of a job description is to differentiate it from other jobs and to set out its outer limits. Job descriptions are an important document as it helps to identify the job and gives a clear idea of what the job is.

Uses of job description

Job description is helpful in the following area of human resource management

- 1 Job grading and classification
- 2 Placement of new employees on a job
- 3 Orientation of new employees towards basic duties and responsibilities
4. Promotion and transfers
- 5 Defining and outlining career paths
6. Redressal of grievances relating to duties
- 7 Health and fatigue studies
8. Employee counseling and vocational guidance.

Content of job description

- 1 **Job identification** Job title, code number of the job, department or division where the job is located. This part of job description helps to identify and designate the job. It also reveals the relationship of the job with other jobs.
- 2 **Job summary:** it describes the content of a job in terms of the activities of tasks performed.
3. **Job duties and responsibilities.** it is the heart of job description It describes the duties performed along with frequency of each major duty Responsibilities concerning custody of money, supervision and training of staff, etc are also described in this part.
4. **Working conditions:** The physical environment of the job is described in terms of heat, light, noise level, dust and fumes etc.,
- 5 **Social environment:** Size of work group and inter personal interactions require to perform the job are given Training and development facilities may also be mentioned
6. **Machines, tools and equipment:** The names of major machines, equipment and materials used in the job are described.

7. **Supervision:** The extent of supervision given or received is stated in terms of number of persons to be supervised along with their jobs titles
- 8 **Relation to other jobs:** The job immediately below and above are mentioned. It provides an idea of vertical work flow and channels of promotion. It also indicates to whom the jobholders will report and who will report to him.

Job Specification

Job specification or employee specification is a statement of the minimum acceptable human qualities required for the proper performance of a job. It is a written record of the physical, mental, social, psychological and behavioral characteristics which a person should possess in order to perform the job effectively. All these characteristics may be classified into three categories.

- a. Essential attributes which a person must possess
- b. Desirable attributes which a person ought to possess
- c. Contra indicators which will become a handicap to successful job performance.

Job specifications tell what kind of a person is required for a given job. It serves as a guide in the recruitment and selection process. It is also helpful in training and appraisal of employees. Job specification is criticized on the ground that it involves a great deal of subjectivity. It is restrictive in nature as it restricts the development of an individual in the job. Organizations generally tend to specify highly qualified personnel end up doing routine jobs. Despite these problems, it is necessary to specify for every job the minimum acceptable human qualities.

Job Design

In recent decades, human resource managers have realized that what an employee actually does on the job has considerable influence on his productivity and job satisfaction. Job analysis helps in developing appropriate design of job to improve efficiency and satisfaction. Job design is the process of deciding on the contents of a job in terms of its duties and responsibilities.

On the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the jobholder and his superiors, subordinates and colleagues. It is a deliberate and systematic attempt to structure and technical and social aspects of work so as to improve technical efficiency and job satisfaction. Job design is an attempt to create a match between job requirements and human attributes. It involves both organizing the components of the job and the interaction patterns among the members of the work group.

Methods of Job Design

Some of the popular methods used to improve the motivating potential of jobs are

1. **Job rotation.** It implies the shifting of an employee from one job to another without any change in the jobs. The main advantage of job rotation is that it relieves the employee from the boredom and monotony of doing a single job. The employee gets some variety of work, workplace and the peers. Job rotation also helps to broaden the knowledge, and skills of an employee. Management gets employees who can perform a variety of tasks to meet contingencies.
2. **Job enlargement:** It is a process of increasing the scope of a job by adding more tasks to it. The related tasks are combined. The widened and more complex job is expected to satisfy the higher order needs of employees. Due to variety of tasks an employee gets the opportunity to make greater use of his mind and skill. Job enlargement reduces monotony and boredom by providing the employee a more complete or whole job to do. It helps to increase interest in work and efficiency.
3. **Job enrichment.** It involves designing a job in such a way that it provides the worker greater autonomy for planning and controlling his own performance. It is based on the assumption that in order to motivate employees, the job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth.

CHAPTER V

RECRUITMENT AND SELECTION

Meaning of recruitment

Recruitment is the process of searching for prospective employee and stimulating and encouraging them to apply for jobs in an organization. It is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures of attracting that manpower in adequate numbers to facilitate effective selection of efficient working force.

Process of Recruitment

The recruitment process consists of the following steps:

- Recruitment process generally begins when the human resource department receives requisitions for recruitment from any department of the company. The human resource requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications required from the candidate etc
- Locating and developing the sources of required number and type of employees
- Identifying the prospective employees with required characteristics.
- Communicating the information about the organization, the job and the terms and conditions of service
 - Encouraging the identified candidate to apply for jobs in the organization
- Evaluating the effectiveness of recruitment process

Sources of Recruitment

Various sources of recruitment may be classified into two broad categories, namely internal sources and external sources.

Internal sources internal sources consist of the following

- a **Present employees** – permanent, temporary and casual employees already on the pay of the organization are a good source. Vacancies may be filled up from such employees through promotions, transfers, upgrading and even demotion.
- b Retired and retrenched employees who want to return to the company may be rehired
- c Dependents and relatives of deceased and disabled employees.

External sources

External sources of recruitment lie outside the organization. These are as follows.

- a **Educational and training institutions:** various institutes like IIMs, IITs, engineering colleges, medical colleges and universities are good source for recruiting well qualified executives, engineers, medical staff. They provide facilities for campus interviews and placement. Good institutions have placement cell to serve as liaison between the employers and the students. This source is known as campus recruitment.
- b. **Employment exchange:** Government of India has established public employment exchanges throughout the country. These exchanges provide information about job vacancies to the job seekers and help employers in identifying suitable candidates.
- c **Casual callers:** Due to widespread unemployment in the country, many job seekers visit the offices of well-known companies on their own. Such callers are generally considered a nuisance to the daily work routine of the enterprise.
- d **Gate recruitment:** Unskilled workers may be recruited at the factory gate. In some industries, like jute, a large number of workers work as badli or substitute workers. These may be employed whenever a permanent worker is absent. More efficient among these badli workers may be recruited to fill permanent vacancies.
- e. **Employee referrals:** Office bearers of trade unions are often aware of the suitability of candidates, management can enquire these leaders for suitable jobs. In some organizations, there are formal agreements to give priority in recruitment to the candidates recommended by

trade unions Relatives and friends of employees are given priority in recruitment in some companies.

Techniques of Recruitment

Recruitment methods or techniques are the means by which an organization establishes contact with potential candidates, provides them necessary information and encourages them to apply for jobs. These methods are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are ways of establishing links with the prospective employees. Various methods employed for recruiting employees are,

1. **Direct methods** Under direct recruitment scouting, employee contacts, manned exhibits and waiting lists are used. In scouting, representatives of the organization are sent to educational and training institutions. These travelling recruiters exchange information with the students, clarify their doubts, stimulate them to apply for jobs.
2. **Indirect methods** Advertisement in newspapers, journals, on the radio and television are used to publicize vacancies. A well thought out and clear advertisement enable candidates to assess their suitability so that only those possessing the requisite qualifications will apply. This method is appropriate when the organization wants to reach out to a large target group scattered geographically.
3. **Third party methods** Various agencies can be used to recruit personnel public employment exchange, management consulting firm, professional societies, temporary help societies, trade unions, labour contractors are the main agencies. In addition, friends and relations of existing staff and deputation method can also be used.

Recruitment practices in India

Industries in India depend on the following sources of recruitment

1. Internal sources
- 11 Public employment exchanges

iii	Campus recruitment
iv	Executive search agencies
v	Labour contractors
vi	Employee referrals

Selection

Selection is the process of choosing the most suitable persons out of all the applicants. In this process, relevant information about applicants is collected through a series of steps so as to evaluate their suitability for the job to be filled. Selection is a process of matching the qualifications of applicants with the job requirements. It is a process of weeding out unsuitable candidates and finally identifies the most suitable candidate. Selection divides the entire applicant into two categories – a) suitable b) unsuitable. Selection may be described as a process of rejection because generally more candidates are turned away than are hired. Selection is different from recruitment. Selection is the process of choosing the best out of those recruited.

Steps in Selection Process

The selection process consists of a series of steps. At each stage, facts may come to light which may lead to the rejection of the applicant. It is a series of successive hurdles or barriers which an applicant must cross. These hurdles or screens are designed to eliminate an unqualified candidate at any point in the selection process. There is no standard selection procedure to be used in all organizations or for all jobs. The complexity of selection procedure increases with the level and responsibility of the position to be filled.

Steps involved in employee selection may be described as under:

- 1 **Preliminary interview** First of all, initial screening is done to weed out totally unqualified candidates at the outset. Preliminary interview is essentially a sorting process in which prospective candidates are given the necessary information about the nature of the job and the organization. Necessary information is also elicited from the candidate about their education, skills, salary expected etc., if the candidates are

found suitable, he is selected for further screening. Preliminary interview saves time and efforts of both the company and the candidate. It helps to determine whether it is worthwhile for a candidate to fill up the application form. Preliminary interview is the first contact of an individual with the organization. Therefore, the interviewers should be courteous, receptive and informal particularly when the candidate is being turned down.

2. **Application blank:** Application form is a traditional and widely used device for collecting information from candidates. Small firms design no application form and ask the candidates to write details about their age, marital status, education, work experience etc. on a plain sheet of paper. Generally application form contains
 - a. Identifying information – name, address, telephone number
 - b. Personal information – age, sex, place of birth, marital status
 - c. Physical characteristics – height, weight, eyesight
 - d. Family background
 - e. Education – academic, technical and professional
 - f. References
3. **Selection test** psychological tests are being increasingly used in employee selection. A test is a sample of some aspect of an individual's attitudes, behavior and performance. It also provides a systematic basis for comparing the behavior, performance and attitudes of two or more persons. Tests are based on the assumption that individuals differ in their job-related traits which can be measured. Tests help to reduce bias in selection by serving as a supplementary screening device. Tests are helpful in better matching of candidate and the job. Tests may also reveal qualifications which remain covered in application form and interview.
4. **Employment interview:** An interview is a conversation between two persons. In selection, it involves a personal, observational and face-to-face appraisal of candidates for employment. Interview is an essential element of selection and no selection procedure is complete without one or more personal interviews. The information collected through application and test can be cross-checked in the interview.
5. **Medical examination:** Applicants who have crossed the above stages are sent for a physical examination either to the company's physician.

or to a medical officer approved for the purpose. Such examination serves the following purposes

- a. It determines whether the candidates are physically fit to perform the job. Those who are physically unfit are rejected.
 - b. It reveals existing disabilities and provides a record of the employee's health at the time of selection. This record will help in setting company's liability under the Workmen Compensation Act for claim for an injury.
 - c. It prevents the employment who are otherwise suitable but require specific jobs due to physical handicaps and allergies
- 6 **Reference checks** The applicant is asked to mention in his application form, the names and addresses of two or more persons who know him well. These may be his previous employers, heads of educational institutions or public figures. The organization contacts them by mail or telephone. They are requested to provide their frank opinion about the candidate without incurring any liability. They are assured that all information supplied will be kept confidential.
- 7 **Final approval** In most of the organizations, selection process is carried out by the human resource department. The decisions of this department are recommendatory. The candidate short listed by the department is finally approved by the executives of the concerned department. Employment is offered in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions in brief. In some organizations, a contract of service on judicial paper is signed by both the candidate and the representative of the organization.

Selection testing (Psychological tests)

A psychological test is an objective and standardized measure of a sample of behavior from which inferences about future behavior and performance of the candidate are drawn. Psychological tests are being increasingly used in selecting employees. These tests provide a systematic procedure for sampling human behavior. Tests are also used in vocational guidance and counseling.

students seeking admission in educational institutions Tests can also be employed in decision concerning placement, promotion, transfer, counseling, and training of employees

Types of Tests

Tests may broadly be classified as follows.

1. ***Aptitude or potential ability tests:*** These tests measure the latent ability or potential of a candidate to learn a new job or skill Peculiarities or defects in a person's sensory or intellectual capacity can be detected through these tests These focus attention on a particular type of talent such as reasoning, learning, mechanical bend of work Such test are
 - a. Mental or intelligence test
 - b. Mechanical aptitude test
 - c. Psycho-motor test
2. ***Achievement or proficiency test*** These test measure what a person can do These determine the skill or knowledge already acquired through training and on the job experience These test are of two types:
 - a. Job knowledge tests
 - b. Work sample tests
3. ***Personality tests*** These are pen and paper test used to judge the psychological makeup of a person. These probes deeply to discover clues to an individual value system, emotional reactions and maturity, and his characteristic mood. These help in assessing a person's motivation and interests, his ability to adjust himself to the stress of everyday life These are three types
 - a. Objective tests
 - b. Projective tests
 - c. Situation tests
4. ***Interest tests:*** These tests are inventories of a candidates like and dislike in relation to work. These are used to discover a person's area of interest and to identify the kind of work that will satisfy him These are generally used for vocational guidance A well designed questionnaire is used to assess the likes and dislikes

Selection interview

Interview is face to face interaction between two persons for a particular purpose. It is widely used not only in employee selection but for placement, orientation, appraisal, disciplinary action, exit or separation, counseling and general problems. It is also employed to screen candidate for admission into institutes of higher learning.

Types of interview:

Interview may be classified into following categories:

1. *Informal interview*: Such interview may take place anywhere. It is not planned and is used when the staff is required urgently. When a candidate enquires about the vacancies after reading an advertisement, it is an informal interview.
2. *Formal interview*: This type of interview is preplanned and is held in a formal atmosphere. All the formalities and procedures and questions to be asked are decided in advance.
3. *Patterned or structured interview*: Such interview is fully planned to a high degree of accuracy and precision. It is based on the assumption that to be most effective every pertinent detail should be worked out in advance. Therefore, a list of questions to be asked is prepared and the questions are asked in a particular cycle.
4. *Non direct or unstructured interview*: In this interview, the candidate is allowed to speak his mind freely. The interviewer carefully and patiently listens, prodding whenever the candidate is silent. In other words, the format of the interview is unplanned and the interview is not directed by questions to be asked.
5. *Depth interview*: It is a semi structured approach wherein details concerning one key area are sought. It is designed to intensively examine the candidate's proficiency in his area of special interest. The purpose is to get a true picture of the candidate through deep probing into his mind. Experts in the concerned area of knowledge ask relevant questions so as to judge the candidate capabilities in the area.

6. *Group interview*: In this interview, groups rather than individuals are interviewed. Generally, a topic for discussion is given to the group. The candidates in the group are carefully observed as to who will lead the discussion, how well they will participate in the discussion, how each will make his presentation and how well they will react to each other's view. Such interview is based on the assumptions that behavior displayed in a group situation is related to potential success in the job.
7. *Stress interview*: The purpose of such interview is to find out how a candidate behaves in stressful situation. Stress interview is used for jobs wherein emotional balance or resistance to stress is required.
8. *Panel or board interview*: Such interview is conducted by a group of interviewers. It seeks to pool the collective wisdom and judgement of several interviewers. Questions are asked in turn or at random. The candidate may even be asked to meet the members of the panel individually for a fairly lengthy interview.

Steps in interview process.

