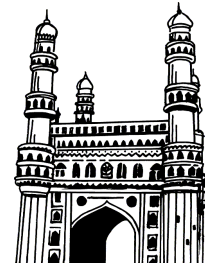


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ORGANISATION BEHAVIOUR AND HUMAN RESOURCE MANAGEMENT

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ORGANISATION BEHAVIOUR AND HUMAN RESOURCE MANAGEMENT

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UNIT I

ORGANIZATION BEHAVIOUR AND INDIVIDUAL INFLUENCE :

Organisational Behaviour: (OB) – Features – Scope – Fundamentals - Concepts of OB – Challenges and opportunities for OB, Factors affecting Organizational Effectiveness-: Individual Behaviour: Factors Influencing Individual Behavior – Learning Theories: Classical Conditioning Theory- Operant Learning Theory-Social Learning Theory- Attitudes and Behavior - The Perceptual Process – Factors influencing perception – Internal and External.

1.1 ORGANIZATIONAL BEHAVIOUR

1.1.1 Features

Q1. What is an Organizational Behavior? Explain its features.

Ans : (Imp.)

Introduction

Organizational Behavior which has two words that is organization and other one is Behavior. We can relate organization with works, Behavior with actions. We can conclude that actions of people at work is called organizational Behavior. In other sense organizational Behavior is the field of study that researches the actions of people at works.

Meaning

Organizational Behaviour is concerned with the study of how and what people act in organizations and also how their act affect the performances of the organization. It also applies the knowledge gained about individuals, groups and the effect of structure on human Behavior in order to make organization work more effectively.

Definitions

(i) **According to Stephen P. Robbins** "Organizational behavior is a field of study that investigates the impact that individuals, groups and structure have on behavior within the organization for the purpose of applying such knowledge toward improving an organizations effectiveness".

(ii) **According to Fred luthans** "organizational behavior is directly concerned with the understanding, prediction and control of human behavior is organization".

(iii) **According to Callahan**, "Organizational behaviour is to understand, predicting and controlling human behaviour at work".

(iv) **According to Aldag and Brief**, "Organizational behaviour is a branch of social sciences that seeks to build theories that can be applied to predicting, understanding, and controlling behaviour in work organizations",

(v) **According to Curtis W. Cook and Phillip**, "OB refers to the behaviour of individuals and groups within organizations and the interaction between organizational members and their external environments".

According to Fred Luthans, "Organizational behaviour is the understanding, prediction and management of human behaviour in organizations".

Features

1. Multidisciplinary study

Organisational behaviour is a Multidisciplinary Subject. Organisational of behaviour uses and applies principles, practices thoughts and theories of various disciplines such as : Law, History, Psychology, Political science, Economics etc. So Organisational behaviour is a Multidisciplinary Subject.

2. Science as well as Art

Organisational behaviour is a science because it applies principles and concepts objectively.. Organisational behaviour is also an art because its application changes as and when required. Organisational behaviour searches concepts and solutions according to the situation and need.

3. System Approach

Organisational behaviour uses system approach. System approach provides a useful framework for understanding how the elements of any organization react among themselves and with their external environment. Organisational behaviour uses system approach because it takes into account all the variables affecting organisational functioning.

4. Contingency Approach

Today's business world is full of uncertainties, i.e., in most organisational situations, outcomes are affected by many factors. In the earlier days of management studies, managers tried to search for the universally applicable answers to organizational problems. That's why the earlier management concepts were not successful. Organisational environment is volatile and fast changing so management without contingent approach can not be successful. It must have Contingency (as and when required) approach.

Q2. Explain the various approaches of organization behaviour.

Ans :

1. A human resources (supportive) approach

- The human resources approach is developmental. It is concerned with the growth and development of people towards higher levels of competency, creativity, and fulfillment, because people are the central resource in any organization and any society.

- The nature of the human resources approach can be understood by comparing it with the traditional management approach in the early 1900s.
- In the traditional approach, managers decided what should be done and management was directive and controlling.
- The human resources approach, on the other hand, is supportive.
- It helps employees become better, more responsible persons, and then tries to create a climate in which they may contribute to the limits of their improved abilities.
- Essentially, the human resources approach means that better people achieve better results. It is somewhat illustrated by this ancient proverb:

2. A contingency approach

- Traditional management relied on the principle of "one best way" of managing. There was a correct way to organize, to delegate and to divide work.
- The correct way applied regardless of the type of organization or situation involved.
- The contingency approach to organizational behaviour means that different situations require different behavioural practices for effectiveness.
- Each situation must be analyzed carefully to determine the significant variables that exist in order to establish the kinds of practices that will be more effective.
- The strength of the contingency approach is that it encourages analysis of each situation prior to action, while at the same time discouraging habitual practice based on Universal assumptions about people.
- The contingency approach also is more interdisciplinary, more system-oriented, and more research-oriented than the traditional approach.

- Thus it helps to use in the most appropriate manner all the current knowledge about people in organizations.

3. A productivity approach

- Productivity is a ratio that compares units of output with units of input. If more outputs can be produced from the same amount of inputs, productivity is improved or if fewer inputs can be used to produce the same amount of outputs, productivity has increased.
- The idea of productivity does not imply that one should produce more output; rather it is a measure of how efficiently one produces whatever output is desired.
- Consequently, better productivity is a valuable measure of how well resources are used in society. It means that less is consumed to produce each unit of output.
- There is less waste and better conservation of resources.

Equations showing the role of organizational behaviour in work systems:

- Knowledge × skill = Ability
- Attitude × situation = Motivation
- Ability × Motivation = Potential human performance
- Human performance × Resources = Organizational productivity

4. A systems Approach

- A system implies that there are many variables in organizations and that each of them affects all the others in a complex relationship.
- All people in organizations should be concerned with improving organizational behaviour. Managers represent the administrative system and their role is to use organizational behaviour to improve people organization relationships as shown in the following figure.
- Managers try to build a climate in which people are motivated work together, productively, and become more effective persons.

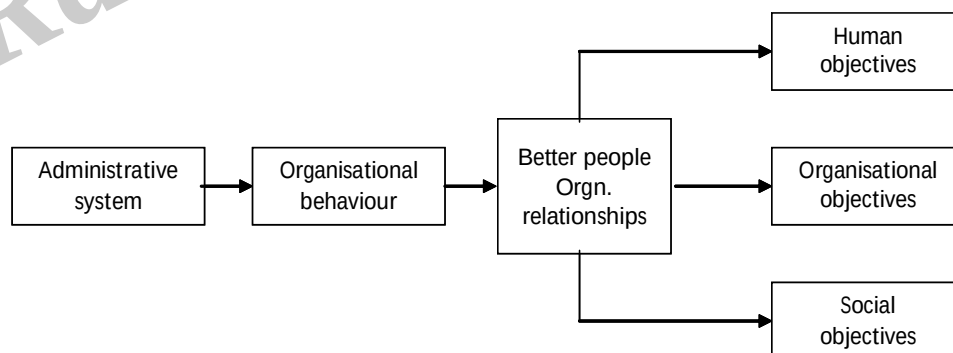


Fig. : The administrative system in organizational behaviour

- When organizational behaviour is applied with a systems approach it creates a triple reward system in which human, organizational and social objectives are met.
- People find more satisfaction in work when there is cooperation and teamwork. They are learning growing and contributing. The organization also is more successful, because it operates more effectively.

- Quality is better and costs are less. Perhaps the greatest beneficiary of the triple reward system is society itself; because it has better products and services, better citizens and a climate of cooperation and progress.

Q3. Explain the importance of organizational behavior.

Ans :

Organizational behaviour helps to understand and predict organizational life. It helps to motivate employees and to maintain interrelations in an organization.

The importance of OB is as follows

1. Employee motivation

Organizational behaviour helps to understand and basis of motivation and different ways to motivate employees in a right direction. Employee motivation helps employees to be committed an employee to his job, how engaged he feels with the company's goals and how empowered he feels in his daily work. These things helps organization to be in profit.

2. Nature of employee

Understanding the employees is important to manage them in a proper way. With the help of Organizational behaviour we can able to understand how people behave and how he or she reacts to a situation is he an introvert, extrovert and dominating etc.

3. Better utilization of resources

Effective management should be able to utilize resources to the fullest. It is the essential task for companies that are managing different tasks. It is important for any organization to allocate personal as well as equipment for different projects by avoiding idle time.

Organizational behaviour helps to use the potential of employees by understanding the employee nature and it helps to motivate and use the potentiality to the fullest.

4. Skill improvement

Helps to improve skills ability to employees and use of knowledge to become more efficient. Improves managers as well as employees work skill.

5. Understanding consumer behaviour

It also an important part to improve marketing process by understanding consumer behaviour.

6. Nature of employee

Understanding of personal employees nature is important to manage them properly. With the help of Organizational behaviour, we can understand whether employees / people are introvert extrovert dominating etc.

7. Efficiency & Effectiveness

Helps to increase efficiency and effectiveness of organization. It is a measure of the relationship between organizational inputs and outputs efficiency can be improved through motivating employees.

8. Goodwill of organization

OB makes goodwill. It helps to improve efficiency and productivity that leads to improve goodwill and ultimately profit of the organization increases.

9. Leadership

Leadership helps the management in bringing human behaviour in tune with the organizational requirements. An organization must have effective leadership for its survival and growth. An organization can achieve success only with the right type of leadership.

10. Organizational climate

Organizational climate is the sum of all organizational situations affecting human behaviour. By understanding the organizational climate we could able to analyze who is handling things effectively and it helps to analyze human behaviour that helps in organizational behavior.

Q4. Discuss various Levels of OB?

Ans :

1. Individual Level

At individual level, characteristics of individuals affect their behaviour. These characteristics may include personality, ability, perception, creativity, motivation, feelings etc. An

individual's job performance, job satisfaction, his/her interaction with the colleagues at work place, etc., depends upon the characteristics of an individual. The essential characteristics of individual should be assessed for understanding and managing organisational behaviour.

2. Group Level

A group consist of more than two people who interact among themselves for the attainment of their goals. A 'team' may be defined as a group of people working collectively towards attainment of common goals.

The characteristics and processes of team influences organisational and group behaviour. Thus, it is important to understand such influences. Apart from characteristics, processes like - communication, decision making and leadership also have profound influence on the group behaviour.

3. Organisational Level

At organisational level, characteristics of the organization will have a significant impact on the individual as well as group behaviours. Organization design, organization structure, organization culture etc., are the characteristics of the organization.

1.1.2 Scope of Organizational Behaviour

Q5. Explain the scope of organizational behaviour.

Ans : (Imp.)

1. An inter disciplinary approach

OB is an inter disciplinary approach because it tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology, and anthropology to make them applicable and to study OB.

2. An Integral part of Management

OB represents behavioural approach to management Since human beings are the most important asset of any organization therefore OB has assumed the status of a distinct field of study. Thus OB brings creative thinking among managers to solve human problems in organizations.

3. A humanistic approach

OB is a human tool for human benefit. It helps in understanding and predicting the behaviour of individuals. It is based on the belief that the human beings have a desire to be independent, creative, and productive.

4. Science and Art

OB is both a science and an art. The systematic knowledge about human behaviour is a science. But it is not an exact science as it cannot provide specific answers to all organizational problems. Pure science concentrates on fundamental research whereas OB concentrates on applied research.

The application of behavioural knowledge and skills is an art. It is difficult to predict the behaviour of people working in the organization therefore it is difficult to apply predictive models in all the situations. OB is also considered as a normative science because the findings of applied science are applied to socially accepted organizational goals.

5. A purposeful approach

OB is a goal oriented field of study which aims at how to understand, explain and predict human behaviour in the organizational scenario so that these generalizations can be used to anticipate the effects of certain actions on human behaviour.

6. Satisfaction of human needs

Every employee working in the organization has needs and aspirations. It is the responsibility of the organization to provide a healthy environment so that employees may get need satisfaction and the organization may accomplish its objectives. OB helps both the employees and the organization to fulfil their respective objectives.

1.1.3 Fundamentals-Concepts of OB

Q6. Explain the fundamental concepts of OB.

Ans : (Imp.)

Human behaviour in organizations is caused by individuals as individuals, as member of groups and structures of the organizations. Figure presents the model of organizational behaviour.

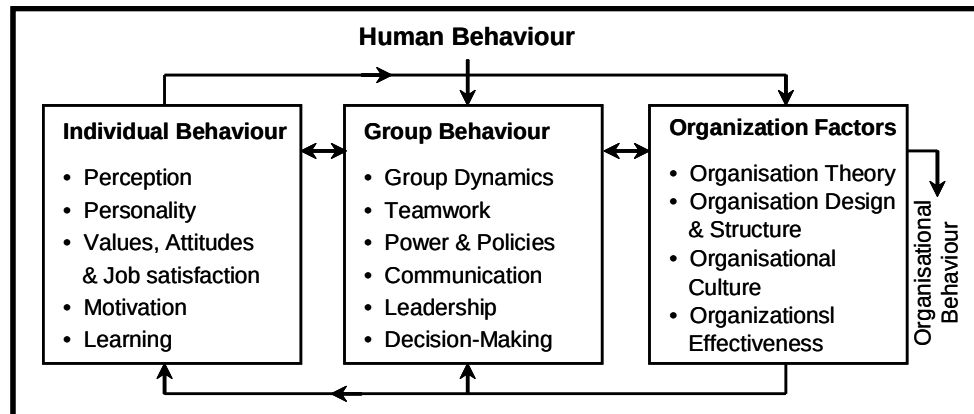


Fig. : Model of Organizational Behaviour

1. Individual Behaviour

Behaviour of an individual employee is influenced by several factors like the individual's mental make-up, family background, educational background, social and cultural background, geographical region, personality traits, values, attitudes, opinions etc. Individual behaviour is studied through.

- **Perception** : Perception refers to a complex cognitive process that yields a unique picture of the world that may be quite different from reality. Individuals behave based on their perceptual world or impressions.
- **Personality** : Personality is the sum total of ways in which an individual reacts and interacts with others. Hereditary factors, environmental factors and situational factors determine personality.
- **Values** : Values are the basic convictions that a "specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."
- **Attitudes** : Attitudes are evaluative statements - either favourable or unfavourable-concerning objects, people or events.
- **Job satisfaction** : Job satisfaction refers to a person's feeling of satisfaction on the job, which acts as a motivation to work
- **Motivation** : Motivation is the process that account for an individual's intensity, direction and "persistence of effort towards attaining a goal"
- **Learning** : Learning is relatively permanent change in behaviour that occurs as a result of experience.

2. Group Behaviour

An integrated and comprehensive behaviour of people in a group is referred to as group behaviour. Group behaviour is studied through group dynamics, teams, communication, power and politics, leadership and decision-making.

- **Group Dynamics**: Groups are formed with a specific purpose. They exist for some time until the purpose is achieved and then disband or adjourn. Groups are both formal and informal. Other types of groups include: command groups, task groups, interest groups and friendship groups. Groups behave and function based on its norms.

- **Teamwork:** Teamwork is a group whose individual efforts result in a performance that is greater than the sum of the individual inputs. Different types of teams include: problem solving teams, self-managed work teams, cross-functional teams and virtual teams.
- **Power and Politics:** Power refers to the ability of the people to acquire resources and award them to various people in organizations.
- **Communication:** Communication is transferring of information and understanding the meaning of it. Communication may be formal or informal, downward, upward, horizontal and cross-wise.
- **Leadership:** Leadership is the ability to influence a group towards the achievement of goals. Leadership styles include autocratic style, benevolent autocratic style, participative style and democratic style.
- **Decision-making:** Decision making is developing alternative solutions to a problem and selecting the best solution from among the alternative solutions.

3. Organization Factors

Organizational structure is dividing, grouping and coordinating the job tasks. Job tasks may be structured based on departments, functions, geographical areas, products or services.

- **Organization Theory:** Organization theory refers to various models of structuring the work activities and jobs in order to build relationships among people, jobs, goals etc.
- **Organizational Design:**
Organizational design is formulating the philosophy for coordinating the job tasks. One philosophy is narrow bandwidth which results in narrow and

specialized jobs. Narrow bandwidth leads to all organizations. Another philosophy is wider bandwidth which leads to flat structures.

➤ **Organizational Culture:**

Organizational culture is a "pattern of basic assumption-invented, discovered or deployed by a given group as it learns to cope with its problems of external adaptation and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

➤ **Organizational Effectiveness:**

Organizational effectiveness refers to selecting the right objectives and goals depending up on the environment and social goals of the country in which the company is operating.

4. Organizational Behaviour

Organizational behaviour is studying the behaviour of individuals and groups. OB studies the behaviour systematically, how people behave under a variety of situations and conditions. It also studies why people behave as they do. Thus, it identifies the reasons for the behaviour.

OB predicts the future behaviour of employees. Managers based on the past behaviour of the employees, employee traits, values and future situations predict the future behaviour of employees.

If the predicted behaviour is not in accordance with the requirements of organizational strategies, managers mould the employee behaviour towards organizational requirements by changing the reward system, organization structure, leadership styles, group norms etc. Thus, managers manage behaviour.

1.1.4 Challenges and opportunities for OB**Q7. Explain various challenges and opportunities of Organizational Behaviour.****Ans :** (Imp.)**1. Improving People's Skills**

- Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field.
- Unless employees and executives are equipped to possess the required skills to adapt to those changes, the targeted goals cannot be achieved in time.
- These two different categories of skills – managerial skills and technical skills.
 - (i) Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skill, decision-making skills.
 - (ii) These skills can be enhanced by organizing a series of training and development programs, career development programs, induction, and socialization.