An effective interview involves the following sequence

1. **Preparation for the interview** Advance preparation is essential for a successful interview. It will enable the interviewer to cover all important aspects and to remember the necessary points. The following arrangement should be made before the interview:
 - a. Determining the objectives of the interview
 - b. Choosing the appropriate type of interview
 - c. Acquainting oneself about the candidate
 - d. Determining the type of information to be obtained
 - e. Selecting the right interviewers
 - f. Selecting the candidates
 - g. Finalizing the interview assessment forms
2. **The physical setting** The place of interview should be both private and comfortable. It should be neat and clean, well-lighted and ventilated. It should be free from noise and interruptions. Adequate furniture and proper seating arrangements are necessary. The

interview should start at the fixed time and the candidate should not be required to wait unnecessarily

3. **Conducting the interview:** This step is the heart of the interview process. The activities involved in it are,
 - a. Establishing rapport with the candidate
 - b. Getting complete and accurate information
 - c. Recording the observations and impressions
4. **Closing the interview:** The close of the interview is as significant as its beginning. The interview is a trying situation for the candidate. Therefore, it should end with a happy note without any awkward or embarrassing situation. Before closing the interview, the candidate should be asked whether he wants to make any comment.
5. **Evaluation of results:** after interview is over, the interviewer should evaluate the candidates' suitability for the job. The evaluation is based on the observations, impressions and information collected during the interview.

CHAPTER VI

PLACEMENT, INDUCTION, TRANSFERS AND SEPERATION

Concept of placement

Placement is the process of assigning a specific job to each one the selection candidates. It involves assigning a specific rank and responsibility to an individual. It implies matching the requirements of a job with the qualification of a candidate. Placement is determination of the job to which an accepted candidate is to be assigned, and his assignment to that job. It is matching of what the supervisor has reason to think he can do with the job demands. It is matching of what he imposes in strain, working conditions, and what he offers in the form of payroll. Proper placement helps to increase employee morale.

Concept of induction or orientation

When a new employee joins an organization, he is completely a stranger to the people, work place and the work environment. Therefore, he is likely to feel insecure, shy and nervous. In the absence of information and support there is likely to be anxiety and fear in his mind. He may undergo reality shock caused by a gap between his expectations and real situation. Induction can help overcome these problems. Once an employee is selected and placed on an appropriate job, the process of familiarizing him with the job and organization begins.

Concept of transfer

A transfer refers to a horizontal or lateral movement of an employee from one job to another in the same organization without any significant change in status and pay. It has been defined as "A lateral shift causing movement of individual from one position to another usually without involving any marked change in duties, responsibilities, skill needed or compensation"

Transfer may be initiated either by the company or the employee. A company may initiate a transfer to place employees in positions where they are likely to be more effective. Similarly, employees may initiate transfers to location where they are likely to get greater satisfaction.

Concept of Promotion

Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary. It is the upward movement of an employee in the organization hierarchy, to another job commanding greater authority, higher status and better working conditions. When an employee is assigned a higher level job with more pay and powers, he is said to be promoted. Promotion may be temporary or permanent, depending upon the needs of the organization.

Demotion

Demotion implies the assignment of an employee to a job of lower rank with lower pay. It refers to downward movement of an employee in the organisational hierarchy with lower status and lower salary. Demotion is just the opposite of promotion. It is a downgrading process and a serious type of punishment. Demotion affects the status, career and income of the employee. It is insulting and causes emotional turmoil. Therefore, demotion should be used tactfully and only when it is absolutely necessary.

Separation

Separation of an employee takes place when his service agreement with the organization comes to an end and the employee leaves the organization. It may cover due to resignation, retirement, death, dismissal and layoff.

Types of separation:

- a. Resignation
- b. Retirement
- c. Layoff

Disciplinary Action

Any employee may be given appropriate disciplinary action by the supervisor or other authorized management representative. Types of disciplinary action include • Written Warning • Disciplinary Suspension Without Pay • Demotion • Dismissal. In compliance with the provisions of the Performance Management System, the supervisor shall provide appropriate support to review and encourage satisfactory job performance by employees within the work unit. The supervisor shall intervene fairly and timely to address incidents and cases of grossly inefficient job performance/unacceptable personal conduct and unsatisfactory job performance.

CHAPTER VII

PERFORMANCE APPRAISAL

According to flippo, “performance appraisal is the systematic, periodic and an impartial Rating of employee’s excellence in matters pertaining to his present job and his potential for a better job”

Methods of performance appraisal

1. Traditional methods
 - Confidential report
 - Free form or essay.
 - Straight ranking.
 - Paired comparisons.
 - Forced distribution.
 - Graphic rating scale
 - Checklist method
 - Group appraisal
 - Field review.
2. Modern methods
 - Assessment Centre
 - Human resource accounting
 - Behaviourally anchored rating scale.
 - Appraisal through MBO

Straight ranking method

In these techniques, the evaluator assigns relative ranks to all the employees in the same work unit doing the same job. Employees are ranked from the best to the poorest on the basis of overall performance. The ‘whole man is compared with the wholeman’ without analyzing performance The relative position of an employee is reflected in his numerical rank

For instance if five persons A,B,C,D and E are to be ranked the ranking may be as follows

Employee	Rank
----------	------

A	2
B	1
C	5
D	4
E	3

Straight ranking is one of the oldest and simplest method it is time saving and a comparative evaluation technique of appraisal. The limitations of this method are it involves bias and snap judgement because appraisal is not based on specifically defined measures of job-related performance. Ranking of individuals having varying behavior patterns or traits is difficult especially when large numbers of persons are to be ranked.

Paired comparisons method

This is a modified form of man to man ranking. Herein, each employee is compared with all the others in pairs one at a time. The number of times an employee is judged better than the others determines his rank. Comparison is made on the basis of overall performance. The number of comparisons to be made can be decided on the basis of the following formula:

$N(N-1)/2$, where N is the number of persons to be compared

	A	B	C	D	E	Final rank
A	-	-	-	+	+	3
B	+	-	-	+	+	2
C	+	+	-	+	+	1
D	-	-	-	-	+	4
E	-	-	-	-	-	5

Here plus sign implies the employee is considered better and minus sign means worse than the other employee in the pair. C gets the highest number of plus signs; therefore his rank is the highest and so on. Paired comparison

method is easier and simpler than the ranking method. But it is subjective because appraisal is not based on specific job related performance. Secondly, it becomes very cumbersome when the number of employees to be rated is large.

Forced distribution method

In these techniques the rater is required to distribute his ratings in the form of a normal frequency distribution. The purpose is to eliminate the rater's bias of central tendency. Here also ranking technique is used. This method is highly simple to understand and easy to apply. Secondly, it helps to reduce bias involved in straight ranking and paired comparisons. But in this method employees are placed in a certain category and not ranked within a category. The method is based on the questionable assumption that all groups of employees have the same distribution of good and poor performances. The rater does not explain why an employee is placed in a particular category. Specific job related performance criteria are not used in ratings. The rater may resent the restriction placed on his freedom of choice.

Graphic rating scales.

It is a numerical scale indicating different degrees of a particular trait. The rater is given a printed form for each employee to be rated. The form contains several characteristics relating to the personality and performance of employees. Intelligence, quality of work, leadership skills, judgement, etc. are some of these characteristics. The rater records his judgement on the employee's trait on the scale. The numerical points given to an employee are added up to find out his overall performance and standing in the group. Rating scales are of two types: continuous and discontinuous. In the continuous scale the degrees of a trait are measured in numbers ranging from 0 to 5, whereas in a discrete or discontinuous scale appropriate boxes or squares are used.

Checklist method

A checklist method is a list of statements that describe the characteristics and performance of employees on the job. The rater checks to indicate if the behavior of an employee is positive or negative to each statement. The

performance of an employee is rated on the basis of number of positive checks. There are three types of checklist that can be used 1 Simple checklist 2 Weighted checklist 3 Forced choice checklist. Wherein five statement are given for each trait, two most descriptive statement, two least descriptive statements and one neutral statement The rater is required to check one statement each from the most descriptive and least descriptive ones. The aim is to minimize the rater's personal bias

Simple checklist

- | | | |
|----|--|---------|
| 1 | Is the employee regular on the job | Yes /No |
| 2 | Is the employee respected by his subordinates | |
| | Yes/No | |
| 3. | Is the employee always willing to help his peers | |
| | Yes/No | |

Check list method is a descriptive technique and it provides concrete example of evaluation. But it is time consuming and expensive method

Critical incidents method.

In this method superior keeps written record of critical events and how different employees behaved during such vent The rating of an employee deepened on his positive/negative behavior during these events These critical incidents are identified after thorough study of the job and discussing with the staff For example a fire, a sudden breakdown of machinery, serious accident, etc may be identified as critical incidents for the working of a factory.

During machine breakdown.

Worker	Score	reaction
A	5	informed the supervisor immediately
B	4	Became anxious of loss of output

C	3	Tried to repair the machine
D	2	Complained of poor maintenance
E	1	Was happy to get forced rest

Critical incidents method helps to avoid vague impressions and general remarks as the rating is based on actual records of behavior/performance. The feedback from actual events can be discussed with the employee to allow improvements. The rater can fully defend his rating on the basis of his record. But this method suffers from several problems. First, it is very time consuming and cumbersome for the superior to maintain a written record for each employee during every major event. Secondly, quoting incidents after considerable time lapse may evoke negative emotion from employees. Thirdly, subjective judgment of superior is involved in deciding critical incidents and desirable response to an event. Fourthly, the superior may commit errors in recording behaviours of different employees during a short duration event. Sixthly, critical incidents occur infrequently and therefore, a continuous record of performance might not be available. Lastly, the employees are likely to become concerned with what the superior records rather than with daily job routine.

Group Appraisal method

This group consists of the immediate supervisor of the employee, other supervisors having close contact with the employee's work, head of the department and a personnel expert. The group determines the standards of performance for the job, measures actual performance of an employee, analyses the causes of poor performance and offers suggestions for improvements in future. The advantage of this method is that it is simple yet more thorough. Due to multiple evaluators personal bias is minimized. But it is a very time-consuming process.

Field review method

A training officer from the personnel department interviews line supervisors to evaluate their respective subordinates. The interviewer prepares in advance the questions to be asked. By answering these questions a supervisor gives his opinions about the level of performance of his subordinate, the subordinate's work progress, his strength and weaknesses, promotion potential etc. the evaluator takes detailed notes of the answers which are then approved by the concerned supervisor. These are then placed in the employee's personal service file.

Behavioural Anchored Rating Scale.(BARS)

This method combines graphic rating scales with critical incidents method. BARS are description of various degrees of behavior relating to specific performance dimensions. Critical areas of job performance and the most effective behavior for getting results are determined in advance. The rater records the observable job behavior of an employee and compares these observations with BARS. In this way an employee's actual job behavior is judged against the desired behavior.

Steps:

Identify critical incidents.

Select performance dimensions

Retranslate the incidents

Assign scales to incidents

Develop final instrument

Job Evaluation Method

1. Job ranking method.

This method involves ranking job according to the perceived overall market value of each job.

This method is suitable only when few jobs need to be evaluated and when one person is familiar with all of them. As the number of jobs increases, it becomes difficult for one person to know all of them well enough to create a meaningful rank order

Steps in this job ranking method.

- a Obtained job description
- b Grouping of jobs
- c Select compensable factors
- d Rank jobs
- e Combine rating

2 Job classification method.

This method first establishes job classes, referred to as pay grades and then groups job description with in these broader categories According to this method a pre- determined number of job groups or job classes are established and jobs are assigned to these classifications This place groups of jobs into job classes or job grades

The following is a brief description

Class-I-Executives

Class II- Skilled Employees

Class III- Semi-skilled employees.

Class IV -Semi - skilled employees

3 Factor Comparison Method

The factor comparison method is more scientific and complex than other methods Instead of ranking complete jobs, each job is ranked according to a series of factors

Steps in factors comparison method.

- 1 Identify a set of compensable factors which determine the worth of jobs
 - Skill
 - Responsibilities
 - Effort
 - Working conditions
- 2 Rank the chosen jobs under each factor of the job separately

3 Price the jobs and divide the total pay for each job into pay for each factor

4 Point Method

It involves using a system of point to assign value to jobs. It involves subjective judgments. Each factor is divided into levels or degrees which are then assigned points. Each job is rated using the job evaluation instrument. The point for each factor is summed up to form a total point score for the job. Jobs are then grouped by total point scores and assigned to wage/salary grade structure. So that similarly rated jobs should be placed in the same grade.

Management by objectives

It has been defined as “a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measure as guides for operating the unit and assessing the contributions of each of its members”

MBO Process

1. ***Set organizational goals.***

These goals defined in clear, precise and measurable terms. They should be challenging yet attainable. A thorough analysis of internal environment and external environment of the organization is made to set these goals.

2. ***Defining performance target***

The responsibilities of an employee may be decided on the basis of organization chart and job descriptions. Every subordinate writes down his own performance goals which are work related and career oriented. His manager also writes down the goal he think the subordinates should strive for. The two then discuss them, reach an agreement and put the agreed goals in writing. Thus, employees at all levels are actively involved in goal setting. Clear attainable goals help channel energies in the right direction and let the employee know the

basis on which he will be judged. The goals are periodically reviewed and revised to keep them flexible and up to date. Joint goal setting and joint action planning are essential element of appraisal through MBO.

3. Performance review.

Frequent performance review meeting between the managers and the subordinate are held. Initially monthly review may be used and then extended to quarterly reviews. In the review meeting progress is assessed weakness and constraints are identified and steps to be taken to improve performance are decided. Subordinates actively participate in this process. This leads to self-control by the employee

4. Feedback

After every performance review feedback on performance is communicated to the employee so that he can regulate and improve upon his own performance. On the basis of performance review rewards are decided. New goals and performance targets are determined for the next period

CHAPTER VIII

WAGE AND SALARY ADMINISTRATION

Employee compensation is a vital part of human resource management. Wage, salaries, and other forms of employee compensation constitute a very large component of operating costs. No organisation can expect to attract and retain qualified and motivated employees unless it pays them fair compensation. Employee compensation, therefore influences vitally the growth and profitability of the company.

Employee compensation may be classified in to three categories

- a. Base or primary compensation
- b. Supplementary compensation
- c. Incentive compensation

Compensation management

An employee total compensation consists of four components. The relative proportion of each component in the total compensation varies from firm to firm. The first and generally the largest component is base compensation which means the fixed pay an employee receives on a regular basis, either in the form of salary or as wage. The second component is allowances such as house rent allowances, dearness allowances, and city compensatory allowances. The third component is incentive pay designed to reward employees for good performance. The fourth component consists of benefits or indirect compensation or perquisites such as company accommodation, company car, paid holiday, club membership, stock options.

Issues in compensation management

The main challenges in designing a compensation system are a) To achieve the firm's strategic objectives. b) To mold it to the firm's unique characteristics and environment.

1. *Internal equity versus external equity*: Internal equity refers to the perceived fairness of the pay structure within a firm. External equity refers to the perceived fairness of pay relative to what other employees are paying for the same type of labour. Ideally a firm should try to establish both internal and external pay equities. In addition to balancing internal and external equity, many firms have to meet market rates and pay of which group will remain at or under market. This decision is generally based on each group's relative importance to the firm
2. *Fixed pay versus variable pay*: A firm can choose to pay a high proportion of total compensation in the form of basic pay or in the form of variable pay. Fixed pay reduces the risk of both employee and employer. But variable pay can be used advantageously in many cases. The relative proportion between fixed pay and variable pay should be decided keeping in view the requirements and circumstances of the particular organization.
3. *Performance versus membership*. Another choice is between performance and membership. A company emphasizes performance when a substantial portion of its employees pay is tied to individual or group contributions and the amount paid can vary significantly from one person or group to another. On the other hand, a company emphasizes membership when it pays same compensation to every employee. Employees receive a pay for logging in a prescribed number of days per month. The relative emphasis placed on performance and membership depends largely on the organization culture and the beliefs top managers.