2. Improving Quality and Productivity

- Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations.
 - (a) **Performance:** Primary rating characteristics of a product such as signal coverage, audio quality, display quality, etc.
 - (b) **Features:** Secondary characteristics, added features, such as calculators, and alarm clock features in handphone
 - (c) **Conformance:** Meeting specifications or industry standards, workmanship of the degree to which a product's design or operating characteristics match pre-established standards

- (d) **Reliability:** The probability of a product's falling within the specified period of time
- (e) **Durability:** It is a measure of a product's life having both economic and technical dimension
- (f) **Services:** Resolution of problem and complaints, ease of repair
- (h) **Response:** Human to human interfaces, such as the courtesy of the dealer « Aesthetics: Sensory characteristics such exterior finish
- (i) **Reputations:** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers.

In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

3. Total Quality Management (TQM)

Total Quality Management (TQM) is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process.

The components of TQM are;

- (a) An intense focus on the customer,
- (b) Concern for continuous improvement,
- (c) Improvement in the quality of every thing the organization does,
- (d) Accurate measurement and,
- (e) Empowerment of employees.

4. Managing Workforce Diversity

- It refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, elderly people, etc.

- The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce.
- In general, employees wanted to retain their individual and cultural identity, values and lifestyles even though they are working in the same organization with common rules and regulations.

5. Responding to Globalization

- Today's business is mostly market-driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank, etc.
- Business operations are no longer restricted to a particular locality or region.
- Company's products or services are spreading across the nations using mass communication, the internet, faster transportation, etc.
- More than 95% of Nokia (Now Microsoft) handphones are being sold outside of their home country Finland.
- Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe.
- Garment products of Bangladesh are exporting in USA and EU countries. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

6. Empowering People

- The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems.

- Encouraging the employees to participate in the work-related decision will significantly enhance their commitment to work.
- Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.
- Managers are doing considerably further by allowing employees full control of their work.
- Movement implies constant change as an increasing number of organizations are using self-managed teams, where workers operate largely without a boss.
- Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped.
- Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

7. Coping with Temporariness

- In recent times, the product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade.
- Today, change is an ongoing activity for most managers.
- The concept of continuous improvement implies constant change.
- In recent years, there used to be a long period of stability and occasionally interrupted by a short period of change, but at present, the change process is an ongoing activity due to competitiveness in developing new products and services with better features.
- Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux.

- So, workers need to continually update their knowledge and skills to perform new job requirements.

8. Stimulating Innovation and Change

- Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business.
- Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.
- **For example**, Compaq succeeded by creating more powerful personal computers for the same or less money than EBNM or Apple, and by putting their products to market quicker than the bigger competitors.

Amazon.com's Kindle, Audible, and bookstore services putting a lot of independent bookstores and publishers out of business as it proves you can successfully sell books from an Internet website.

9. Improving Ethical Behavior

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities.

For example,

- Should the employees of a chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources?
- Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined, Differentiating right things from wrong behavior has become more blurred.

Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products, etc.

10. Improving Customer Service

OB can contribute to improving organizational performance by showing how employees' attitude and behavior are associated with customer satisfaction.

In that case, service should be the first production-oriented by using technological opportunities like a computer, the internet, etc.

To improve the customer service need to provide sales service and also the after-sales service.

1.2 ORGANIZATIONAL EFFECTIVENESS

Q8. What is organizational effectiveness? Explain the steps involved in organization effectiveness.

Ans :

(Imp.)

Meaning

- Organization effectiveness is the efficiency of an organization, group, or company can meet its goals. Since Six Sigma is a methodology that focuses on improving.
- Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members.
- Sometimes efficiency and effectiveness are used as synonyms. However, there exists a difference between the two concepts. Therefore, it is important to explain the difference

between the concepts of effectiveness and efficiency to understand why organizations may be effective but not efficient, or efficient but not effective.

- Effectiveness is a broad concept and takes into account a collection of factors both inside and outside an organization.
- It is commonly referred to as the degree to which predetermined goals are achieved. On the other hand, efficiency is a limited concept that pertains to the internal working of an organization.
- It refers to an amount of resources used to produce a particular unit of output. It is generally measured as the ratio of inputs to outputs.
- Further, effectiveness concentrates more on human side of organizational values and activities whereas efficiency concentrates on the technological side of an organization.

Process

The Six Steps of Organization Effectiveness:

1. Leadership

The first step in organization effectiveness is 'Leadership'. In this step, management and project leaders set forth the overall vision of the organization. What goals they hope to accomplish with this project, how to carry them out, and what results they must strive for are in Leadership.

2. Communication

Leadership is only as effective as the group's overall communication. In the second step, Communication focuses on evenly spreading the goals, guidelines, and aspirations that derive in Leadership. Furthermore, project managers must focus on strategic communication, relation information in the forms that other project members need to complete their tasks.

3. Accountability

In the third step, Accountability, project managers and leaders must uphold other employ-

ees to their tasks and responsibilities. Typically, project team members receive awards or consequences, based on their performance. As a result, Accountability greatly determines how smoothly and effectively a project performs.

4. Delivery

At the next step, Delivery focuses on ensuring an effective delivery system is in place. When your organization has long, complex delivery process, errors will occur and efficiency is at risk. With smaller, more concise processes, your end products can be delivered on time to the right people.

5. Performance

As a project manager, you must hire the right people for the correct jobs. Of course, not everyone fits in the same position. At the 'Performance' step, the goal is to hire, train, and retain the perfect applicants for the processes and tasks you have.

6. Measurement

A business process is only effective if you can measure it. At the final stage of organizational effectiveness, you must measure and analyze your project, process, or other systems. Likewise, you must measure your organization with the correct metrics. Failing to do so will result in accurate or non-usable data.

1.2.1 Factors Affecting Organizational Effectiveness

Q9. Explain the factors affecting organizational effectiveness.

Ans : (Imp.)

Likert has classified the factors affecting organizational effectiveness into following three variables:

1. Causal Variables

Causal variables are those independent variables that determine the course of developments within an organization and the objectives achieved by an organization. These causal variables include only those indepen-

dent variables, which can be altered by organization and its management. Causal variables include organization and management's policies, decisions, business and leadership strategies, skills and behavior.

2. Intervening Variables

Intervening variables according to Likert are those variables that reflect the internal state and health of an organization. For example, loyalties, attitudes, motivations, performance goals and perceptions of all the members and their collective capacity for effective interaction, communication and decision-making.

3. End-Result Variables

End-Result variables are the dependent variables that reflect achievements of an organization such as its productivity, costs, loss and earnings.

Q10. Explain briefly about organization effectiveness model.

Ans :

The organizational effectiveness model can be presented in a more complex way i.e. at three different levels such as the individual, group and organizational levels in order to make the organization more effective. The effective organization is built of effective individuals who work collectively in groups.

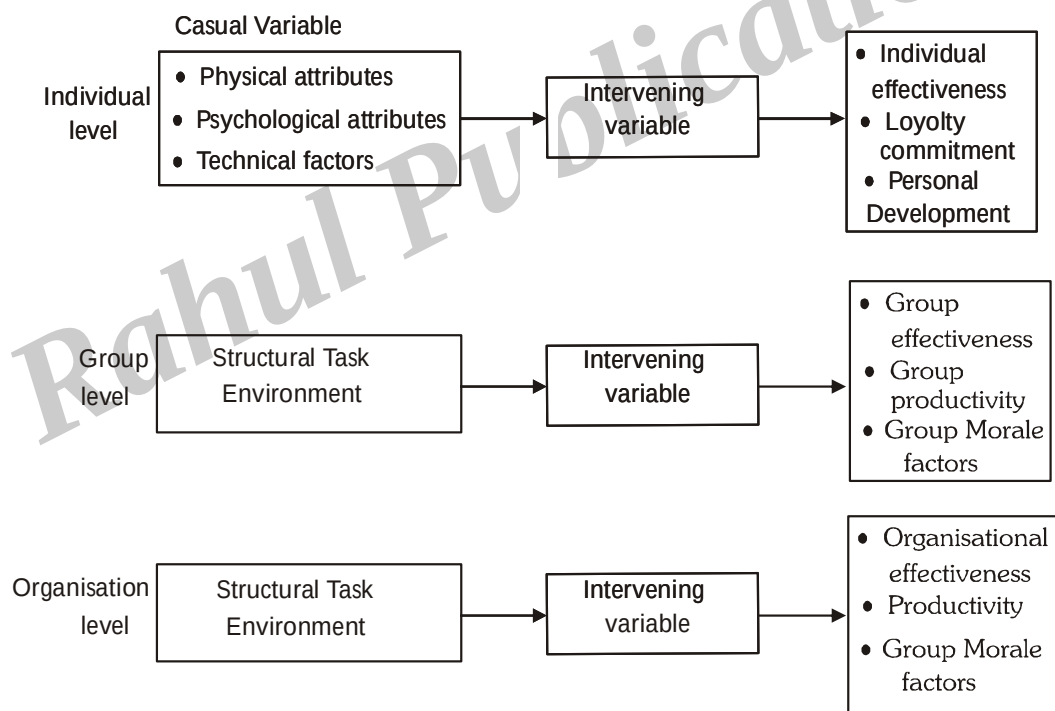


Fig.: Organization Effectiveness Model

The extent to which individual and organizational goals are integrated, affects the degree of organizational effectiveness, i.e., each individual tries to satisfy his goal by working in an organization and simultaneously satisfying organizational goals. He may see his goal satisfaction in satisfying organizational goals. If there is no perfect integration of individual and organizational goals then organizational effectiveness is affected adversely. However, organizational effectiveness is not a result of integration between individual and organizational goals only but there are other causal variables affecting it.

1.3 INDIVIDUAL BEHAVIOUR

Q11. Explain how Individual Behaviour responds to stimulus.

Ans :

Behaviour is the pattern of how a person responds to a stimulus.

Responses can be influenced by

1. Culture

The shared patterns of behaviors and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture group while also distinguishing those of another group.

2. Attitude

a hypothetical construct that represents an individual's like or dislike for an item; mental position relative to a way of thinking or being.

The current popular usage of attitude implies a negative mindset, a "chip on the shoulder" behavior, and an inner anger toward the prevailing majority of thought. Emotion: a feeling that is private and subjective; a state of psychological arousal an expression or display of distinctive somatic and autonomic responses.

3. Values

Beliefs of a person or social group in which they have an emotional investment (either for or against something) Ethics: response based on what is right; the process of determining how one should hold the interests of various stakeholders, taking into account moral values/principles

4. Authority

The power or right to give orders or make decisions. Coercion obtaining a response by use force; compelling a person to behave in an involuntary way (whether through action or inaction) by use of threats/intimidation Persuasion obtaining a response by convincing a person; the process of guiding people toward the adoption of an idea,

attitude, or action by rational and symbolic (though not always logical) means. It is strategy of problem-solving relying on "appeals" rather than force.

5. Genetics

Inherited from parents; pertaining to genes or any of their effects.

According to John Ivancevich and Michael Mattson, the major factors that influence individual differences in behavioural patterns are demographic factors, abilities and skills, perception, attitudes and personality. Let us discuss them and they are as follows :

(a) Demographic Factors

The demographic factors are socio economic background, education, nationality, race, age, sex, etc. Organizations prefer persons that belong to good socio-economic background, well educated, young etc as they are believed to be performing better than the others.

The young and dynamic professionals that have good academic background and effective communication skills are always in great demand. The study of demographic factors is significant as it helps managers to pick the suitable candidate for a particular job.

(b) Abilities and Skills

The physical capacity of an individual to do something can be termed as ability. Skill can be defined as the ability to act in a way that allows a person to perform well. The individual behaviour and performance is highly influenced by ability and skills. A person can perform well in the organization if his abilities and skills are matched with the job requirement.

The managers plays vital role in matching the abilities and skills of the employees with the particular job requirement.

(c) Perception

The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception. Every individual on the basis of his/he reference can organize and interpret environmental stimuli.

There are many factors that influence the perception of an individual. The study of perception plays important role for the managers. It is important for managers to create the favorable work environment so that employees perceive them in most favorable way. The employees are likely to perform better if they are going to perceive it in a positive way.

(d) Attitude

According to psychologists, attitude can be defined as a tendency to respond favourably or unfavourably to certain objects, persons or situations. The factors such as family, society, culture, peers and organizational factors influence the formation of attitude.

The managers in an organization need to study the variables related to job as to create the work environment in a favorable way that employees are tempted to form a positive attitude towards their respective jobs. The employees can perform better in the organization if they form a positive attitude.

(e) Personality

Personality can be defined as the study of the characteristics and distinctive traits of an individual, the inter-relations between them and the way in which a person responds and adjusts to other people and situations.

The several factors that influence the personality of an individual are heredity, family, society, culture and situation. It implies to the fact that individuals differ in their manner while responding to the organizational environment.

1.3.1 Factors Influencing Individual Behavior**Q12. Explain the Factors Influencing Individual Behavior.**

Ans : **(Imp.)**

The way an individual addresses a situation single-handedly or say in a group is influenced by many factors.

The key factors influencing an individual's attitude in personal as well as social life are -

1. Abilities
2. Gender
3. Race and Culture
4. Perception
5. Attribution
6. Attitude

1. Abilities

Abilities are the traits a person learns from the environment around as well as the traits a person is gifted with by birth. These traits are broadly classified as -

- Intellectual abilities
- Physical abilities
- Self-awareness abilities

In order to understand how these affect a person's behavior, we need to know what these abilities are.

➤ Intellectual abilities

It personifies a person's intelligence, verbal and analytical reasoning abilities, memory as well as verbal comprehension.

➤ Physical abilities

It personifies a person's physical strength, stamina, body coordination as well as motor skills.

➤ Self-awareness abilities

It symbolizes how a person feels about the task, while a manager's perception of his abilities decides the kind of work that needs to be allotted to an individual.

Thus the psychological, physical, self-assurance traits owned by a person defines the behavior of a person in social and personal life. For ex: Ram has a high IQ level, whereas Rahul can lift a bike and is a strong guy.

2. Gender

Research proves that men and women both stand equal in terms of job performance and mental abilities; however, society still emphasizes differences between the two genders. Absenteeism is one area in an organization where differences are found as women are considered to be the primary caregiver for children. A factor that might influence work allocation and evaluation in an organization is the manager's perception and personal values.

For example - An organization encourages both genders to work efficiently towards the company's goal and no special promotion or demotion is given or tolerated for any specific gender.

3. Race & Culture

Race is a group of people sharing similar physical features. It is used to define types of persons according to perceived traits. For example - Indian, African. On the other hand, culture can be defined as the traits, ideas, customs and traditions one follows either as a person or in a group.

For example - Celebrating a festival.

Race & culture have always exerted an important influence both at the workplace as well as in the society. The common mistakes such as attributing behavior and stereotyping according to individual's race & culture basically influences an individual's behavior.

In today's diverse work culture, the management as well as staff should learn and accept different cultures, values, and common protocols to create more comfortable corporate culture.

For example - A company invites candidates for a job post and hires one on the basis of eligibility criteria and not on the basis of the country a person belongs to or the customs one follows.

4. Perception

Perception is an intellectual process of transforming sensory stimuli into meaningful information. It is the process of interpreting something that we see or hear in our mind and use it later to judge and give a verdict on a situation, person, group, etc.

It can be divided into six types namely -

- **Of sound** - The ability to receive sound by identifying vibrations.
- **Of speech** - The competence of interpreting and understanding the sounds of language heard.
- **Touch** - Identifying objects through patterns of its surface by touching it.
- **Taste** - The ability to detect flavor of substances by tasting it through sensory organs known as taste buds.
- **Other senses** - Other senses include balance, acceleration, pain, time, sensation felt in throat and lungs etc.
- **Of the social world** - It permits people to understand other individuals and groups of their social world.

For example - Priya goes to a restaurant and likes their customer service, so she will perceive that it is a good place to hang out and will recommend it to her friends, who may or may not like it. However, Priya's perception about the restaurant remains good.

5. Attribution

Attribution is the course of observing behavior followed by determining its cause based on individual's personality or situation.

Attribution framework uses the following three criteria -

- **Consensus** - The extent to which people in the same situation might react similarly.
- **Distinctiveness** - The extent to which a person's behavior can be associated to situations or personality.
- **Consistency** - The frequency measurement of the observed behavior, that is, how often does this behavior occur.

The framework mentioned says it is all about how an individual behaves in different situations.

For example - Rohit invites Anisha and two more friends for a movie and they agree to bunk and watch the movie, this is consensus. Bunking of class says that they are not interested in their lectures, this is distinctiveness. A little change in the situation, like if Rohit frequently starts bunking the class then his friends may or may not support him. The frequency of their support and their rejection decides consistency.

6. Attitude

Attitude is the abstract learnt reaction or say response of a person's entire cognitive process over a time span.

For example - A person who has worked with different companies might develop an attitude of indifference towards organizational citizenship.

Now we have a clear idea about what are the factors responsible for the way we behave. We never think about these elements and how they affect our daily life but we can't ignore the fact that they are responsible for the way we walk, talk, eat, socialize, etc.

1.4 LEARNING

Q13. Define the term learning.

(OR)

Explain briefly about learning.

Ans :

Meaning

- Learning may be described as the process of acquiring the ability to respond adequately to a situation which may or may not have been previously encountered, the favourable modification of response tendencies consequent upon previous experience, particularly the building of a new series of complex coordinated motor response; the fixation of times in memory so that they can be recalled or organized; the process of acquiring insight into situation.
- Thus, learning can be defined as a relatively permanent change in behaviour as a result of prior experiences.
- Learning is an important psychological process determining human behaviour. It is a continuous process and it occurs all the time.
- Learning may be defined as the sum total of behavioural changes resulting from experience at training.
- The newly acquired knowledge and experience serve as feedback to the individual and provide the serve as feedback to the individual and provide the basis for future behaviour in similar situations.