Components of compensation

Monetary compensation package of employees generally consists of the following components

1. **Basic pay**: The primary part of pay package is basic pay. For blue collar workers basic wage may be based on work done but for white collar employees, supervisory staff and managers, basic salary is generally time bound. Basic pay is generally determined through job evaluation which is the process of systematically ascertaining the relative worth of a job. Pay

differentials between different jobs should be based on relative intrinsic worth of jobs. Demand for and supply of labour, prevailing wage rates, statutory requirements, ability to pay of employer etc are also considered in deciding the basic pay

- 2 **Allowances:** Several allowances are paid in addition to basic pay. Some of these allowances are
 - i. Dearness allowance
 - ii House Rent Allowance
 - iii. City Compensatory Allowance
 - iv. Transport Allowance
3. **Incentives.** Incentive compensation is performance linked remuneration paid with a view to inspire employees to work hard and do better. Both individual incentives and group incentives are used. Bonus, profit-sharing, commissions on sales are some examples of incentives compensation.
- 4 **Fridge benefits** Several types of benefits are paid particularly to senior managers. Provident funds, pensions, gratuity , encashment of earned leave, free loan, holiday homes, entertainment, stock option are examples of such benefits

Objectives of wage and salary administration

A sound wage and salary administration seeks to achieve the following objectives

1. *To establish a fair and equitable remuneration:* There should be internal and external equity in remuneration paid to employees Internal equity means similar pay for similar work. In other words, wage differentials between jobs should being proportion of differences in the worth of jobs External equity implies pay for a job should be equal to pay for a similar job in other organizations Payments based on job requirements, employee performance and industry levels minimize favoritism and inequities in pay
- 2 *To attract competent personnel* A sound wage and salary administration helps to attract qualified and hardworking people by ensuring an adequate payment for all jobs

3. *To retain the present employees:* by paying competitive levels, the company can retain its personnel. It can minimize the incidence of quitting and increase employee loyalty
4. *To improve productivity:* sound wage and salary administration helps to improve the motivation and morale of employees which in turn lead to higher productivity
5. *To control costs.* Through sound wage and salary administration labour and administrative costs can be kept in line with the ability of the company to pay. It facilitates administration an control of pay roll. The company can systematically plan and control labour costs

Essentials of sound wage and salary structure

The main requirements of sound structure of base compensation are as follows:

1. *Internal equity:* It implies a proper relationship between wage paid for different jobs within the company. Pay differentials should be related directly to differentials in job requirements. Fair pay differentials between job can be established with the help of job evaluation
2. *External competitiveness:* wage and salaries in the organization should be in line with wage and salaries for comparable jobs in other organizations. Otherwise the organizations may not be able to attract and retain competent personnel. Data relating to pay levels in other organizations can be collected through wage and salary survey. A salary survey reveals what other organizations pay for specific jobs and the basis for payment. Once the going rate prevailing in the region is known, the company can decide a higher or lower level for its employees without disturbing internal equity.
3. *Build in Incentive.* Wage or salary plan should contain a built in incentive so as to motivate employees to perform better. Such an incentive can be developed through performance based payment. A part of the total payment should be linked to individual or group performance. A sound performance appraisal system should be used to measure accurately and objectively the performance of individual employees.

4. *Link with productivity* Some part of the total pay should be linked to productivity. Such linkage is necessary because workers expect a share in productivity gains. This will also help to control labour costs.
5. *Maintain real wages* At least a part of the increase in the cost of living should be neutralized so as to protect the real wage of labour. Dearness allowances is used in India for this purpose.
6. *Increments*: compensation policy can be good motivator if pay increases are linked with merit. But annual increments should partly be linked to seniority or years of experience.

Methods of wage payment

Basically there are two methods of paying labour remuneration and other methods are combinations or modifications of these two. One is the time wage system and another is the piece wage system.

1. Time wage system

Under this system, wages are paid on the basis of time spent on the job irrespective of the amount of work done. The unit of time may be a day, a week, a fortnight, or a month. In the past, daily wages have been the most common basis and therefore it came to be known as 'day wage system'.

Advantages

- i. It is the simplest and oldest method.
- ii. It is easy to understand and workers can easily compute their own remuneration.
- iii. The plan is economical as no detailed records of output are required.
- iv. As there is no pressure to speed up production, the quality of work can be kept high.
- v. Unions prefer time wage as it does not differentiate between efficient and inefficient workers.

Disadvantages:

- i. The method provides no incentive for better performance as reward is not proportionate to effort.

- ii Guaranteed remuneration makes workers indifferent and complacent
- iii Calculation of labour cost per unit is difficult.
- iv Control over labour cost becomes difficult.

2. Piece wage system

Under this system, remuneration is based on the amount of work done or output of a worker. One unit of output is considered as one piece and a specific rate of wage is paid per piece. Greater a number of pieces produced by the worker, higher is his remuneration.

Advantages

- i. There is a direct relation between effort and reward.
- ii The method is just and fair to all
- iii. Management can distinguish between efficient and inefficient workers
- iv. Increase in productivity results in higher output.
- v. The cost of labour per unit of output can be easily calculated

Disadvantages

- i It is difficult to fix piece wage rates
- ii The earnings of workers are not stable and they may suffer due to temporary delays or difficulties.
- iii Employees may not stress quality so that rigid quality control becomes necessary

3. Balance or Debt method

This method is a combination of time and piece wage systems. The worker is guaranteed a time wage with an alternative piece rate. If the wages calculated at piece rate exceed the time rate, the worker gets credit. On the other hand, if time wages exceed piece wages, the worker is paid time wage and the deficit is carried forward as debt to be recon served in future.

The process of wage determination

The wage determination process consists of the following steps

- a. *Job analysis*. First of all the contents and requirements of a job are analysed. The data collected through job analysis is used to prepare job description and job specification. On the basis of these statements standards of job performance are laid down.
- b. *Job evaluation*: The relative value of every job is determined through job evaluation. The relative job value is then converted into money value so as to fix basic wage for job.
- c. *Wage survey*: Wage or salary surveys are conducted to find out wage levels prevailing in the region or industry for similar jobs. Other organizational problems such as recruitment policy, fringe benefits etc are also considered.
- d. *Wage administration rules*: Rules are required to determine the degree to which advance will be based on length of service rather than merit, the frequency with which pay based on length of service rather than merit.

Wage policy in India

The term wage policy refers to all systematic efforts of the Government in relation to a national wage and salary system. The policy lays down guidelines concerning the level and structure of wages.

The guiding principles of national wage policy are as follows

- a. Subserve the national objective of economic growth with social justice.
- b. Promote employment, productivity and capital formation
- c. Remove sectoral imbalances and wage differentials
- d. Promote price stability
- e. Avoid automatic double linkages

Pay structure in India consists of the following components

- a. Basic wage
- b. Dearness allowances
- c. Bonus and other incentives

d. Fringe benefits

Wage Incentives

Incentive wage refer to performance linked compensation paid to improve motivation and productivity of employees. It implies monetary inducements offered to employees to perform beyond acceptance standards. It is related directly or indirectly to productivity and profitability of the enterprise. Wage incentives include all the plans that provide extra pay for extra performance in addition to regular wages for the job. It is a formal system under which the earnings of a worker, a small group or a plant workforce are related partially or wholly to some measure of output.

Types of wage incentives plans

Wage incentive plans may be classified into two broad categories as follows

Individual incentive plans

Group incentive plans

Individual incentive plans

Under individual incentive plans, earnings are related directly to the performance of the individual worker. In case of group incentive schemes, earnings of a group are related to the performance of the group as a whole. In plant wide schemes, performance of the factory as whole is used as the basis for calculating earnings of workers

Individual incentive may be based on time or output. Under time based plans a standard time is determined and bonus is given if a worker completes the job in less than standard time. Under output based plans, a standards of output is determined and workers producing more than the standard output are given bonus. Various types of individual incentive plans are

Halsey plan

This plan was developed by F.A.Halsey Under this plan, a standard time is fixed on the basis of past performance records. A worker who completes his job within or more than the standard time is paid a guaranteed time wage A bonus of the time saved is paid to the worker who completes his job in less than the standard time. The bonus is calculated on the basis of time rate

$$\text{Total wages} = T \times R + 50\% (S - T) \times R$$

Rowan plan

This is a modified form of Halsey plan. Under it , a minimum time wage is guaranteed to every worker A standard time is determine in advance The bonus is that proportion of the wages which the time saved bears to the standard time.

$$\text{Total wages} = T \times R + (T \times R \times \text{time saved} / \text{standard time})$$

Emerson efficiency plan

This plan was developed by Harrington Emerson. Under this plan, standard time for the job is determined scientifically and a minimum time wage is guaranteed to all workers Bonus is given at an increasing percentage beyond the prescribed level of efficiency

Merrick's multiple piece rate plan

Under this plan, three graded pieces rates are prescribed Workers' producing less than 83% of the standard output are paid at a basic piece rate. Those producing from 83% to 100% of the standard output are paid 110% of the basic piece rate. Workers producing more than the standard output are paid 120% of the basic piece rate.

Gantt's task and bonus plan

This plan was developed by Henry L Gantt. Under it, standard time for every task is fixed through time and motion study. Minimum time wage is guaranteed to all workers. A workers who fails to complete the task within the standard time receives wages for actual time spent at the specified rate

Workers who achieve or exceed the standard get extra bonus varying between 20% to 50% of the hourly rate for the time allowed for the task.

Group incentive plans

In all the incentive wage plans given above, incentive is linked to individual performance. But in some cases, it is not possible to determine the performance of an individual worker. This is so because several workers are required to jointly perform a single operation. In such cases it is desirable to introduce a group incentive scheme.

CHAPTER IX

MOTIVATION

Definition

Motivation is the process of attempting to influence others to do your will through the possibility of gain or reward.” — Edwin B Flippo

Theories of Motivation

Maslow's hierarchy of needs

Content theory of human motivation includes both Abraham Maslow's hierarchy of needs and Herzberg's two-factor theory. Maslow's theory is one of the most widely discussed theories of motivation. Abraham Maslow believed that man is inherently good and argued that individuals possess a constantly growing inner drive that has great potential. The needs hierarchy system, devised by Maslow which is a commonly used scheme for classifying human motives

The American motivation psychologist Abraham H Maslow developed the hierarchy of needs consisting of five hierarchic classes. According to Maslow, people are motivated by unsatisfied needs. The needs, listed from basic (lowest-earliest) to most complex (highest-latest) are as follows:

- Physiology (hunger, thirst, sleep, etc.)
- Safety/Security/Shelter/Health
- Social/Love/Friendship
- Self-esteem/Recognition/Achievement
- Self actualization/achievement of full potential/can never be fully accomplished

The basic requirements build upon the first step in the pyramid physiology. If there are deficits on this level, all behavior will be oriented to satisfy this deficit. Essentially, if you have not slept or eaten adequately, you won't be interested in your self-esteem desires. Subsequently we have the second level, which awakens a need for security. After securing those two levels, the motives shift to the social sphere, the third level. Psychological requirements

comprise the fourth level, while the top of the hierarchy consists of self-realization and self-actualization

Marlow's hierarchy of needs theory can be summarized as follows

- Human beings have wants and desires which influence their behavior
Only unsatisfied needs influence behavior, satisfied needs do not
- Needs are arranged in order of importance to human life, from the basic to the complex
- The person advances to the next level of needs only after the lower level need is at least minimally satisfied.
- The further the progress up the hierarchy, the more individuality, humanness and psychological health a person will show.

Herzberg's two-factor theory

Frederick Herzberg's two-factor theory concludes that certain factors in the workplace result in job satisfaction, but if absent, they don't lead to dissatisfaction but no satisfaction. The factors that motivate people can change over their lifetime, but "respect for me as a person" is one of the top motivating factors at any stage of life.

He distinguished between:

- *Motivators* (e.g. challenging work, recognition, responsibility) which give positive satisfaction, and
- *Hygiene factors* (e.g. status, job security, salary and fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

Herzberg concluded that job satisfaction and dissatisfaction were the products of two separate factors: motivating factors (satisfiers) and hygiene factors (dissatisfiers). Some motivating factors (satisfiers) were: Achievement, recognition, work itself, responsibility, advancement, and growth. Some hygiene factors (dissatisfiers) were: company policy, supervision, working conditions, interpersonal relations, salary, status, job security, and personal life.

The name hygiene factors is used because, like hygiene, the presence will not improve health, but absence can cause health deterioration. Herzberg's theory has found application in such occupational fields as information systems and in studies of user satisfaction such as computer user satisfaction

Alderfer's ERG theory

Alderfer, expanding on Maslow's hierarchy of needs, created the *ERG*. This theory posits that there are three groups of core needs — existence, relatedness, and growth, hence the label: ERG theory. The existence group is concerned with providing our basic material existence requirements. They include the items that Maslow considered to be physiological and safety needs. The second group of needs are those of relatedness- the desire we have for maintaining important personal relationships. These social and status desires require interaction with others if they are to be satisfied, and they align with Maslow's social need and the external component of Maslow's esteem classification. Finally, Alderfer isolates growth needs as an intrinsic desire for personal development. Maslow's categories are broken down into many different parts and there are a lot of needs. The ERG categories are more broad and covers more than just certain areas. As a person grows, the existence, relatedness, and growth for all desires continue to grow. All these needs should be fulfilled to greater wholeness as a human being these include the intrinsic component from Maslow's esteem category and the characteristics included under self-actualization

Self-determination theory

This theory focuses on the degree to which an individual's behaviour is self-motivated and self-determined. SDT identifies three innate needs that, if satisfied, allow optimal function and growth: competence relatedness, and autonomy. These three psychological needs motivate the self to initiate specific behaviour and mental nutrients that are essential for psychological health and well-being. When these needs are satisfied, there are positive consequences, such as well-being and growth, leading people to be

motivated, productive and happy. When they are thwarted, people's motivation, productivity and happiness plummet.

There are three essential elements to the theory

- Humans are inherently proactive with their potential and mastering their inner forces (such as drive and emotions).
- Humans have an inherent tendency towards growth, development and integrated functioning.
- Optimal development and actions are inherent in humans but they do not happen automatically.

CHAPTER X

DISCIPLINE AND GRIEVANCE

Discipline means orderliness or the absence of disorder, chaos and confusion in human behavior and action. It occurs when employees behave in an orderly and responsible manner. Discipline may be considered as the force that prompts individuals or groups to observe rule, regulations, standards, and procedures deemed necessary for an organization.

Types of discipline

Discipline is broadly of two types – positive and negative

Positive discipline . It implies a sense of duty to observe the rules and regulations. It is also called self-discipline. It involves creation of an atmosphere in the organization where by employees willingly conform to the established rules and regulations. Generally discipline is thought of only in the negative sense but positive discipline is more effective. Positive discipline promotes cooperation and coordination with a minimum of formal organization.

Negative discipline: It is known as punitive or corrective discipline. Under it penalties or punishment are used to force workers to obey rules and regulations. The objective is ensure that employees do not violate the rules and regulations. Negative disciplinary action involves such techniques as fines, reprimand, demotion, layoff and transfers

Essentials of good disciplinary system

1. Knowledge of rules: Both the supervisor and the worker should clearly understand the rules and regulation of the organizations. For this purpose, the organization should develop a code or discipline in cooperation with the workers. This code should contain in writing the rules, regulations necessary to maintain discipline
- 2 Prompt action: All violations and misconducts should be promptly enquired into. When the penalty is imposed immediately after the misconduct, the officer identifies the punishment with the act he has committed

Sexual Harassment

The most difficult challenge which women employees face is sexual harassment. The Equal Employment Opportunity Commission (EEOC), USA defined sexual harassment as follows, "Sexual harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, colour, religion, gender, national origin or disability, or that of his or her relatives, friends or associates, and that.