Definitions

- (i) **According to Martyn Sloman**, "Learning is the process by which a person constructs knowledge, skills and capabilities".
- (ii) **According to Sanford**, "Learning is a relatively enduring change in behaviour brought about as a consequence of experience".
- (iii) **According to W. McGehee**, "Learning has taken place if an individual behaves, reacts, respond as a result of experience in a manner different from the way he formerly behaved".

- (iv) **According to E. R. Hilgard**, "Learning is a relatively permanent change in behaviour that occurs as a result of prior experience". Ironically, it can be said that change in behaviour indicates that learning has taken place and that learning is a change in behaviour.

Q14. Outline the process of learning.

(OR)

Describe the process of learning.

Ans : **(Imp.)**

Learning process involves various phases as shown in figure.

Phase 1 : Attention :

Learning is not likely to occur in the absence of attention. Attention is essential for getting information into the working memory and keeping it active there. Therefore, the first phase in the learning process is that the learner must focus attention on the learning activity. Although this is listed as the "first phase", attention must be maintained throughout the other phases as well.

Phase 2: Expectancy:

During this phase, the learner develops an expectancy that something desirable will happen as a result of the proposed learning process. The result is a motivation to engage in the subsequent phases of the learning process.

Phase 3: Retrieval of Relevant Information to Working Memory:

The learner retrieves from long-term memory the structures that will be helpful in learning new information or solving problems that have been encountered.

Phase 4: Selective Perception:

During this phase the learner focuses attention on the essential features of the instructional presentation. It is not always possible for teachers to ascertain by simple inspection where students are focusing attention; and learners often fail to learn because they have focused on the wrong information.

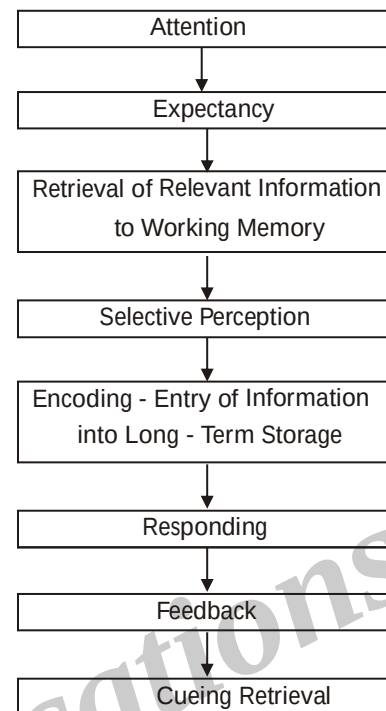


Fig. : Learning Process

Failures at this selective perception can occur either because the presentation inadequately draws attention, because the learner fails to direct attention, or because of a combination of both of these reasons. A frequent source of faulty selective perception is a fundamental misconception about the topic under consideration - the learner may think he/she is focusing on the correct information, when in reality this is a mistake.

Phase 5: Encoding - Entry of Information into Long-Term Storage:

During this phase the learner encodes the information on which he or she has clearly focused attention - i.e., transfers the information into long-term memory by relating it to information that is already stored there.

Phase 6: Responding:

During this phase the learner retrieves and actively uses the information that has been stored in long-term memory. The learner demonstrates through an active performance that the learning has taken place.

Phase 7: Feedback:

During this phase the learner determines the degree to which the performance during the previous phase was satisfactory. When the feedback indicates acceptable performance, this usually serves as reinforcement to the learner. When this feedback shows that the learner's performance was imperfect, the learner loops back to an earlier phase of learning.

For example, the learner may go back and seek appropriate prerequisite knowledge or focus attention more effectively during selective perception and then continue again with the subsequent steps. The learner does not go beyond this step until the information has been learned.

Phase 8: Cueing Retrieval:

During this phase the learner practices recalling or applying the information after it has been initially learned in order to enhance retention of the information or to transfer the learning beyond its original context to a new application.

1.4.1 Theories of Learning**Q15. Explain the classification of learning theories.**

Ans :

Various theories have been developed to explain different aspects of learning. These theories, however, can be grouped into several major categories for the focus of our present discussion. As figure depicts, the first major division is among the connectionism, cognitive and socialistic schools of thought. While cognitive interpretations place emphasis on the discovery of patterns and insight, connectionist argue that what humans learn are connections or associations between stimuli and responses and according to social learning theory people learn through different means like observation of others, direct experiences and indirect experiences.

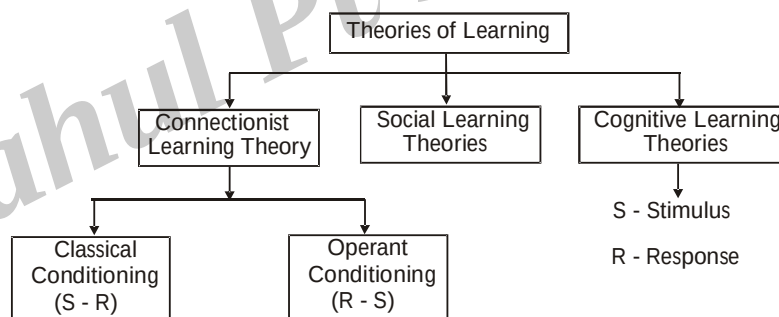


Fig. Classification of Learning Theories

Q16. Write about classical conditioning.

Ans :

Classical conditioning explains that when a particular event is repeated several times, the desired response evokes. This theory is based on the experiment conducted by Ivan Pavlov using a dog and a bell. In the experiment, Pavlov initially presented meat powder (unconditioned stimulus) to the dog.

The dog started salivating upon receiving the food (unconditioned response). After that, he simply rang the bell (neutral stimulus) and did not present the food to dog. This time, the dog didn't salivate in response to bell. Now, Pavlov rang the bell while presenting the meat powder. Every time the dog was offered food, the bell was rang. After repeated attempts, it was observed that dog would salivate just at hearing the sound of the bell even of no food was presented. Thus, it can be said that the dog was classically conditioned to salivate (conditioned response) to the bell sound (conditioned stimulus).

Merits

The merits of classical conditioning theory are as follows,

1. It is a simple and easy method of learning.
2. The teacher can use an external stimulus to quickly teach any concept to the student.

Demerits

The demerits of classical conditioning theory are as follows,

1. This theory has a limited scope.
2. Researcher Skinner opines that this stimulus-response model represents a very small percentage of human learning.
3. Critics believe that an individual's learning is complex and is greatly influenced by the external environment. This theory doesn't cover those complex behaviors.

Q17. Discuss in detail about operant conditioning.

Ans :

- According to operant conditioning theory, the behavior of an individual produces some consequences and the future action of individual depends on those consequences.
- If an individual behaves in a particular manner and if others (operating environment) like it, he would repeat the specific behavior in future too.
- The term 'operant' is used by the researchers because they operate on the environment and make the environment react to us in the ways we want.
- For example, an individual inserts a coin in the coffee machine and presses a button so that machine respond to the action by providing a cup of coffee. In this case, the individual learns that how to make the environment (the machine) offer a cup of coffee.

Reinforcement in Operant Conditioning

- In operant conditioning, the term reinforcement refers to anything that increases the chances of a response to occur.

- If the individual sees that his actions have positive effects (positive reinforcement), he/she tends to repeat the same actions in the future.
- But if the effects come out to be negative (negative reinforcement), the individual avoids repeating the same actions in the future. Thus, it can be said that behavior changes as per the consequences of actions.
- Skinner conducted an experiment on animals to see how reward (reinforcement) have an effect on their learning. For this purpose, he took a hungry rat and placed it in the skinner box. The system of box was that, upon pressing of lever, a food pallet would arrive.
- Now, when the rat was put inside the box, the rat acted in a certain way which resulted in the pressing of lever and food arrived. Every time rat would press the lever, it was rewarded immediately (i.e., food). After repeated attempts, the rat learned to press the lever.
- In this experiment, the rat pressing the lever is an operant behavior/response and the food arrives is the reward for rat. The effect of positive reinforcement is described in this experiment.
- In the similar manner, skinner conducted an experiment to see the effect of negative enforcement. Skinner took a chamber or box and placed a rat in it.
- The chamber was made uncomfortable to the rat by passing electric current in the grid floor. Due to electric current, the rat started moving around the box and pressed the lever by mistake, which stopped the flow of unpleasant current.
- When the same thing happened to rat for few times, the rat learned that pressing the lever would seize the unpleasant current.
- So, it started pressing the lever to protect itself from electric current.
- In this experiment, electric current is the negative enforcement for the rat, pressing of lever is an operant response and the stoppage of flow of current is the 'reward' for rat.