- 1 Has the purpose or effect of creating an intimidating, hostile or offensive working environment,
- 2 Has the purpose or effect of unreasonably interfering with an individual's work performance; or
- 3 Otherwise adversely affects an individual's employment opportunities

To be more specific, it may include touching, remarks, looks, attitudes, jokes or the use of sexually explicit language. In certain industries like airlines sexual harassment is substantial

EEOC Definition of Sexual Harassment

Unwelcome sexual advances, requests for sexual favours, and verbal or physical conduct of a sexual nature that occur under any of the following situations

- 1 When submission to such conduct is made either explicitly or implicitly a term of condition of an individual's employment
- 2 When submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual.
- 3 When such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Major types of Sexual Harassment

Non-Verbal Sexual Harassment

(a)Gaping: Every time an employee looks up the same person is staring at them

(b)Inappropriate Facial Expressions: Those expressions that are distasteful, unprofessional and suggestive, such as winking, blowing kisses or suggestive licking of lips

©Inappropriate item/décor Items or décor that are denigrating ,such as sexual remarks on t-shirts caps ,cups and glasses, desk plaques and paper weights, hanging décor or calendars

Verbal Sexual Harassment

(a)Pet Names. Names like baby, honey, sweetheart, or hunk, belong only in your personal life, if you choose to use these diminutives

(b)Hearsay: Generating hearsay campaigns about a person's intimate and personal life, rumour and gossip are destructive to people and productivity

(c)Inappropriate sounds or comments: Hooting, kissing sounds, sounds of a vulgar nature, or comments of a sexual nature about figure or physique, looks, or dress.

(d)Steering Conversation Improperly Attempting to converse about sexual reference, fantasy or sex life, the steering conversations towards sexual subjects, directly or through innuendo

Sexual harassment is a serious issue that needs to be addressed promptly, thoroughly and fairly. The seriousness and complexity of the issue suggest that failure to pay attention to sexual harassment claims can be costly in terms of legal liability, reduced morale and a loss of respect among employees. The following steps may be taken to prevent sexual harassment

1. Develop a clear written policy describe what constitutes sexual harassment and making clear that is prohibited
2. Institute training programmes for all employees for handling the problem
3. Institute a clear process for filing and investigating sexual harassment complaints

4. Thoroughly investigate every sexual harassment complaint immediately.
5. Take corrective action
6. Follow upon corrective action to determine if it is working and to make sure that no retaliation has occurred.
7. Periodically survey current employees and people leaving the organization about sexual harassment
8. Assure commitment from the very top of the organizations to freeing the workplace of sexual harassment

Concept of IR:

Basically, IR sprouts out of employment relation. Hence, it is broader in meaning and wider in scope. IR is dynamic and developing socio-economic process. As such, there are as many as definitions of IR as the authors on the subject. Some important definitions of IR are produced here.

According to Dale Yoder', IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry”

Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees”

In the opinion of V. B. Singh “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern

industries which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers' and employers' organizations at the institutional level, and of the patterns of industrial organisation (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level".

Encyclopedia Britannica defined IR more elaborately as "The concept of industrial relations has been extended to denote the relations of the state with employers, workers, and other organisations. The subject, therefore, includes individual relations and joint consultation between employers and workers at their places of work, collective relations between employers and trade unions, and the part played by the State in regulating these relations".

Thus, IR can now safely be defined as a coin having two faces: co-operation and conflict. This relationship undergoes change from thesis to antithesis and then to synthesis. Thus, the relationship starting with co-operation soon changes into conflict and after its resolution again changes into cooperation. This changing process becomes a continuous feature in industrial system and makes IR concept as dynamic and evolving one.

Scope of IR:

Based on above definitions of IR, the scope of IR can easily be delineated as follows

- 1 Labour relations, i.e., relations between labour union and management.
2. Employer-employee relations i.e. relations between management and employees.
3. The role of various parties' viz., employers, employees, and state in maintaining industrial relations
- 4 The mechanism of handling conflicts between employers and employees, in case conflicts arise

The main aspects of industrial relations can be identified as follows:

1. Promotion and development of healthy labour — management relations
2. Maintenance of industrial peace and avoidance of industrial strife.
3. Development and growth of industrial democracy.

Objectives of IR:

The primary objective of industrial relations is to maintain and develop good and healthy relations between employees and employers or operatives and management. The same is sub-divided into other objectives.

Thus, the objectives of IR are designed to:

1. Establish and foster sound relationship between workers and management by safeguarding their interests.

2. Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.
3. Keep, as far as possible, strikes, lockouts and gheraos at bay by enhancing the economic status of workers.
- 4 Provide an opportunity to the workers to participate in management and decision making process.
5. Raise productivity in the organisation to curb the employee turnover and absenteeism.
6. Avoid unnecessary interference of the government, as far as possible and practicable, in the matters of relationship between workers and management.
7. Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions
8. Socialise industrial activity by involving the government participation as an employer

According to Krikaldy, industrial relations in a country are influenced, to a large extent, by the form of the political government it has. Therefore, the objectives of industrial relations are likely to change with change in the political government across the countries.

Accordingly, Kirkaldy has identified four objectives of industrial relations as listed below.

1. Improvement of economic conditions of workers
- 2 State control over industrial undertakings with a view to regulating production and promoting harmonious industrial relations
- 3 Socialisation and rationalisation of industries by making the state itself a major employer
- 4 Vesting of a proprietary interest of the workers in the industries in which they are employed

Features of IR

- Industrial relations are the relations between two parties connected with industrial / manufacturing activity, namely employer and employees. Such relations are the outcome of the employment relationship in Industry
- The concept of industrial relations is complex and multi- dimensional. It is also a dynamic and developing concept.
- In the olden days, industrial relations were cordial and peaceful. However, at present, they are not so due to increase in the number of industrial workers, growth of trade unions, growing demands of workers etc
- Industrial relations do not function in a vacuum The attitude and approaches of employers, employees and trade unions are directly related 'to, industrial relations.
- Industrial relations lead to “industrial peace” or “industrial unrest” Both terms are used in relation to industrial relations. Cordial industrial, relations bring industrial peace i e a period when industrial

- disputes, strikes, lock-outs, etc are absent and production activity is being conducted in a regular and continuous manner
- Cordial industrial relations are always beneficial to all concerned parties whereas absences of such relations are harmful to all parties and even to the national economy

Workers Participation in Management

Worker Participation And Employee Involvement It is important at the outset to separate several issues relating to participation, communication and consultation: the principle of communication, the methods or means to give effect to this principle, and whether the principle and/or means should be enshrined in legislation, or should be the subject of bipartite negotiation, or should be at the employer's initiative. There can hardly be any debate on the principle i.e the value and need for consultation and communication in an age when it is accepted that information sharing and consultation are important to enterprise performance, productivity and employee motivation. Effective corporate strategies can no longer be developed by top management without information inputs from, and relying on the knowledge of, frontline employees. Indeed, communication skills is today an essential attribute of leadership i Employees at all levels are acquiring higher educational qualifications and skills. As such, they will be less amenable to management through control and commands, and will instead respond better to more participative forms of management ii Quality and productivity tend to increase when employees are more involved in arriving at decisions at the point of production. iii For effective decision making in modern enterprises there should be an information flow and analysis of data and information. iv Work today requires and involves more interpersonal skills, greater coordination among workers and sharing of information. v. Enterprises (and economies) which have moved beyond the stage of routine high volume production to more value added and knowledge-based activities need to promote increased innovation, creativity and better application of knowledge, all of which require worker involvement. vi Participation is a great motivational tool because it gives people a degree of control, recognizes personal worth, and provides scope for personal growth. These are in themselves intrinsic rewards which flow from the performance of a job within a participatory environment. When participation extends to setting

goals and objectives, it enhances commitment to achieving them. Communication and consultation mechanisms, and quality of worklife programmes referred to below, are all aspects of employee involvement.

Emerging Trends in HRM

1. **Globalization:** Growing internationalization of business has a significant impact on HRM. The functions of hiring, training, compensation, maintenance and so on acquire global perspective. Globalization requires new skills and therefore managerial training becomes a critical process. Preparing managers for international postings is a challenge.
2. **Corporate Restructuring:** Reorganizations resulting from acquisitions, mergers and divestiture have a significant bearing on organizational levels. Change takes place in status, career, progress and corporate culture. The pace of mergers and acquisitions is likely to accelerate in future. Internal restructuring is also gaining momentum as corporate down size and flatten themselves to meet increasing competition from multinationals.
3. **Changing Workforce:** The percentage of women and minorities is increasing. Steady increase in the number of white collar employees and increasing educational level are other demographic changes in workforce. The emergence of dual career couples reduces individual flexibility in accepting assignments and may hinder organizational flexibility in acquiring and developing talent.
4. **Growing Employee Expectations:** Employee expectations and attitudes are changing. Managing human relations is becoming increasingly difficult as rules and regulations are not being accepted unquestioningly.
5. **New Technology:** Electronic and Telecommunication revolution will lead to many innovations in human resource management. One possibility is home office. Employees lose freedom and privacy. With technological progress, the nature of jobs and skills requirement is changing. Multitasking and multi-skilling are becoming necessary. Computerized information systems are simplifying administrative work.

6. **Proactive Industrial Relations Strategy** Trade unions and workers now realize that strikes and militancy have lost their relevance. Trade unions will now have to compete with employers for worker's loyalty. A proactive strategy towards industrial relations is needed.
7. **Ethics at the Workplace:** The biggest challenge before the HRM is to make all employees contribute to organizational success in an ethical and socially responsible manner. HRM must protect the interest of weaker sections. Job discrimination and sexual harassment are emerging as key issues. Affirmative action is needed to deal with them.

CHAPTER XI

Organizational Behaviour

An understanding of the ways in which people behave in organizations is very important for all those who wish to become an effective and efficient manager today and tomorrow. This knowledge is a pre-requisite for them to be able to learn, understand and effectively apply the basic principles of human and organizational behavior at the place of work. In other words, all aspects of business or organization management are governed by a basic understanding of the principles which control human behavior, both at the individual level and also in terms of the prescribed, directed, organized and desired-at the organization level. Since organizational behavior as a discipline plays a vital role in this age of superior technological advancement and tremendous uncertainty, in this chapter we have tried to briefly explain the significances of this discipline.

Organizations are created on the basis that more can be achieved when people work in harmony for a specific (or stated) purpose than by individuals acting alone. It is required to work more effectively and efficiently towards fulfilling a given set of wants or needs with the help of physical and human resources. In a simple way, Organizational Behaviour can be said to be the study involving the ability to see and understand the behavior of individuals in organizations in order to address organizational and behavioural issues and find solutions for them.

Organizational Behaviour (OB) is defined as a field of study that investigates the impact that individuals, groups and structures have on behavior within organizations for the purpose of applying such knowledge towards improving an organization's effectiveness. (Stephen P. Robbins).

OB can be said to be a distinct field of the study, an area of expertise with a common body of knowledge. OB is essentially concerned with observing what to do in an organization and how an individual's behavior will affect the organization's performance.

Contributing Disciplines

Organizational Behaviour uses an applied behavioural science approach and is based on views and contribution from various behavioural disciplines such as Psychology, Sociology, Social Psychology, Anthropology, Political Science and other disciplines such as Economics, Ethics, Mathematics and Statistics.

Psychology is concerned with the study and understanding of human personality and behavior, the traits, characteristics, perceptions, personality, attitudes, values, beliefs and motives of individuals. More recently industrial and organizational psychologists are actively involved in helping organizations to understand the various factors such as learning, perception, emotions, training, leadership, motives, job design, stress at work etc , can affect the individual's performance at work

Sociology is the study of people as a part of the social system especially in relation to other human beings. Sociologists while contributing to OB, have tried to understand the influence and role of group dynamics especially in formal and complex organizations.

Social Psychology is the discipline that borrows a bit from both Psychology and Sociology They are interested in areas related to measuring, understanding and change of attitudes, building healthy communication, power and conflict on group behavior.

Anthropology is related to the study of larger groups, nations and cultures, global beliefs, customs, ideas and values and the wider process of socialization involving religious activities, caste system etc

Political Science As the term itself indicates, this discipline is mainly concerned with the structuring of conflict and usage of power by people for self interest in organizations.

Economics: This study involves the use and distribution of world's resources in the most optimum manner for the pursuit of the organization's goal and objectives

Ethics refers to the establishment of absolute standards with regard to interpersonal relationships and interactions especially in terms of honesty, integrity, probity, value, esteem and respect

Mathematics and Statics: This discipline involves the necessity of using absolutes and facts with reference to particular situations so as to draw logical and demonstrable conclusions from bodies of knowledge and research.

Challenges

The contemporary Indian Business is characterized by two major features. Liberalization of economy and Globalization of economy.

Liberalization of economy has paved the way for free economy in which one can do what one wants. This has resulted in fears, business competition and business organizations have been forced to change their working styles to face this competition. This change is creating a lot of behavioural problems which managers have to solve.

Another aspect of contemporary business is Globalization. This has not only affected Indian business organizations but organizations throughout the world have been affected. Globalization has raised two types of behavioural problems –

First – when a manager of Indian origin goes abroad, he has to manage a workforce which is quite different from the workforce that he was managing. Such differences may not be only in terms of languages & living habits but there may be differences in terms of aspirations, needs, attitudes, way of working etc. It implies that earlier strategy of tackling behavioural issues may not be effective. This has to be changed according to the new situation.

Second – when a manager joins a multinational company operating in India, he finds himself in totally different work culture. In this situation the manager has to change himself to fit with the new situation.

In the light of this economic liberalization & globalization, we can identify the behavioural challenges and opportunities that managers have in managing organizations. These challenges and opportunities are as follows:

1. Cross cultural dynamics
2. Mergers and Acquisitions
3. Changing workforce profile
4. Workforce diversity
5. Increasing quality consciousness
6. Newer Organizational designs
7. Ethical issues in organizational behavior

1. Cross Cultural Dynamics

Cross cultural dynamics implies that people of different cultures have different behavioural patterns. On the basis of various researches, it has been concluded that management practices are culture bound and no single management practice is suitable to all cultures.