- Operant conditioning theory using reinforcement is applicable in organization and can also be used to solve many complex problems.
- In an organization, the behavior of employees can be shaped and modified by using positive reinforcements like rewards, recognition, bonuses, prizes, employee of the month award etc.
- Skinner's research also highlights the intermittent reinforcement concept where it explain that if an employee always receive a reward, he/she stops valuing it.

Merits

The merits of operant conditioning theory are,

1. The theory better explains an individual's behaviour in an organization.
2. Employees know that if they work, they would get paid.
3. Operant conditioning method of learning has a deeper impact on individual learning.

Demerits

The demerits of operant conditioning theory are,

1. This learning process is not universal in nature. Sometimes an individual may be unconcerned about the operant response of the environment.
2. Human learning is more complex and this theory does not cover the cognitive abilities of an individual.

1.4.1.1 Social Learning Theory

Q18. Explain briefly about Social Learning Theories.

Ans :

- (i) Social Learning Theories (SLT) can be broadly understood as a social behavioural approach that emphasises the "reciprocal interaction between cognitive, behavioural and environmental determinants" of human behaviour. Social learning theory, also called observational learning, occurs when an observer's behaviour changes after viewing the behaviour of a model.

- (ii) An observer's behaviour can be affected by the positive or negative consequences called vicarious reinforcement or vicarious punishment of a model's behaviour. People can learn through observation and direct experience. Much of what individuals have learned comes from watching models, teachers, peers, motion picture and television performers, bosses, and so forth.
- (iii) Social learning theory is an extension of operant conditioning, i.e., it assumes that behaviour is a function of consequences. It also acknowledges the existence of observational learning and the importance of perception in learning.

Various social learning theories are as follows:

1. Modelling Theory

The social learning theory of Bandura emphasises the importance of observing and modelling the behaviours, attitudes, and emotional reactions of others.

According to Bandura, 'Learning would be exceedingly laborious, not to mention hazardous, if people had to rely solely on the effects of their own actions to inform them what to do. Fortunately, most human behaviour is learned observationally through modelling - from observing others. One forms an idea of how new behaviours are performed, and on later occasions this coded information serves as a guide for action'.

Four processes have been found to determine the influence that a model will have on an individual. These are as follows:

- (i) **Attention Processes:** People learn from a model only when they recognize and pay attention to its critical features. We tend to be most influenced by models that are attractive, repeatedly available, important to us, or similar to us in our estimation.
- (ii) **Retention Processes:** A model's influence will depend on how well the individual remembers the model's action after the model is no longer readily available.

(iii) Motor Reproduction Processes:

After a person has seen a new behaviour by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modelled activities.

(iv) Reinforcement Processes: Individuals will be motivated to exhibit the modelled behaviour if positive incentives or rewards are provided. Behaviours that are positively reinforced will be given more attention, learned better, and performed more often.**2. Theory of Social Cognition**

Vygotsky proposed the social cognition learning model that states culture is the prime determinant of individual development. Vygotsky believed children's thinking is affected by their knowledge of the social community (which is learnt from either technical or psychological cultural tools).

He also suggested that language is the most important tool for gaining this social knowledge; the child can be taught this from other people *via* language. Culture makes two sorts of contributions to a child's intellectual development:

- (i) Through culture children acquire much of the content of their thinking, i.e., their knowledge.
- (ii) The surrounding culture provides children with the processes or means of their thinking, what Vygotskians call the tools of intellectual adaptation.
 - In short, according to the social cognition learning model, culture teaches children both what to think and how to think. Since children learn much through interaction, curricula should be designed to emphasise interaction between learners and learning tasks.
 - With appropriate adult help, children can often perform tasks

that they are incapable of completing on their own. With this in mind, scaffolding - where the adult continually adjusts the level of his or her help in response to the child's level of performance - is an effective form of teaching.

- Scaffolding not only produces immediate results, but also instill the skills necessary for independent problem-solving in the future. The principles of social cognition theory are as follows:
 - (i) Cognitive development results from a dialectical process whereby a child learns through problem-solving experiences shared with someone else, usually a parent or teacher but sometimes a sibling or peer.
 - (ii) Initially, the person interacting with child assumes most of the responsibility for guiding the problem solving, but gradually this responsibility transfers to the child.
 - (iii) Language is a primary form of interaction through which adults transmit to the child the rich body of knowledge that exists in the culture.
 - (iv) As learning progresses, the child's own language comes to serve as her primary tool of intellectual adaptation. Eventually, the child can use internal language to direct her own-behaviour.
 - (v) Internalization refers to the process of learning - and thereby internalizing - a rich body of knowledge and tools of thought that first exist outside the child. This happens primarily through language.
 - (vi) A difference exists between what the children can do on their own and what they can do with the help

of others. Vygotskians call this difference the zone of proximal development.

- (vii) Since much of what a child learns comes from the culture around them and much of the child's problem solving is mediated through an adult's help, it is wrong to focus on a child in isolation. Such focus does not reveal the processes by which children acquire new skills.
- (viii) Interactions with surrounding culture and social agents, such as parents and more competent peers, contribute significantly to a child's intellectual development.

1.5 ATTITUDES AND BEHAVIOUR

Q19. Define Attitude. Explain the Nature of Attitude ?

Ans :

(Imp.)

Meaning

Attitude is a relatively permanent organizing or cognitive, perceptual, emotional, and motivational process with respect to some aspect of our environment. It is primarily a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object. Thus, an attitude is the way we think, feel, and act toward some aspect of our environment.

Definitions

- (i) **According to Bem**, "Attitudes are likes and dislikes."
- (ii) **According to Engel**, "Attitudes are an overall evaluation that allows one to respond in a consistently favourable or unfavourable manner with respect to a given object or alternative".
- (iii) **According to Allport**, "Attitude is learned predispositions to respond to an object or class of object in a consistently favorable or unfavorable way".

- (iv) A definition of attitude popularized by cognitively oriented social psychologists is, "an enduring organization of motivational, emotional, perceptual, and cognitive process with respect to some aspect of the individual's world".

Nature

This definition incorporates four important aspects of attitudes :

- (i) Attitudes are learned through experiences ;
- (ii) They people to behave (respond) in certain ways.
- (iii) Attitudes and behaviour conform to a principle of consistency; and
- (iv) The unfavourable or favourable manner of behaving reflects the evaluate component of attitudes.

Q20. Explain the types & Functions of Attitudes.

Ans :

Types

In organizations, attitudes are important because they affect job behaviour. Robbins classifies job-related attitudes into three types - Job Satisfaction, Job Involvement, and Organizational Commitment.

(i) Job Satisfaction

Job satisfaction refers to an individual's general towards his job. Job satisfaction or job dissatisfaction is the result of various attitudes the person holds towards his job created factors, and towards life in general. Blum defines job satisfaction as a general attitude which a worker has as a consequence of several specific attitudes in the following three areas: specific job factors, individual adjustment, and group relationships out-side the job.

(ii) Job Involvement

Job involvement refers to the extent to which an individual identifies with his job, actively participates in it, and considers his

performance important to self-worth. An individual with a high level of job involvement is likely to be highly satisfied, more productive and less prone to leave the work than the one with low level of job involvement.

(iii) Organizational Commitment

Organizational commitment refers to an individual's orientation towards the organization in terms of loyalty, identification, and involvement. With high organization commitment, an individual identifies with a particular organization and its goals, and wishes to maintain membership in the organization. Highly committed individual is more likely to be a better performer and is less prone to resign than the one with a level of organizational commitment.

Functions

In the study of organizational behaviour it is important to understand the functions of attitudes. Basically, attitudes help to predict work behaviour. Secondly, attitudes often help employees to adapt to their work environments. Katz describes the four different functions that attitudes play in this process.

(i) Adaptive Function

Expression of certain attitudes in particular social contexts has a utility (instrumentality) in obtaining rewards or avoiding punishments. Thus, attitudes help people to adjust to their environment.

(ii) Ego-defensive Function

Attitudes help people to protect their self-image. Individuals make use of various ego-defense mechanisms so that their attitude serves to justify their action and to defend the ego and the self-image.

(iii) Value-expressive Function

Attitudes provide people with a basis for expressing their values. Attitudes explain to others the "type" or the "sort" of person an individual believes himself to be, for instance, honest, tolerant, objective, neutral etc. Thus, the value-expressive function gives clarity to the self-image and at the same time brings that self-image closer to the heart's desire.

(iv) Knowledge Function

Attitudes form a frame of reference and supply standards to people so that they can organize and explain the world around them and thus can give sense and meaning to it. The knowledge function enables people to assess new information and to make judgements in new settings.

Q21. Explain the sources of Attitude Formation.

Ans :

Individuals form relationships with each other and a major part of these relationships is a result of their attitudes. Attitudes are formed through three main sources :

1. Early Socialization
2. Group Affiliation
3. Personal Experience

1. Early socialization

Great many of the attitudes can be traced back to the individual's childhood and specifically to the messages, injunctions and admonitions by parents, teachers and other authority figures. Usually attitudes towards work, authority, religion, politics, marriage, are acquired through information received and behaviour observed in childhood - for instance, attitude to-wards police can be positive or negative.