Culture – Culture is a set of beliefs, attitudes and values that are shared commonly by the members of that society. Since different countries may have different cultures, people of different countries may have different behavioural patterns. Cultural diversity exists on five dimensions –

Individualism versus Collectivism, Power Distance, Uncertainty Avoidance, Masculinity versus Femininity and Time Orientation

Let us see how these dimensions affect human behaviour and consequently work practices

a. Individualism versus Collectivism – People differ in terms of individualism and collectivism. Individualism is the extent to which people place value on themselves, they define themselves by referring themselves as singular persons rather than as part of a group or organizations. Collectivism is the extent to which people emphasize the good of the group or society.

b. Power Distance: Power distance is also known as orientation to authority, is the extent to which less powerful people accept the unequal distribution of power, people prefer to be in a where the authority is clearly understood and lines of authority are never bypassed.

c. Uncertainty Avoidance: Uncertainty avoidance, also known as preference for stability, is the extent to which people feel threatened by unknown situations and prefer to be in clear and unambiguous situations.

d. Masculinity versus Femininity: Masculinity or Femininity, also known as degree of assertiveness or materialism, is the extent to which the dominant value in a society emphasizes aggressiveness and the acquisition of money and material goods, rather than concern for people and overall quality of life

e. Time Orientation: Time orientation dimension divides people into two categories, long-term orientation and short-time orientation. People having long-term orientation focus on future, prefer to work on projects having a distant payoff, and have persistence and thrift. People having short-term orientation are more oriented towards past and present and have respect for traditions and social obligations

2. Mergers and Acquisitions

Every organization strives for growth which may come either through grassroots projects or mergers and acquisitions. Grassroot projects have the limitations of gestation period while mergers and acquisitions provide quick entry in the market. While mergers and acquisitions have business sense as they result in synergistic effect, they create the challenge of integrating acquiring and acquired companies. In the absence of proper integration between the two, merger and acquisitions efforts are likely to nullify which have been by various cases of mergers and acquisitions

People Attrition

In many cases of mergers and acquisitions, rate of people attrition is very high. This happens in those cases where the work culture of acquiring company is not perceived to be positive as compared to that of acquired company. If key personnel of the acquired company leave it, the merger and acquisition becomes meaningless. This problem is similar in industrial companies as well as in knowledge –based companies

3. Changing Workforce Profile

Over the period of time, there has been a tremendous change in Indian workforce profile.

Earlier our work force was considered to be illiterate and all relevant activities used to be geared to meet job demand and expectations based on that illiteracy. Now the situation has completely transformed. Today, workforce is more educated, skill oriented, comparatively younger and has high expectations.

4. Workforce Diversity

Because of environmental changes, workforce diversity has increased over the period of time. This is expected to increase further in future. Workforce diversity has important implications for management practices. Managers have to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in ways that ensure employees greater productivity while at the same time, not discriminating.

5. Increasing Quality Consciousness

With the increased competition at the global level and discerning customers, more and more organizations are becoming conscious about the quality of their products/services. Quality is a sense of appreciation that something is better than something else. From an operational point of view, quality means focusing on the creation of increasing better products/services at progressively more competitive prices.

6. Newer Organizational Design

To cope up with the requirements of a fast-changing environment, newer organizational designs have emerged. Organizational designs, today, are not based on the classical approach of division of labour, departmentation, authority-responsibility parity, and hierarchical levels. Their places have been taken by flexible and dynamic organizational designs.

7. Ethical Issues in Organizational Behaviour.

Ethical issues in managing organizations have been accorded high priority by many forward looking organizations since long. However, these issues have received added importance because of emergence of corporate governance in management throughout the world including India. The implications of ethics are that only right actions should be taken and wrong actions should be avoided.

CHAPTER XII

PERSONALITY

Personality factors are extremely important in organizational setting. While perception, learning motivation, etc deal with some specific aspects of human behavior, personality takes the whole man concept because it affects the various psychological processes. Therefore it is better to consider the individual aspects of a person's make-up as bricks and personality as the whole house built of bricks, but held together with cement.

The term personality has been derived from Latin word 'persona' which means 'to speak through'. This Latin term denotes the mask which the actors used to wear in ancient Greece and Rome.

Maddi has defined personality as follows: "Personality is a set of characteristics and tendencies that determine those commonalities and differences in the behavior (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment"

Determinants of Personality

McClelland has categorized these factors into four fundamental theories-traits (acquired propensity to respond), schema (beliefs, frame of references, major orientations, ideas, and values), motives (inner drives), and self-schema (observation of one's own behavior). However for the purpose of analysis, these can be classified into four broad categories.

- 1 Biological factors
- 2 Family and Social factors
- 3 Cultural factors, and
- 4 Situational factors

1. Biological factors

The general characteristics of human biological system influence the way in which human being tends to sense external event data ,interpret, and respond to them.The study of the biological contribution to personality can be divided into three major categories- Heredity,Brain, and Physical features.

a.Heredity

Heredity is the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Heredity predisposes to certain physical, mental, and emotional states It has been established through research on animals that physical and psychological characteristics can be transmitted through hereditary

b. Brain

The second biological factor is brain which is supposed to play role in shaping personality Depending on the structure of the brain, an individual's personality develops

c. Physical Features

The third biological factor determining personality formation is physical characteristics and rate of maturation An individual's external appearance, which is biologically determined, is an important ingredient of personality .Similarly, the rate of physical maturation also affects personality because persons of varying maturity are exposed to different physical and social situations and activities differently.

2. Family and Social Factors

The development of the individual proceeds under the influence of many socializing forces and agencies, from nuclear family to more distant or global groupings Family and social groups have most

significant impact on personality development. These groups have their impact through socialization and identification processes.

Socialization process starts with initial contact between mother and her new infant. Later on, other members of the family and social groups influence the socialization process. Socialization and identification is influenced by home environment, family members and social groups

a. Home Environment

Total home environment is a critical factor in personality development. The key variable is not the parents per se but rather the types of environment that is generated for the child.

b. Family Members.

Parents and other family members have strong influence on the personality development of child. Parents have more effect on the personality development as compared to other members of the family.

c. Social Groups.

Besides a person's home environment and family members, there are other influences arising from the social placement of the family as the person is exposed to agencies outside the home.

3. Cultural Factors.

Culture is the underlying determinant of human decision making. It generally determines attitude towards independence, aggression, competition and cooperation. Each culture expects and trains its members to behave in the ways that are acceptable to the groups. Despite the importance of cultural contribution to the personality, a linear relationship cannot be established between personality and a given culture. One problem stems from the existence of numerous subcultures within a given

culture. Thus, workers are not influenced by the same culture as managers are

4. Situational Factors

Apart from the biological, sociological, and cultural factors, situational factors also determine personality development. The S-O-B-C model of human behavior considers the situations under which the behavior is occurring. Milgram's research study suggests that very powerful role the situation may play in human personality. On the basis of this research study, he states that a situation exerts an important pressure on the individual. It exercise constraints or provide push. In certain circumstances, it is not so much the kind of person a man is, as the kind of situation in which he is placed, that determines his actions.

CHAPTER XIII

PERCEPTION

Perception is the process through which an individual organizes and interprets his sensory impressions to give meaning to his environment. Based on this definition, we may derive the following features of perception

1 Perception is an intellectual process through which an individual selects the data from the environment, organizes it and obtains meaning from it. The physical process of obtaining data from environment is known as sensation.

2 Perception is the basic cognitive or psychological process. The manner in which an individual perceives the environment affects his behaviour. Thus people's actions, emotions, thoughts, or feelings are triggered by the perception of their surroundings.

3. Perception being an intellectual and psychological process becomes a subjective process and different people may perceive the same environmental event differently based on what particular aspects of the situation they choose to absorb, how they organize this information, and the manner in which they interpret it, to obtain the grasp of the situation. There are two types of perception based on the type of stimuli processed- internal and external. Internal perception (proprioception) tells us what is going on in our sense whether we are hungry, tired or similar such phenomena. External perception (exteroception) tells us about the environment beyond our bodies. By using our sense of sight, hearing, touching, etc., we perceive our environment. In organizational behaviour, external

Sensation and Perception

The distinction between sensation and perception is that the sensation refers to the action by a receptor when it is stimulated and perception refers to the

meaning based on these observations, distinction between sensation and perception may be made follows

1 Sensation is a simple mental process whereas perception is comparatively a complex mental process Perception is a complex process because it is affected by a number of variables.

2. By sensation the person just becomes cautious of the quality of stimulus; he just becomes aware of the stimulus like colour, form, shape, smell etc. and by perception, he derives meaning of the stimulus

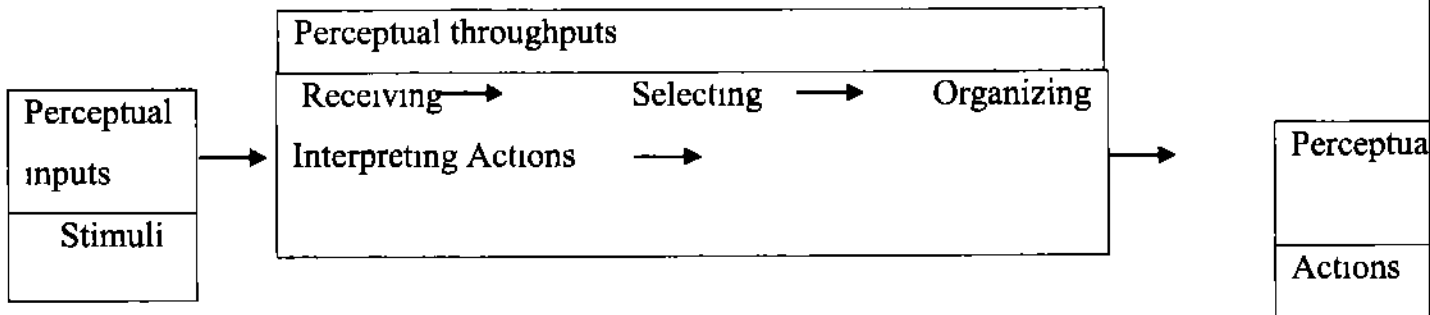
3 The person is comparatively inactive In sensation whereas he becomes more active in perception because he tries to know the meaning of sensation in this process.

4. Sensation may be considered as a part of perception because the former is the first stage of the latter. The first experience of stimulation is sensation, and the process related to the distinct knowledge of stimulus is perception Only our organs and nerves are active in sensation but all our body becomes active in perception.

PERCEPTUAL PROCESS

Perception is a process consisting of several subprocesses. We can take an input-throughput output approach to understand the dynamics of the perceptual process This approach emphasizes that there is input which is processed and gives output The stimuli in the environment-objects, events, or people-can be considered as the perceptual inputs The actual transformation of these inputs through the perceptual mechanism of selection, organization, and interpretation can be treated as the throughputs and the resultant opinions, feelings, attitudes, etc which ultimately influence our

behaviour, can be viewed as the perceptual outputs. This Simplified process of perception is presented in Figure :



Simplified process of perception

Perceptual Inputs

Strictly speaking, perceptual inputs in the form of stimuli are not the part of actual perceptual process though these are necessary for the occurrence of perception. Stimuli may be in the form of objects, events, or people. Thus, everything in the setting where events occur, or which contributes to the occurrence of events, can be termed as perceptual input. Further, the characteristics of stimuli are important as these affect the extent to which the perceiver is attracted to these which affects the selection of stimuli for perception along with other variables, affecting selection of stimuli like perceiver's characteristics and situational variables. When the perceiver interacts with a stimulus, sensation takes place, which we have seen earlier, and starts perceptual process.

Perceptual Mechanism

Perceptual mechanism involves three elements-selections of stimuli, organization of stimuli, and interpretation of stimuli.

Selection of Stimuli: After receiving the stimuli from the environment, some are selected for further processing while others are screened out because it is not possible for a person to select all stimuli which he sees in the environment. There are two types of factors which affect selection of stimuli. These are external and related to stimuli and internal related to the perceiver. These external and internal factors are of several types. We shall discuss these factors and their impact on the selection of stimuli in the subsequent section of this chapter dealing with perceptual selectivity.

Organization of Stimuli: After the stimuli are received, these are organized in some form in order to make sense out of that. The various forms of organizing stimuli are figure-ground, grouping, Simplification, and closure. We shall discuss the impact of these factors on perception in the section that follows perceptual selection.

Interpretation of Stimuli: The perceptual inputs that have been organized will have to be interpreted by the perceiver so that he can sense and extract some meaning of what is going on in the situation. People interpret the meaning of what they have selectively perceived and organized in terms of their own assumptions of people, things, and situations. They also become judgmental as well and tend to interpret the things as good/bad, beautiful/ugly, and so on which are quite relative terms. In such a process, there are chances of misinterpretation. Interpretation of stimuli is affected by characteristics of stimuli, situations under which perception takes place, and characteristics of the perceiver. These factors also affect the total perceptual process.

Perceptual Outputs

Based on perceptual mechanism which ends with interpretation of stimuli, perceptual outputs emerge. These outputs may be in the form of covert actions like development of attitudes, opinions, beliefs, impression about the stimuli under consideration. These outputs along with other factors affecting human behaviour may result in overt behaviour. For overt behaviour to occur, perception is not the sole decider though it is important. For example, when a person sees an advertisement of a product (stimulus), he may perceive that the product is good. This perception, however, may not be enough for the person to buy the product (overt behaviour). The actual buying may depend on the availability of the product, perceiver's need for product, and his propensity and capacity to spend money for buying the product is noticed more as compared to a soft sound, weak odor or dim light.

Distortions

Person perception is a more complex process as compared to object perception because of involvement of many factors. Some of these factors lie in the perceiver himself while some factors lie in the person being perceived and the situation under which the perception takes place. With the result, *distortion in person perception*, a phenomenon of misperception, occurs. Thus, the factors which lead to distortion in person perception may be grouped into three categories:

1. Factors in perceiver
2. Factors In perceived
3. Situational factors

1. Factors in Perceiver

Depending on the perceiver's characteristics, he follows attribution and shortcuts in perception in the form of first impression, halo effect, and stereotyping. These attribution and shortcuts result in distortion in perception.

Personality: Personality influences perception because of two reasons.

First, the perceiver tries to project his personality traits in others. This process is known as *projection*. For example, if a person is highly achievement-oriented (a personality trait), he tends to treat others as highly achievement-oriented though this might not be true. *Second*, the perceiver tends to find in a person what he expects to find. This is known as *self-fulfilling prophesy*. It is based on the maxim 'what we perceive is governed by what we expect or believe to be present'. Thus, the perceiver tries to fit his beliefs, attitudes, expectations, etc to reality. Based on the research evidences the following conclusions about relationship between personality and perception have been drawn

1. Secure people perceive others as warm individuals, rather as cold and indifferent people.
2. Thoughtful individuals do not perceive situation in terms of 'black and white' but understand that there can be different shades of gray. Hence, they do not make judgments based on single piece of evidence.
3. Self-accepting people perceive others as liking and accepting them. Those who are not self-accepting tend to distrust others.
4. People tend to perceive others more accurately when they are more like the ones that they are perceiving. Than if they are different from those who are being perceived

Attribution

In general, attribution means assigning cause to an event. In the case of person perception, it is the act of assigning cause to 'why a person has behaved in a particular way'. Based on this in theme, attribution theory has been developed which aids in perceptual interpretation by focusing on how

people attempt to (1) understand the causes of an event. (2) assess responsibility for the outcomes of the event and (3) evaluate the personal qualities of the people in the event. In applying attribution theory, we are specially concerned with whether a person's behaviour is internally caused or externally caused because internal causes are under the control of the person while external causes are beyond his control

First Impression

It is very common that people evaluate others on the basis of first impression. A first impression consists of the first few seconds of an encounter in which an individual forms an opinion, positive or negative about another. Sometimes, this initial opinion lasts forever. The evaluation based on first impression may be correct if it is based on adequate and significant evidence. However, since first impression evaluation is not based on adequate information, it may not be true reflection of people being perceived. Even in such cases, people continue to evaluate on the basis of first impression though incorrect. This can be corrected by more frequent interaction, though erasing of first impression evaluation is not that easy.

Halo Effect

Halo effect takes place when a perceiver perceives another person's total qualities by perceiving only his few qualities or even a single quality. If the qualities actually perceived by the perceiver are outstanding, he tends to perceive the target person's all qualities as outstanding. Alternatively, if the target's actually perceived qualities have been rated as poor, his other qualities which have not been evaluated will be treated as poor. This happens because of human tendency of evaluating whole by evaluating only a small sample from it. In the case of non-living objects, this may be true as it is done consciously. However, in the case of person perception, this process takes place subconsciously.

Stereotyping

Stereotyping occurs when the perceiver judges or perceives a person on the basis of characteristics of the group to which he belongs. The person is not perceived as an individual with specific set of his characteristics but on the basis of his group characteristics. We have seen earlier that the perceiver groups the stimuli on the basis of similarity and proximity to draw inferences. These similar stimuli are then perceived as having some common characteristics though many of them might have different characteristics. Similarity of stimuli helps in perception but it also leads to distortion in perception. For example there are certain stereotyping at the international level like "the Italians are quick-tempered. Chinese are

2. FACTORS IN PERSON PERCEIVED

Besides the factors associated with the perceiver, there are certain factors associated with the person perceived which also cause distortion in perception. Two such factors are more common: status of the person and visibility of his traits.

Status:

Status is a relative ranking of a person *vis-a-vis* others. The ranking may be based on one or more of these characteristics, social or organizational position, intelligence and knowledge, amount of wealth and so on. The target person may be perceived on the basis of his status and not on the basis of his actual characteristics. Thus, a person having high status may be perceived to have many desirable qualities as compared to a person having low status. However this may not be true.

Visibility of Traits:

Visibility of traits also influences perception of the perceiver. There are many traits which are not visible on surface, such as honesty, loyalty etc. In such cases, evaluation is to be made on the basis of one's own experience which may not be correct. The closeness among people provides opportunities to perceive the traits correctly which, however are not always available.

3. SITUATIONAL FACTORS

Situational factors also affect the perception. There may be structural characteristics of the place indicating the characteristics of person occupying it. Thus a person is likely to be perceived by a place. For example, a person is perceived differently if he meets with other in a five-star hotel as compared to an ordinary place. This may be the main reason for having lavishly furnished offices or showrooms. In many cases these may not reflect the true value but may only distort people's perception who might be dealing with them.

Learning

Learning is another important psychological process determining human behaviour. The human species unlike other animals possess an extremely high proportion of unused mental capacity at birth. Human beings have very few instincts or innate response tendencies relative to lower animals. While this may be detrimental to man in the sense that he is helpless for a long period in his early years, it is favorable in the sense that he has greater capacity for adaptation in response to changed survival conditions. This is because of his learning capacity as such, learning becomes the important concept in the study of human behaviour.

Concept of Learning

Learning is a term frequently used by people in a wide variety of contexts. Yet despite its diverse use, at the academic level, this concept has been recognized in only one way, or at the most two in which behaviour can be acquired or changed. Early behaviourists like Watson and Skinner have used learning as a relation or association between two types of incidents.

According to the Dictionary of Psychology, learning means "the process of acquiring the ability to respond adequately to a situation which may or may not have been previously encountered, the favorable modification of response tendencies consequent upon previous experience, particularly the building of a new series of complex coordinated motor response, the fixation of items in memory so that they can be recalled or organized, the process of acquiring insight into a situation.'

Sanford has defined learning as a relatively enduring change in behaviour brought about as a consequence of experience." In the context of organizational behaviour too, learning is defined in this way.

Nature of Learning

Based on the definition of learning, we may identify the following nature of learning.

1 Learning involves a change in behaviour, though this change is not necessarily an improvement over previous behaviour. Learning generally has the connotation of improved behaviour, but bad habits, prejudices, stereotypes, and work restrictions are also learned.

2 The behavioural change must be relatively permanent. Any temporary change in behaviour due to fatigue or any reason is not a part of learning.

3. The behavioural change must be based on some form of practice or experience. Thus any behavioural change because of physical maturation is not learning. For instance, the ability to work which is based on physical maturation would not be considered learning.

4. The practice or experience must be reinforced in order for learning to occur. If reinforcement does not accompany the practice or experience, the behaviour will disappear.

COMPONENTS OF LEARNING PROCESS

A person receives a variety of stimulus inputs. When specific stimuli become associated with specific responses in a sufficiently permanent manner that the occurrence of the stimuli elicits or tends to elicit a particular response, learning has occurred. To understand this process, it is important to understand the role of various components of learning. These components are: drive, cue stimuli, responses, reinforcement, and retention.

Drive

Learning frequently occurs in the presence of drive—any strong stimulus that impels action. Without drive, learning does not take place or, at least, is not discernible because drive arouses an individual and keeps him ready to respond, thus, it is the basis of motivation. A motive differs from drive mainly in that it is purposeful, or directed towards the specific goal, whereas drive refers to an increased probability of activity without specifying the nature of the activity. Drives are basically of two types—primary or physiological drives and secondary or psychological drives. These two categories of drives often interact. Individuals operate under many drives at

the same time. To predict behaviour, it is necessary to establish which drives are simulating the most

Cue Stimuli

Cue stimuli are any objects existing in the environment as perceived by the individual. It is common to speak of cue stimuli simply as stimuli or to use the term cues and stimuli interchangeably. The idea here is to discover the conditions under which a stimulus will increase the probability of eliciting a specific response. There may be two types of stimuli so far as their results in terms of response are concerned: generalization and discrimination.

Generalization

Generalization occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike, they will have the same probability of evoking a specified response, but the more dissimilar the stimuli become, the lower will be the probability of evoking the same response. The principle of generalization has important implications for human learning. It makes possible stability in man's actions across the time. Because of generalization, a person does not have to completely relearn each of the new tasks or objects which constantly confront him. It allows the organizational members to adapt to overall changing conditions and specific new or modified job assignments. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations.

Discrimination

Discrimination is opposite of generalization. This is a process whereby an organism learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus.

Responses

The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception or other complex phenomena. Usually, however, learning psychologists attempt measurement of learning in behavioural terms, that is, responses must be operationally defined and preferably physically observable.

Reinforcement

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behaviour takes place. The term reinforcement is very closely related to the psychological process of motivation. However, motivation is a basic psychological process and, therefore, is broader and more complex than is implied by the learning principle of reinforcement. Reinforcement may be defined as environmental events affecting the probability of occurrence of responses with which they are associated. The role of reinforcement in learning is very important.

Retention

The stability of learned behaviour over time is defined as retention and the converse is forgetting.

Some of the learning is retained over a period of time while other may be forgotten. Extinction is a specific form of forgetting.

Extinction

Extinction may be defined as a loss of memory. Extinction of a well learned response is usually difficult to achieve because once something is learned, it is never truly unlearned. Extinction merely means that the response in question has been repressed or it may be replaced by learning of incompatible response. Thus, under repeated conditions of non-reinforcement, there is a tendency for the conditioned response to decrease or disappear.

Spontaneous Recovery

The return of response strength after extinction without intervening reinforcement is called spontaneous recovery. Spontaneous recovery is not unusual among people when they are confused under stress or in other unusual states. In such situations they sometimes will recover response tendencies that have been extinguished for many years. The original response strength of an extinguished behaviour can also be recovered when a previously extinguished response is rewarded in an isolated instance.

FACTORS AFFECTING LEARNING

Since learning is an acquired process, it is quite natural that several factors may affect the process. Understanding of these factors is important for management because it can organize its learning programmes through training or otherwise for improving the behaviour of employees at the

workplace. The major factors affecting learning are motivation of the learner his mental set, nature of learning materials, practice and environment

Motivation

Learner's motivation is one of the major conditions for learning. A positive behavior developed through learning results in reward while a negative behaviour results in punishment. Thus, the degree of the learner's motivation is positively associated with his learning. There are overwhelming evidences that support the generalization that motivated responses tend to be repeated whereas non-motivated responses tend to be discontinued.

Mental Set

Mental set refers to the preparation for an action, in this context learning. If a person is prepared to act, he can do the things quickly and in no time. Without mental set learning cannot go smoothly and easily. It happens so because the person's mental set activates him to do the act, and due to his level of activation, he gets inclined to perform the act. Various research studies also support this view.

Nature of Learning Materials

Nature of learning materials affects learning by providing the clue for understanding. There are a number of features of the learning materials which affect learning. *First*, If the learning material is of easy nature, it is learned quickly whereas difficult material takes time to

Understand. *Second*, familiarity with learning materials affects learning. If the learner is familiar with the learning materials he can learn more quickly as compared to when he is unfamiliar with these. *Third*, serial position, shape

and meaningfulness of learning materials also affect learning. If these features are positive, learning takes place at faster rate

Practice

Practice is a very basic external condition of learning and affects all types of learning. The more a person practices, more he absorbs learning contents. Most of the motor skills (like typing, swimming, etc.) are learned based on this principle.

Environment

Environment in which learning process occurs affects learning. Environment, here, refers to the situational set up for learning. Environmental factors can either strengthen or weaken the innate ability to achieve and learn. Environment with high pressure and high rate of change increases the likelihood of stress and has negative impact on learning. Environment with features of support, cohesion and affiliation has positive impact on learning.

CHAPTER XIV

Group Dynamics

Groups exist in every organization and they affect the behaviour of their members. They not only affect the behaviour of their members rather they have impact on other groups and the organization as a whole. Such groups are created by the organization as well as by organization members for their own satisfaction. An organization divides its ultimate task into small tasks which are assigned to various sub-units. Division of tasks and passing them down continue until a level is reached where several people take a sub-goal and divide it among themselves as individuals, but no longer create work unit. Thus, the organization itself generates forces towards the formation of various functional task groups within itself. Besides, many groups are created automatically because of operation of socio-psychological factors at workplace. Thus, these groups are essential for organization's functioning. If one wants to study the organization, he will have to understand groups and their functioning. Group dynamics provides understanding of groups.

Concept of Group Dynamics

The term group dynamics contains two terms. group and dynamics. Group is basically a collectivity of two or more persons. Dynamics comes from Greek word meaning force. Theory of dynamics is used in physical sciences and engineering which explains the phenomena of universe by some immanent energy operation of force. Thus, group dynamics refers to the interaction of forces between group members in a social situation. However, the term group dynamics is defined in different ways one view is that group dynamics describes how a group should be organized and operated. This includes democratic leadership, participation, and cooperation. Another view takes group dynamics as a set of techniques, such as role playing, brainstorming,

leaderless group, group therapy, sensitivity training, etc. According to the third view, group dynamics is viewed from the internal nature of groups, their formation, structure and processes, and the way they affect individual members, other groups, and the organization. This view is more prevalent. Thus, group dynamics is the social process by which people interact face to face in small groups. The determinants of group dynamics are as follows:

1. External conditions of the group.
2. Group member resources.
3. Group structure-composition, size, roles, leadership, norms, cohesiveness, and status.
4. Group processes.

Understanding of all these will enable managers to manage groups effectively leading to organizational effectiveness.

CONCEPT OF GROUP

It is quite difficult to define a group independent of some specific purpose or reference. That is why people tend to define group differently. Shaw has summarized various definitions of groups into four categories. *First*, group is defined as consisting of individuals who perceive the existence of a group and their membership in it. *Second*, group is defined on the basis of a common motivation or goal. *Third*, this class of definitions looks to the structure of the group—the relationships and ties among group members which bind them together into a group. *Fourth*, this definition perceives the central element of a group to be interacting among its members. This approach defines group as two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other.

GROUP DEVELOPMENT

Groups generally pass through a standardized sequence or their evolution. This sequence is known as five-stage model of group development. These stages are forming, storming, norming, performing, and adjourning

Five-stage model of group development

Though these are not followed rigidly, they do represent a broad pattern that may be observed and predicted in many settings across group's time together. These stages are the result of a variety of questions and issues that group members face, such as "who will be members of the group?", "who will perform what functions?" "who will contribute what", "what rules will be followed?," "how can conflicts among members be resolved", and so on. These typical stages of group development are described below.

1. Forming: At the first stage, group members get introduced to each other if they have not interacted earlier. They share personal information, start to accept others, and begin to turn their attention towards the group tasks. At this stage, interaction among group members is often cautious especially when they are new to one another.

2. Storming: After the forming stage which is mostly related to perceiving and assessing each other, members start interaction among themselves in the form of competing for status, *jockeying for relative control, and arguing for appropriate strategies* to be adopted for achieving group's goals. Because of individual differences, different members may experience varying degree of tension and anxiety out of this interaction pattern.

3. Norming: After storming stage, group members start settling. The group begins to moving in a cooperative fashion, and a tentative balance among

competing forces is struck. At this stage, group norms emerge to guide individual behaviour which forms the basis for cooperative feelings and behaviour among members.

4. Performing: When group members interact among themselves on the basis of norms that have emerged in the group, they learn to handle complex problems that come before the group. Functional roles are performed and exchanged as needed, and tasks are accomplished efficiently.

5. Adjourning: Adjourning is the end phase of group development stages. Sooner or later, each group has to be adjourned, even the most successful groups as they have completed their mission. The adjournment phase takes place in the case of those groups which are created for some special purposes like task force, committee, etc. Other types of groups like a department in an organization run on the basis of some permanency though there may be changes in group members. After the adjournment of the group, intense social relationship among members comes to an end.

CHAPTER XV

Organizational culture

Organizational culture sets a framework within which individual and group behaviour takes place. Though the concept of culture and its implications for the society have been studied for long in anthropology and sociology, in organizational behaviour, organizational culture became a central concern only during 1980s. Numerous research studies were undertaken during this period to develop conceptual framework as well as to understand the impact of organizational culture on the functioning of organizations. Because of significant impact of organizational culture, its study has become a necessity in the present context.

Concept of Organizational Culture

The concept of culture has been derived from anthropology where it is defined in so many ways and therefore, includes a variety of factors. At the early stage of study of organizational culture in the field of organizational behavior, the same situation existed and each researcher each author defined culture in his own way. However, over the period of time, some consensus emerged in the form that organizational culture is a system of shared meaning'. O'Reilly has defined organizational culture in a precise manner. Accordingly, "Organizational culture is the set of assumptions, beliefs, values, and norms that are shared by an organization's member's. Thus for organizational culture is a set of characteristics that are commonly shared by people in the organization. Such characteristics may be in the form of assumptions, beliefs, values, and norms which are known as *abstract*

elements or the culture, or externally-oriented characteristics like products, buildings, dress, etc which are known as *material elements*

1. Shared things (*e.g* , the way people dress)
- 2 Shared saying (*e.g* , let's go to work).
- 3 Shared actions (*e g* , a service-oriented approach)
4. Shared feelings (*e g* , hard work is not rewarded here).

The culture of an organization can be tired into three levels based on their visibility and how closely they are adhered to in the organization artifacts and behaviours, values, and

assumptions and beliefs Artifacts and behaviours are at the first level which is the most visible components of organizational culture They include the physical layout of the workplace and observable behaviours of organizational employees Values come at the second level which are less visible than artifacts and behaviours but they can be seen as they influence observable behaviours of the employees. Assumptions and beliefs are at the third level. These cannot be seen but they are so well ingrained in the employees that they come quite naturally because the way the organization thinks There are seven primary characteristics that aggregately capture the essence of an organization's culture. These characteristics are as follows:

1. **Innovation and Risk Taking.** Innovative and risk taking characteristic denotes the degree to which organizational employees are encouraged to be innovative and risk taking. Innovation.Vijay Sathe has exemplified some common things to demonstrate the and risk taking go together as every innovation (new way of working. new product, etc) Involves risk because of uncertainty of its outcomes Since risk and return are positively related An organization that goes for innovation becomes pioneer in its field and reaps the associated benefits Innovation and risk taking emerge from the organization's culture.

2. Attention to Detail: Attention to detail characteristic denotes the extent to which an organization's employees are expected to exhibit precision, analysis and attention to detail

Different organizations put different degrees of emphasis on precision and detail at the workplace. However, there is a universal phenomenon that the degree of attention the employees are expected to give to precision and detail is crucial for organizational success.