2. Group affiliation

Second major source of attitude formation is the group of friends or colleagues with whom an individual associates. If the individual wishes to belong to, and be accepted by a peer group, he tends to adopt the attitudes appropriate to, or commonly held by that group.

3. Personal experience

Third source of attitude formation is an individual's own experience, events which occur and which mould his view of the world. Mass communication media like radio, newspaper, TV etc. supply large quantities of information and thus cater to the attitudes of the individuals.

Thus, most of the attitude formation can be traced to early socialization, past and present group affiliation, and the individual's own personal experience of the world.

Attitudes develop in the process of need satisfaction. Individual develops favourable attitudes towards objects and beliefs that satisfy his desires. The individual will develop unfavourable attitude towards objects and persons that block the achievement of his goal.

Attitudes are formed through experience which means that they are learnt. Attitude formation and attitude change are rather in-extricably linked in the lives of most people - attitude change is simply the formation of a new attitude in place of in old one.

Q22. Explain the factors influencing formation of attitudes.

Ans : (Imp.)

The factors which lead to development of attitudes are:

(a) Family

Family is the most powerful source for formation of attitudes. The parents, siblings provide Attitudes developed by an individual, whether positive or negative are the result of family influence, are very powerful and difficult to undo.

(b) Peers

As the individual develops, he comes in contact with outer world and peers in first place. Peers include same age friends, neighbors, classmates, etc. The child tries to internalize the attitudes of these people.

(c) Conditioning

When we are conditioned or adjusted to a certain set up of people, situation, etc., we will be influenced by that. Hence, our associations lead to develop attitudes. Many times the kind of reinforcement we get from environment also leads to develop attitudes.

On the other hand, negative reinforcement like punishment, teasing, criticizing, troubling may lead to develop negative attitude.

(d) Social adjustment functions

This is otherwise called balance theory. Every society has majority of people who prefer to lead a harmonious life. They try to avoid unnecessary friction of conflicts with people. Naturally, they are inclined to develop positive attitudes towards most of the people and issues. Our attitudes may facilitate and maintain our relationships with members of positively valued groups. Usually we want to go with significant others to us, and rebel against those unwanted.

(e) Direct instruction

Sometimes direct instruction can influence attitude formation. For example, somebody gives information about a hair dye or usefulness of some fruit, we develop an attitude about that product, may be positive or negative.

(f) Modeling

This has been influential in developing attitudes toward a wide range of issues from alcohol to various kinds of dress, shoes, etc.

(g) Satisfaction of wants

Individual develops favorable attitudes towards those people and objects which satisfy his wants and unfavorable attitudes towards those who do not satisfy.

(h) Prejudices

Prejudices are preconceived ideas or judgments where one develops some attitudes on other people, objects, etc., without proper information. For example, disliking a doctor or a nurse without knowing their abilities, just because of their caste, religion, region, nationality, etc.

Q23. Define Attitude Change.

(OR)

"Attitudes once form, they cannot be changed" comment.

Ans :

(Jan.-18)

- Attitudes are very difficult to change, this is so because basically many of the individual's attitudes are acquired from, or significantly influenced by, people whose affection, esteem, or respect he desires.
- Individuals receive "rewards" in the form of love, approval, or agreement when they express attitudes which are in harmony with those of their parents, friends or teachers.
- An individual is unlikely to change his attitude which has brought him approval in the past, without any assurance of greater approval following his attitude change.
- Thus, one reason why attitudes are difficult to change is because they elicit rewards and an individual does not want to part with rewards unless he is assured of greater ones to follow.
- Another reason is "prior commitments". An individual feels committed to a particular course of action and is unwilling to change.
- One more factor is "insufficient information. An individual sometimes does not see any reason to change his attitude and continues happily with it though his boss may not like that attitude in him being negative.
- If the boss can provide more information to him and explain why a negative attitude is detrimental to career progress, the individual may discontinue to have a negative attitude.
- Yet another point as to why attitudes are difficult to change relates to the fact that an individual's attitudes are not independent and isolated, but exist in balanced clusters.
- These clusters are constructed over a period and in such a way as to avoid inherent conflict.
- An individual tends to be reluctant to change any one attitude as it will probably upset this balance, and cause conflict between the new and the existing attitude.

1.6 PERCEPTION**Q24. Define perception and Explain the Characteristics of Perception.**

Ans :

(Imp.)

Meaning

Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin.

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to us.

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Definitions

- (i) **According to Kolasa**, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."
- (ii) **According to S.P. Robbins**, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."
- (iii) **According to Joseph Reitz**, "Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting, and smelling."
- (iv) **According to Kolasa**, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."
- (v) **According to S.P. Robbins**, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

Characteristics

The following are the chief characteristics of perception:

1. Mental Process

Perception is a mental process. Under it an individual chooses, organizes and interprets information available in the environment. No individual can get attracted towards all the stimuli available in the environment. He selects only those stimuli which are related to him.

After selecting the stimuli they are organized so that they are interpreted. In the end they are explained. In this way, one needs brain or intelligence at every step in the process of perception. Therefore, it will be quite right to call it a mental process.

2. Activation Process

Perception is a process of activating an individual. Prior to the process of perception there is some sensation. Under sensation an individual remains inactive. He simply feels and does not react in any way. On the contrary, an individual gets activated under perception. Signal received from physical sensory organs set him thinking and his mind gets activated. Hence, perception is a process of activation.

3. Subjective Process

Subjectivity means interpreting some thing on the basis of individual interest and understanding and not on the basis of facts. In other words, subjective process means looking at an object by different individuals from different point of views.

Perception has this inherent speciality. Under perception a single particular truth can be viewed differently by different people. The main cause of this happens to be the fact that each individual has a different way of collecting information from the environment, organizing it and interpreting it differently.

4. Unique Interpretation

Perception is a particular interpretation of a real situation and is not an actual

representation of reality. In other words, it can be said that perception is not a photocopy presentation but is only a description of some object, event or individual according to an individual's understanding. Every individual interprets the real world in a different manner. Two individuals can have difference of opinion on any single point. Out of these both the two or any one of them can be wrong.

5. Wider than Sensation

There is a difference between perception and sensation. Every individual has five sensory organs. Sensation is a response of these organs. Perception is wider than sensation. It is a mixture of sensation and cognitive process. Sensation is regulated only by the sensory organs while in perception both the sensory organs and individual's understanding are involved. Sensation is the starting point of perception.

First of all sensation is born, then an individual's brain gets activated and from here the process of perception starts. Therefore, perception is wider than sensation.

6. Provides Meaning to Stimulus

An individual gets information about stimulus through sensation, e.g., first of all an individual feels the smell, taste, touch, etc. On the basis of this information the meaning is found out under perception.

7. Affected by many Factors

The concept of perception is influenced by many factors. Major factors which affect it are as follows:

(i) Internal Factors: These factors are related to perceiver. They mainly include needs, values, experiences, understanding, etc.

(ii) External Factors: These factors are related to external environment which chiefly includes intensity, size, repetition, motion, etc.

8. Provides check on Behaviour

Understanding of perception has an important contribution in the anticipation and

control of the behaviour of the employees. People's behaviour is according to their perception. If the manager can come to know how people perceive things, then he can anticipate organizational behaviour and can also control it.

9. Multiple Use

The knowledge of the concept of perception increases the understanding of organizational behaviour. Consequently, better results will be obtained in different areas of organizational behaviour, e.g., selection of employees, training, reward, labour-management negotiations, etc.

1.6.1 Perceptual of Process

Q25. Explain the process of Perception.

Ans : (Dec.-15)

Perception is a process consists of several sub-processes. One can take an input-throughput-output approach to understand the dynamics of the perceptual process. This approach emphasises that there is input, which is processed and gives output. The stimuli in the environment – subjects, events, or people – can be considered as the perceptual inputs.

The actual transformation of these inputs through the perceptual mechanisms 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.

One type of input is physical stimuli from the outside environment; the other type of input is provided by individuals themselves in the form of certain pre-dispositions (expectations, motives, and learning) based on previous experience.

The combination of these two very different kinds of inputs produces for each human being a very private, very personal picture of the world. Because each person is a unique individual, with unique experiences, needs, wants, desires, and expectations, it follows that each individual's perceptions are also unique. This explains why no two people see the world in precisely the same way.

Steps

The steps in the perceptual process – selection, organization, and interpretation– are shown in figure.

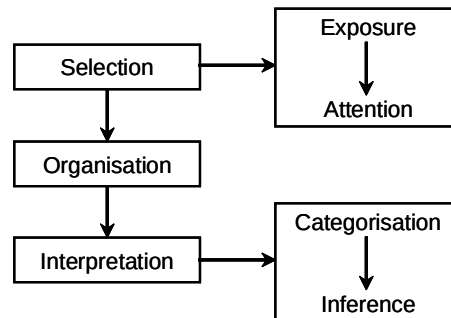


Fig. : Process of Perception

A) Perceptual Selectivity / Selection

There are a variety and a multitude of stimuli confronting us everyday affecting all our senses. Out of all these stimuli, people select only some. Perceptual selectivity refers to the tendency to select certain objects from the environment for gaining attention such that these objects are consistent with our existing beliefs, values and needs.