3. Outcome Orientation: Outcome orientation characteristic denotes the degree to which an organization focuses on results or outcomes rather than on techniques and processes used in achieving those results or outcomes. It may be mentioned that techniques and processes that an organization uses contribute significantly to achieve results or outcomes.

4. People Orientation: People orientation characteristic denotes the degree to which management decisions take into consideration the effects of outcomes on people of the organization. Some organizations are people-oriented as they focus more on creating better "Work environment for their employees. Others have feudal tendency, treating their employees better than machines.

3. Team Orientation: Team orientation characteristic denotes the degree to which various organizational activities are organized on team basis rather than on individual basis. "Organizations that put emphasis on teams tend to do better because of synergistic effect in teamwork due to complementary skills of team members than those which put emphasis on mutual work. Aggressiveness Aggressiveness characteristic denotes the extent to which people in an organization are aggressive and competitive rather than easygoing. Organizations that adopt aggressive and competitive approach tend to dominate in the market.

MODEL QUESTION PAPER
HUMAN RESOURCE MANAGEMENT AND
ORGANIZATIONAL BEHAVIOUR

Part-A

Answer any TWO of the following in about 500 words each.

- 1 Describe the functions of Human Resource Management
- 2 Explain the process of Human Resources Planning
- 3 What are the methods of performance appraisal? Explain in detail.

Part-B

Answer TWO of the following in about 300 words each.

4. Explain the selection process in detail.
5. Discuss incentives plan in detail
6. Explain the process of perception.

Part-C

- 1 Write short notes on FIVE of the following
 - a) Define Human Resource Management
 - b) Define Recruitment.
 - c) Types of Groups
 - d) Demotion
 - e) Fringe Benefit
 - f) Human Resource Policy
 - g) Types of Separation

Part-D

- 2 Write SIX of the following very briefly.
- a) Job analysis
 - b) Discipline.
 - c) Management by objectives.
 - d) Induction.
 - e) Define Organizational Behaviour
 - f) Personality.
 - g) Sexual Harassment.
 - h) Reinforcement

Part-A

Answer any TWO of the following in about 500 words each.

- 1 Describe the functions of Human Resource Management.

Functions of Human Resource Management

Management of human resources consists of several inter-related functions. These functions are common to all organizations though every organization may have its own human resource management programme. These functions of human resource management may broadly be classified into two categories

3. Managerial functions

Managing people is the essence of being a manager. Like other managers, a human resource manager performs the function of planning, organizing, directing and controlling

- v. **Planning:** planning is the process of deciding the goals and formulating policies and programmes to achieve the goals. In the area of human resource management, planning involves deciding human resource management, planning involves deciding human resource goals, formulating human resource policies and programmes, preparing the human resource budgets etc.,
- vi. **Organizing :** In order to implement the plans, a sound organization structure is required. Organizing is the process of allocating tasks among the members of the group, establishing authority-responsibility relationships among them and integrating their activities towards the common objectives. In this way, a structure of relationships among jobs, personnel and physical factors is developed.
- vii. **Directing:** Directing is the process of motivating, activating, leading and supervising people. Directing includes all those activities by which a manager influences the action of subordinates. Directing also helps in building sound individual and human relations in the organization.

viii **Controlling:** It implies checking, verifying and regulating to ensure that ~~everything occurs in conformity~~ with the plans adopted and the instructions issued. Controlling the management of human resources involves auditing training programmes, analyzing labour turnover records, directing morale surveys, conducting separation interviews and such other means

4 Operative Functions

The operative or service functions of human resource management are concerned with specific activities of procuring, developing, compensating and maintaining an efficient work force

vi **Procurement function** It is concerned with securing and employing the right kind and proper number of people required to accomplish the organizational objectives. It consists of the following activities

7. Job analysis
8. Human resource planning
9. Recruitment
10. Selection
11. Placement
12. Induction or orientation

vii **Development function** Human resource development is the process of improving the knowledge, skills, aptitudes and values of employees so that they can perform the present and future jobs more effectively. This function comprises the following activities.

5. Performance and potential appraisal
6. Training
7. Executive development
8. Career planning and development

viii **Compensation function:** It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organizational objectives. It consists of the following activities

4. Job evaluation
5. Wage and salary administration

6 Bonus

- ix. **Integration function.** It is the process of reconciling the goals of the organization with those of its members. Integration involves motivating employees through various financial and non-financial incentives, providing job satisfaction. Handling employee grievances through formal grievance procedures, developing bargaining, workers participation in management, conflict resolution, developing sound human relations, employee counseling
- x. **Maintenance Function** It is concerned with protecting and promoting the physical and mental health of employees. For this purpose, several types of fringe benefits such as housing, medical aid, educational facilities, conveyance facilities, gratuity, maternity benefits, group insurance are also arranged

2 Explain the process of Human Resources Planning

Process of Human Resource Planning

- 4 **Analyzing organizational plans** First of all, the objectives and strategic plans of the company are analysed. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organization's structure and job design should be made clear and changes in the organization's structure should be examined.
- 5 **Forecasting demand for human resources** On the basis of corporate and functional plans, and future activity levels, the future needs for human resources in the organization are anticipated. The number of people and the skill levels needed in future depend on the production and sales budgets in a manufacturing enterprise. It is necessary to make projections for new positions to be created and the vacancies arising in current manpower. Job analysis and forecasts of future activity levels help in human resource forecasting.

The techniques employed in manpower planning are

Managerial judgement

Work study method

Ratio trend analysis

~~Mathematical models~~

- 6 **Forecasting supply of human resources:** Every organisations has two sources of supply of human resources – internal and external Internally, human resources can be obtained for certain posts through promotions and transfers Human resources flow in and out of organization due to several reasons policies relating to these aspects need to be reviewed regularly to judge their impact on the internal supply of human resources.

3 What are the methods of performance appraisal? Explain in detail

According to flippo, “performance appraisal is the systematic, periodic and an impartial Rating of employee’s excellance in matters pertaining to his present job and his potential for a better job”

Methods of performance appraisal

3. Traditional methods

- Confidential report.
- Free form or essay.
- Straight ranking
- Paired comparisons
- Forced distribution.
- Graphic rating scale
- Checklist method.
- Group appraisal
- Field review

4 Modern methods

- Assessment centre.
- Human resource accounting
- Behaviourally anchored rating scale
- Appraisal through MBO

Straight ranking method

In this techniques, the evaluator assigns relative ranks to all the employees in the same work unit doing the same job. Employees are ranked from the best to the poorest on the basis of overall performance. The 'wholeman is compared with the wholeman' without analyzing performance. The relative position of an employee is reflected in his numerical rank.

For instance if five persons A,B,C,D and E are to be ranked the ranking may be as follows

Employee	Rank
A	2
B	1
C	5
D	4
E	3

Straight ranking is one of the oldest and simplest method. it is time saving and a comparative evaluation technique of appraisal. The limitations of this method are it involves bias and snap judgement because appraisal is not based on specifically defined measures of job-related performance. Ranking of individuals having varying behavior patterns or traits is difficult especially when large number of persons are to be ranked.

Paired comparisons method.

This is a modified form of man to man ranking. Herein, each employee is compared with all the others in pairs one at a time. The number of times an employee is judged better than the others determines his rank. Comparison is made on the basis of overall performance. The number of comparisons to be made can be decided on the basis of the following formula

$N(N-1)/2$, where N is the number of persons to be compared.

	A	B	C	D	E	Final rank
A	-	-	-	+	+	3

B	+	-	-	+	+	2
C	+	+	-	+	+	1
D	-	-	-	-	+	4
E	-	-	-	-	-	5

Here plus sign implies the employee is considered better and minus sign means worse than the other employee in the pair. C gets the highest number of plus signs, therefore his rank is the highest and so on. Paired comparison method is easier and simpler than the ranking method. But it is subjective because appraisal is not based on specific job related performance. Secondly, it becomes very cumbersome when the number of employees to be rated is large.

Forced distribution method

In this technique the rater is required to distribute his ratings in the form of a normal frequency distribution. The purpose is to eliminate the rater's bias of central tendency. Here also ranking technique is used. This method is highly simple to understand and easy to apply. Secondly, it helps to reduce bias involved in straight ranking and paired comparisons. But in this method employees are placed in a certain category and not ranked within a category. The method is based on the questionable assumption that all groups of employees have the same distribution of good and poor performances. The rater does not explain why an employee is placed in a particular category. Specific job related performance criteria is not used in ratings. The rater may resent the restriction placed on his freedom of choice.

Graphic rating scales.

It is a numerical scale indicating different degrees of a particular trait. The rater is given a printed form for each employee to be rated. The form contains several characteristics relating to the personality and performance of employees. Intelligence, quality of work, leadership skills, judgement, etc. are some of these characteristics. The rater records his judgement on the employee's trait on the scale. The numerical points given to an employee are added up to find out his overall performance and standing in the group. Rating

scale are of two types continuous and discontinuous. In the continuous scale the degrees of a trait are measured in numbers ranging from 0 to 5 whereas in a discrete or discontinuous scale appropriate boxes or squares are used.

Checklist method

A checklist method is a list of statements that describe the characteristics and performance of employees on the job. The rater checks to indicate if the behavior of an employee is positive or negative to each statement. The performance of an employee is rated on the basis of number of positive checks. There are three types of checklist that can be used: 1. Simple checklist 2. Weighted checklist 3. Forced choice checklist. Wherein five statements are given for each trait, two most descriptive statements, two least descriptive statements and one neutral statement. The rater is required to check one statement each from the most descriptive and least descriptive ones. The aim is to minimize the rater's personal bias.

Simple checklist

- | | |
|--|---------|
| 4. Is the employee regular on the job | Yes /No |
| 5. Is the employee respected by his subordinates | Yes/No |
| 6. Is the employee always willing to help his peers. | Yes/No |

Check list method is a descriptive technique and it provides concrete example of evaluation but it is time consuming and expensive method.

Critical incidents method.

In this method superior keeps written record of critical events and how different employees behaved during such event. The rating of an employee deepened on his positive/negative behaviour during these events. These critical incidents are identified after thorough study of the job and discussing with the staff. For example a fire, a sudden breakdown of machinery, serious accident, etc may be identified as critical incidents for the working of a factory.

During machine breakdown.

Worker	Score	reaction
A	5	informed the supervisor immediately
B	4	Became anxious of loss of output
C	3	Tried to repair the machine
D	2	Complained of poor maintenance
E	1	Was happy to get forced rest

Critical incidents method helps to avoid vague impressions and general remarks as the rating is based on actual records of behavior/performance. The feedback from actual events can be discussed with the employee to allow improvements. The rater can fully defend his rating on the basis of his record. But this method suffers from several problems. First, it is very time consuming and cumbersome for the superior to maintain a written record for each employee during every major event. Secondly, quoting incidents after considerable time lapse may evoke negative emotion from employees. Thirdly, subjective judgment of superior is involved in deciding critical incidents and desirable response to an event. Fourthly, the superior may commit errors in recording behaviours of different employees during a short duration event. Sixthly, critical incidents occur infrequently and therefore, a continuous record of performance might not be available. Lastly, the employees are likely to become concerned with what the superior records rather than with daily job routine.

Group Appraisal method

This group consists of the immediate supervisor of the employee, other supervisors having close contact with the employee's work, head of the department and a personnel expert. The group determines the standards of performance for the job, measures actual performance of an employee, analyses the causes of poor performance and offers suggestions for improvements in future. The advantage of this method is that it is simple yet more thorough. Due to multiple evaluators personal bias is minimized. But it is a very time-consuming process.

Field review method

A training officer from the personnel department interviews line supervisors to evaluate their respective subordinates. The interviewer prepares in advance the questions to be asked. By answering these questions a supervisor gives his opinions about the level of performance of his subordinate, the subordinate's work progress, his strength and weaknesses, promotion potential etc. the evaluator takes detailed notes of the answers which are then approved by the concerned supervisor. These are then placed in the employee's personal service file.

Behavioural Anchored Rating Scale.(BARS)

This method combines graphic rating scales with critical incidents method. BARS are description of various degrees of behavior relating to specific performance dimensions. Critical areas of job performance and the most effective behavior for getting results are determined in advance. The rater records the observable job behavior of an employee and compares these observations with BARS. In this way an employee's actual job behavior is judged against the desired behavior.

Steps:

Identify critical incidents

Select performance dimensions

Retranslate the incidents

Assign scales to incidents

Part-B

Answer TWO of the following in about 300 words each.

4 Explain the selection process in detail

Steps in Selection Process

The selection process consists of a series of steps. At each stage, facts may come to light which may lead to the rejection of the applicant. It is a series of successive hurdles or barriers which an applicant must cross. These hurdles or screens are designed to eliminate an unqualified candidate at any point in the selection process. There is no standard selection procedure to be used in all organizations or for all jobs. The complexity of selection procedure increases with the level and responsibility of the position to be filled.

Steps involved in employee selection may be described as under:

- 8 **Preliminary interview:** First of all, initial screening is done to weed out totally unqualified candidates at the outset. Preliminary interview is essentially a sorting process in which prospective candidates are given the necessary information about the nature of the job and the organization. Necessary information is also elicited from the candidate about their education, skills, salary expected etc., if the candidates are found suitable, he is selected for further screening. Preliminary interview saves time and efforts of both the company and the candidate. It helps to determine whether it is worthwhile for a candidate to fill up the application form. Preliminary interview is the first contact of an individual with the organization. Therefore, the interviewers should be courteous, receptive and informal particularly when the candidate is being turned down.
9. **Application blank:** Application form is a traditional and widely used device for collecting information from candidates. Small firms design

no application form and ask the candidates to write details about their age, marital status, education, work experience etc on a plain sheet of paper Generally application form contains

- g. Identifying information – name, address, telephone number
 - h. Personal information – age, sex, place of birth, marital status
 - i. Physical characteristics – height, weight, eyesight
 - j. Family background
 - k. Education – academic, technical and professional
 - l. References
10. **Selection test** psychological test are being increasingly used in employee selection A test is a sample of some aspect of an individual's attitudes, behavior and performance. It also provides a systematic basis for comparing the behavior, performance and attitudes of two more persons. Test are based on the assumption that individual differ in their job related traits which can be measured. Test help to reduce bias in selection by serving as a supplementary screening device Test are helpful in better matching of candidate and the job Test may also reveal qualifications which remain covered in application form and interview.
- 11 **Employment interview** An interview is a conversation between two persons. In selection, it involves a personal, observational and face-to-face appraisal of candidates for employment. Interview is an essential element of selection and no selection procedure is complete without one or more personal interviews The information collected through application and test can be cross checked in the interview
12. **Medical examination:** Applicant who have crossed the above stages are sent for a physical examination either to the company's physician or to a medical officer approved for the purpose. Such examination serves the following purposes
- d It determines whether the candidates is physically fit to perform the job. Those who are physically unfit are rejected
 - e It reveals existing disabilities and provides a record of the employee's health at the time of selection This record will help in setting company's liability under the Workmen Compensation Act for claim for an injury.

- f It prevents the employment who are otherwise suitable but require specific jobs due to physical handicaps and allergies.

13. **Reference checks.** The applicant is asked to mention in his application form, the names and addresses of two or more persons who know him well. These may be his previous employers, heads of educational institutions or public figures. The organization contacts them by mail or telephone. They are requested to provide their frank opinion about the candidate without incurring any liability. They are assured that all information supplied will be kept confidential.

14 **Final approval** In most of the organizations, selection process is carried out by the human resource department. The decisions of this department are recommendatory. The candidate short listed by the department are finally approved by the executives of the concerned department. Employment is offered in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions in brief. In some organizations, a contract of service on judicial paper is signed by both the candidate and the representative of the organization.

Selection testing (Psychological tests)

A psychological test is an objective and standardised measure of a sample of behavior from which inferences about future behavior and performance of the candidate are drawn. Psychological tests are being increasingly used in selecting employees. These tests provide a systematic procedure for sampling human behavior. Tests are also used in vocational guidance and counseling students seeking admission in educational institutions. Tests can also be employed in decision concerning placement, promotion, transfer, counseling, and training of employees.

Types of Tests

Tests may broadly be classified as follows:

- 5 ***Aptitude or potential ability tests*** These tests measure the latent ability or potential of a candidate to learn a new job or skill. Peculiarities or defects in a person's sensory or intellectual capacity can be detected through these tests. These focus attention on a particular type of talentsuch as reasoning, learning, mechanical bend of work. Such test are:
 - d. Mental or intelligence test
 - e. Mechanical aptitude test
 - f. Psycho-motor test
6. ***Achievement or proficiency test*** These test measure what a person can do. These determine the skill or knowledge already acquired through training and on the job experience. These test are of two types:
 - c. Job knowledge tests
 - d. Work sample tests
- 7 ***Personality tests*** These are pen and paper tets used to judge the psychological make up of a person. These probe deeply to discover clues to an individual value system, emotional reactions and maturity, and his characteristic mood. These help in assessing a person's motivation and interests, his ability to adjust himself to the stress of every day life. These are three types
 - d. Objective tests
 - e. Projective tests
 - f. Situation tests
- 8 ***Interest tests:*** These test are inventories of a candidates like and dislike in relation to work. These are used to discover a person's area of interest and to identify the kind of work that will satisfy him. These are generally used for vocational guidance. A well designed questionnaire is used to assess the likes and dislikes.

Selection interview

Interview is a face to face interaction between two persons for a particular purpose. It is widely used not only in employee selection but for placement, orientation, appraisal, disciplinary action, exit or separation, counseling and

general problems. It is also employed to screen candidate for admission into institutes of higher learning.

5 Discuss incentives plan in detail

Types of wage incentives plans

Wage incentive plans may be classified into two broad categories as follows

Individual incentive plans

Group incentive plans

Individual incentive plans

Under individual incentive plans, earnings are related directly to the performance of the individual worker. In case of group incentive schemes, earnings of a group are related to the performance of the group as a whole. In plant wide schemes, performance of the factory as whole is used as the basis for calculating earnings of workers

Individual incentive may be based on time or output. Under time based plans a standard time is determined and bonus is given if a worker completes the job in less than standard time. Under output based plans, a standard of output is determined and workers producing more than the standard output are given bonus. Various types of individual incentive plans are

Halsey plan

This plan was developed by F.A. Halsey. Under this plan, a standard time is fixed on the basis of past performance records. A worker who completes his job within or more than the standard time is paid a guaranteed time wage. A bonus of the time saved is paid to the worker who completes his job in less than the standard time. The bonus is calculated on the basis of time rate.

$$\text{Total wages} = T \times R + 50\% (S - T) \times R$$

Rowan plan

This is a modified form of Halsey plan. Under it, a minimum time wage is guaranteed to every worker. A standard time is determined in advance. The bonus is that proportion of the wages which the time saved bears to the standard time.

$$\text{Total wages} = T_xR + (T_xR \times \text{time saved} / \text{standard time})$$

Emerson efficiency plan

This plan was developed by Harrington Emerson. Under this plan, standard time for the job is determined scientifically and a minimum time wage is guaranteed to all workers. Bonus is given at an increasing percentage beyond the prescribed level of efficiency.

Merrick's multiple piece rate plan

Under this plan, three graded piece rates are prescribed. Workers producing less than 83% of the standard output are paid at a basic piece rate. Those producing from 83% to 100% of the standard output are paid 110% of the basic piece rate. Workers producing more than the standard output are paid 120% of the basic piece rate.

Gantt's task and bonus plan

This plan was developed by Henry L. Gantt. Under it, standard time for every task is fixed through time and motion study. Minimum time wage is guaranteed to all workers. A worker who fails to complete the task within the standard time receives wages for actual time spent at the specified rate. Workers who achieve or exceed the standard get extra bonus varying between 20% to 50% of the hourly rate for the time allowed for the task.

Group incentive plans

In all the incentive wage plans given above, incentive is linked to individual performance. But in some cases, it is not possible to determine the performance of an individual worker. This is so because several workers are required to jointly perform a single operation. In such cases it is desirable to introduce a group incentive scheme.

6. Explain the process of perception

PERCEPTUAL PROCESS

Perception is a process consisting of several subprocesses. We can take an input-throughput output approach to understand the dynamics of the perceptual process. This approach emphasizes that there is input which is processed and gives output. The stimuli in the environment-objects, events, or people-can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanism of selection, organization, and interpretation can be treated as the throughputs and the resultant opinions, feelings, attitudes, etc which ultimately influence our behaviour, can be viewed as the perceptual outputs. This Simplified process of perception is presented in Figure

Perceptual Inputs

Strictly speaking, perceptual inputs in the form of stimuli are not the part of actual perceptual process though these are necessary for the occurrence of perception. Stimuli may be in the form of objects, events, or people. Thus, everything in the setting where events occur, or which contributes to the occurrence of events, can be termed as perceptual input. Further, the characteristics of stimuli are important as these affect the extent to which the perceiver is attracted to these which affects the selection of stimuli for perception along with other variables, affecting selection of stimuli like perceiver's characteristics and situational variables. When the perceiver interacts with a stimulus, sensation takes place, which we have seen earlier, and starts perceptual process.

Perceptual Mechanism

Perceptual mechanism involves three elements-selections of stimuli, organization of stimuli, and interpretation of stimuli.

Selection of Stimuli: After receiving the stimuli from the environment, some are selected for further processing while others are screened out because it is

not possible for a person to select all stimuli which he sees in the environment. There are two types of factors which affect selection of stimuli. These are external and related to stimuli and internal related to the perceiver. These external and internal factors are of several types. We shall discuss these factors and their impact on the selection of stimuli in the subsequent section of this chapter dealing with perceptual selectivity.

Organization of Stimuli: After the stimuli are received, these are organized in some form in order to make sense out of that. The various forms of organizing stimuli are figure-ground, grouping, Simplification, and closure. We shall discuss the impact of these factors on perception in the section that follows perceptual selection.

Interpretation of Stimuli: The perceptual inputs that have been organized will have to be interpreted by the perceiver so that he can sense and extract some meaning of what is going on in the situation. People interpret the meaning of what they have selectively perceived and organized in terms of their own assumptions of people, things, and situations. They also become judgmental as well and tend to interpret the things as good/bad, beautiful/ugly, and so on which are quite relative terms. In such a process, there are chances of misinterpretation. Interpretation of stimuli is affected by characteristics of stimuli, situations under which perception takes place, and characteristics of the perceiver. These factors also affect the total perceptual process.

Perceptual Outputs

Based on perceptual mechanism which ends with interpretation of stimuli, perceptual outputs emerge. These outputs may be in the form of covert

actions like development of attitudes, opinions, beliefs, impression about the stimuli under consideration. These outputs along with other factors affecting human behaviour may result in overt behaviour. For overt behaviour to occur, perception is not the sole decider though it is important. For example, when a person sees an advertisement of a product (stimulus), he may perceive that the product is good. This perception, however, may not be enough for the person to buy the product (overt behaviour). The actual buying may depend on the availability of the product, perceiver's need for product, and his propensity and capacity to spend money for buying the product is noticed more as compared to a soft sound, weak odor or dim light.

Distortions

Person perception is a more complex process as compared to object perception because of involvement of many factors. Some of these factors lie in the perceiver himself while some factors lie in the person being perceived and the situation under which the perception takes place. With the result, *distortion in person perception*, a phenomenon of misperception, occurs. Thus, the factors which lead to distortion in person perception may be grouped into three categories:

4. Factors in perceiver
5. Factors In perceived
6. Situational factors.

1. Factors in Perceiver

Depending on the perceiver's characteristics, he follows attribution and shortcuts in perception in the form of first impression, halo effect, and stereotyping. These attribution and shortcuts result in distortion in perception.

Personality: Personality influences perception because of two reasons.

First, the perceiver tries to project his personality traits in others. This process is known as *projection*. For example, if a person is highly achievement-oriented (a personality trait), he tends to treat others as highly achievement-oriented though this might not be true. *Second*, the perceiver tends to find in a person what he expects to find. This is known as *self-fulfilling prophesy*. It is based on the maxim 'what we perceive is governed by what we expect or believe to be present'. Thus, the perceiver tries to fit his beliefs, attitudes, expectations, etc to reality. Based on the research evidences the following conclusions about relationship between personality and perception have been drawn

1. Secure people perceive others as warm individuals, rather as cold and indifferent people.
2. Thoughtful individuals do not perceive situation in terms of 'black and white' but understand that there can be different shades of gray. Hence, they do not make judgments based on single piece of evidence.
3. Self-accepting people perceive others as liking and accepting them. Those who are not self-accepting tend to distrust others.
4. People tend to perceive others more accurately when they are more like the ones that they are perceiving. Than if they are different from those who are being perceived.

Attribution

In general, attribution means assigning cause to an event. In the case of person perception, it is the act of assigning cause to 'why a person has behaved in a particular way'. Based on this in theme, attribution theory has been developed which aids in perceptual interpretation by focusing on how people attempt to (1) understand the causes of an event (2) assess

responsibility for the outcomes of the event and (3) evaluate the personal qualities of the people in the event. In applying attribution theory, we are specially concerned with whether a person's behaviour is internally caused or externally caused because internal causes are under the control of the person while external causes are beyond his control.

First Impression

It is very common that people evaluate others on the basis of first impression. A first impression consists of the first few seconds of an encounter in which an individual forms an opinion, positive or negative about another. Sometimes, this initial opinion lasts forever. The evaluation based on first impression may be correct if it is based on adequate and significant evidence. However, since first impression evaluation is not based on adequate information, it may not be true reflection of people being perceived. Even in such cases, people continue to evaluate on the basis of first impression though incorrect. This can be corrected by more frequent interaction, though erasing of first impression evaluation is not that easy.

Halo Effect

Halo effect takes place when a perceiver perceives another person's total qualities by perceiving only his few qualities or even a single quality. If the qualities actually perceived by the perceiver are outstanding, he tends to perceive the target person's all qualities as outstanding. Alternatively, if the target's actually perceived qualities have been rated as poor, his other qualities which have not been evaluated will be treated as poor. This happens because of human tendency of evaluating whole by evaluating only a small sample from it. In the case of non-living objects, this may be true as it is done consciously. However in the case of person perception this process takes place subconsciously.

Stereotyping

Stereotyping occurs when the perceiver judges or perceives a person on the basis of characteristics of the group to which he belongs. The person is not perceived as an individual with specific set of his characteristics but on the basis of his group characteristics. We have seen earlier that the perceiver groups the stimuli on the basis of similarity and proximity to draw inferences. These similar stimuli are then perceived as having some common characteristics though many of them might have different characteristics. Similarity of stimuli helps in perception but it also leads to distortion in perception. For example there are certain stereotyping at the international level like "the Italians are quick-tempered Chinese are

2. Factors in person perceived

Besides the factors associated with the perceiver, there are certain factors associated with the person perceived which also cause distortion in perception. Two such factors are more common. status of the person and visibility of his traits.

Status.

Status is a relative ranking of a person *vis-a-vis* others. The ranking may be based on one or more of these characteristics, social or organizational position, intelligence and knowledge, amount of wealth and so on. The target person may be perceived on the basis of his status and not on the basis of his actual characteristics. Thus, a person having high status may be perceived to have many desirable qualities as compared to a person having low status. However this may not be true.

Visibility of Traits

Visibility of traits also influences perception of the perceiver. There are many traits which are not visible on surface, such as honesty, loyalty etc. In

such cases, evaluation is to be made on the basis of one's own experience which may not be correct. The closeness among people provides opportunities to perceive the traits correctly which, however are not always available.

3. Situational factors

Situational factors also affect the perception. There may be structural characteristics of the place indicating the characteristics of person occupying it. Thus a person is likely to be perceived by a place. For example, a person is perceived differently if he meets with other in a five-star hotel as compared to an ordinary place. This may be the main reason for having lavishly furnished offices or showrooms. In many cases these may not reflect the true value but may only distort people's perception who might be dealing with them

Part-C

1. Write short notes on FIVE of the following:

- a) Define Human Resource Management
- b) Recruitment.

Recruitment is the process of searching for prospective employee and stimulating and encouraging them to apply for jobs in an organization. It is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures of attracting that manpower in adequate numbers to facilitate effective selection of efficient working force.

- c) Types of Groups
 - Formal and informal groups
 - Membership group
 - Reference Group
 - Open and close Group
 - In and Out Group

d) Demotion

Demotion implies the assignment of an employee to a job of lower rank with lower pay. It refers to downward movement of an employee in the organisational hierarchy with lower status and lower salary. Demotion is just the opposite of promotion. It is a downgrading process and a serious type of punishment. Demotion affects the status, career and income of the employee. It is insulting and causes emotional turmoil. Therefore, demotion should be used tactfully and only when it is absolutely necessary

e) Fringe Benefit

Several types of benefits are paid particularly to senior managers. Provident funds, pensions, gratuity, encashment of earned leave, free loan, holiday homes, entertainment, stock option are examples of such benefits.

f) Human Resource policy

Human resource policies are statements of human resource objectives of an organization and provide a broad framework within which decisions on human resource policies matters can be made without reference to higher authorities. Human resource policies lay down the criteria for decision making in the field of human resources management.

g) Types of Separation.

- Resignation
- Retirement
- Layoff

Part-D

3. Write SIX of the following very briefly.

a) Job analysis

Job analysis has been defined as “ The process of determining by observation and study the task which comprise the job, the methods and equipment used, and the skills and attitudes required for successful performance of the job ”

b) Discipline.

Discipline means orderliness or the absence of disorder, chaos and confusion in human behavior and action. It occurs when employees behave in an orderly and responsible manner. Discipline may be considered as the force that prompts individuals or groups to observe rule, regulations, standards, and procedures deemed necessary for an organization.

c) Management by objectives

It has been defined as “a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members”

d) Induction.

When a new employee joins an organization, he is completely a stranger to the people, work place and the work environment. Therefore, he is likely to feel insecure, shy and nervous. In the absence of information and support there is likely to be anxiety and fear in his mind.

e) Define Organizational Behaviour

Organizational Behaviour (OB) is defined as a field of study that investigates the impact that individuals, groups and structures have on behavior within organizations for the purpose of applying such knowledge towards improving an organization’s effectiveness (Stephen P Robbins)

f) Personality

Maddi has defined personality as follows "Personality is a set of characteristics and tendencies that determine those commonalities and differences in the behavior (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment"

g) Sexual Harassment

The Equal Employment Opportunity Commission (EEOC),USA defined sexual harassment as follows, "Sexual harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, colour , religion, gender, national origin age or disability, or that of his or her relatives ,friends or associates

h) Reinforcement

Reinforcement is a fundamental condition of learning Without reinforcement, no measurable modification of behaviour takes place The term reinforcement is very closely related to the psychological process of motivation However, motivation is a basic psychological process and, therefore, is broader and more complex than is implied by the learning principle of reinforcement Reinforcement may be defined as environmental events affecting the probability of occurrence of responses with which they are associated