Without this ability of selection, the individuals will not be able to consider all available information necessary to initiate behaviour. This selectivity is enhanced by two related processes :

1. First Process, known as, "sensory activation" assumes that our senses are activated only by a certain type of stimuli so that some stimuli may go unnoticed if these are not strong, bright or loud enough to activate our senses.
2. Second process, known as, "sensory adaptation" relates to our ability to tune out certain stimuli to which we have been continuously exposed.

For example, a new home owner near an airport might be excessively bothered by the noise, but such noise does not bother those who have been living there for a long time and have been exposed to this noise over this long period.

Factors in Perceptual Selectivity

(i) Internal or Personal Factors in Perceptual Selectivity

The internal factors relate to the perceiver and include such factors as learning and motivation. These factors are self concept, beliefs, expectations, inner needs, response disposition, response salience and perceptual defence.

(ii) External Factors in Perceptual Selectivity

External factors relate to the characteristics of objects or people that activate our senses and thus get our attention. Some of these external factors are size, intensity, contrast, repetition, novelty and familiarity, motion and order.

B. Perceptual Organization

Perceptual Organization emphasises on the subsequent activities that take place in the perceptual process after a stimulus is received. A person rarely perceives the extent of colour, light or sound associated with objects. Instead he perceives organized patterns, stimuli and identifiable whole objects.

Factors Affecting Perceptual Organization

1. Figure Ground

Figure-Ground principle is generally considered to be the most basic form of perceptual organization. This principle simply implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual.

For example, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to understand what the white spaces in the middle of black letters could mean.

2. Perceptual Grouping

Grouping is the tendency to curb individual stimuli into meaningful patterns.

For example, if we perceive objects or people with similar characteristics, we tend to group them together and this organizing mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with so many details. Some of the factors underlying his grouping are:

(i) **Similarity** : According to this principle, when objects and things are similar they are perceived as in the same group. For example, workers wearing same uniform tend to be perceived as one although they have their own different personalities.

(ii) **Proximity** : The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. Employees often perceive other employees working together in a department as a team or unit because of their physical proximity.

For example, four people on the third floor of a large office building quit their jobs. Even if they did so for completely unrelated reasons, the human resource department may perceive the resignation as a problem on the third floor and examine the morale, pay, and working conditions there in an attempt to determine what is wrong.

(iii) **Closure** : The principle of closure relates to the tendencies of the people to perceive objects as a whole, even when some parts of the object are missing. The person's perceptual process will

close the gaps that are unfilled from sensory input. For example, a manager perceives complete agreement of his workers on a given project, when, in fact, there was opposition from several workers.

- (iv) **Continuity** : Continuity is closely related to closure. But there is a difference. Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern.

The continuity may lead to inflexible or non creative thinking on the part of the organizational participants. For example, the tendency to perceive continuous patterns may result in an inability to perceive uniqueness and to detect change. In economic or business forecasting, a common continuity error is to assume that the future will be a simple continuation of current events and trends.

3. Perceptual Constancy

Constancy is one of the more sophisticated forms of perceptual organization. This concept gives a person a sense of stability in this changing world.

This principle permits the individuals to have some constancy or stability in a tremendously variable and highly complex world. If constancy were not at work, the world would be very chaotic and disorganized for the individual. There are several aspects of constancy:

- (i) **Shape Constancy** : Whenever an object appears to maintain its shape despite marked changes in the retinal image e.g. the top of a glass bottle is seen as circular whether we view it from the side or from the top.
- (ii) **Size Constancy** : The size constancy refers to the fact that as an object is moved further away from us we tend to see it as more or less invariant in size. For example, the players in cricket field on the opposite side of the field do not look smaller than those closer to you even though their images on the retina of the eye are much smaller.
- (iii) **Colour Constancy** : Colour constancy implies that familiar objects are perceived to be of the same colour in varied conditions. The owner of a red car sees it as red in the bright sunlight as well as in dim twilight. Without perceptual constancy the size, shape and colour of objects would change as the worker moved about and it would make the job almost impossible.

4. Perceptual Context

The highest and most sophisticated form of organization is 'perceptual context'. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment.

The organizational structure and culture provide the primary context in which workers and managers do their perceiving. For example, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organization.

5. Perceptual Defence

Closely related to perceptual context is the perceptual defence. A person may build a defence against stimuli or situational events in a particular context that are personally or culturally unacceptable or threatening. Accordingly, perceptual defence may play a very important role in understanding union-management and supervisor-sub-

ordinate relationship. Most studies verify the existence of a perceptual defence mechanism.

The general conclusions drawn from these studies are that people may learn to avoid certain conflicting, threatening or unacceptable aspects of the context. The various defences may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change.

C) Perceptual Interpretation

After the data have been received and organized, the perceiver interprets the data in various ways. Perception is said to have taken place only after the data are interpreted. Indeed, perception is essentially giving meaning to the various data received and interpreted.

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experience. Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfil personal needs, wishes, and interests.

How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

Features

There are the following features of perceptual interpretation :

1. Dynamic/Influential

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experiences, the number of plausible explanations they can envision, and their motives and interests at the time of perception.

2. Ambiguous in Nature

Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfil personal needs, wishes, and interests.

3. Depends on Stimuli

How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

1.6.2 Factors Influencing Perception

Q26. What are the Factors influencing perception?

Ans : (Imp.)

1. Locus of Control

Locus of control refers to the degree of control a person believes he/she has over his/her fate. People who believe that they are the masters of their own fate are known as internals while those who believe that fate is controlled by luck, chance, or external forces are called externals. The following traits are found in internals and externals:

(a) Internals

Internals are committed to work, are highly satisfied with their jobs, and show a low rate of absenteeism. They take credit for success or the responsibility for failure, as they attribute their performance to their internal abilities. Internals are highly achievement oriented and can contribute constructively to the success of organizations.

(b) Externals

Externals show little commitment to work, are dissatisfied with their work, and show a high rate of absenteeism. Accordingly, externals believe that they have minimum control over the organizational outcomes and tend to show little interest in improving the

outcome. They depend on the directions given by the management and are reluctant to take the initiative. The way that organizations can benefit from externals is by assigning structured and routine tasks to them.

2. Machiavellianism

This quality refers to the extent to which a person is pragmatic in maintaining an emotional distance from others. Such a person believes that the ends justify the means. It is observed that people with this quality are manipulative and go to any extent to accomplish a task.

3. Self-Esteem

Self-esteem is the degree of liking people have for themselves. This attribute determines the level of confidence people have in themselves. People with high self-esteem are generally very confident.

They believe that they have the capability to achieve success and hence take up unconventional and challenging tasks. It has also been observed that individuals with high self-esteem derive high satisfaction from their work.

4. Self-monitoring

Self-monitoring is the degree of flexibility people exhibit in adapting themselves to the changing situations. High self-monitors adopt very easily to the requirements of the situation.

They can adopt their behaviour to the demands of the situation. Self-monitors also make successful managers. On the other hand, low self-monitors cannot hide their true emotions and are less flexible in adapting to changing situations. It has been observed that high self-monitors are more successful in their careers than low self-monitors.

5. Risk Taking

This refers to the extent to which people are prepared to take risks. People who are high

risk-takers make decisions and do not collect much information on which to base their decisions. Risk-averse people are meticulous and gather a lot of information before making a decision.

However, it has been observed that the accuracy of taking a decision in both the cases is almost the same. In organizations, the suitability of a person's risk-taking or risk-averse behavior is dependent on the duties and responsibilities of the job taken up by the person.

6. Type A Personality

Individuals who give extreme importance to time and to completing work on time are said to have 'Type A' personality. Such people are highly ambitious and attempt to achieve a lot of tasks within a short time period.

They are usually quick in everything they do. Also the speed at which things generally occur upsets them. People with Type A personalities also find it difficult to cope with leisure time. They keep themselves busy and do not enjoy leisure.

On the contrary, people with Type B personalities are not obsessed with achieving a number of tasks within a short period. They maintain a low profile and do not discuss their achievements unless the situation demands it. Individuals with Type A personalities are more suitable in jobs where a lot is required to be achieved within a limited time period.

For instance, jobs like those of salespersons, business development executives, etc. are suitable for Type A personalities. Type B personalities can do more justice to routine jobs such as clerical positions in banks.

1.6.2.1 Internal & External Factors

Q27. Explain various Internal & External Factors of Perception.

(OR)

Discuss the Factors influencing perception.

Ans :

(Imp.)

Individuals may look at the same thing, yet perceive it differently. A number of factors operate to shape and sometimes distort perception. These factors are shown in figure.

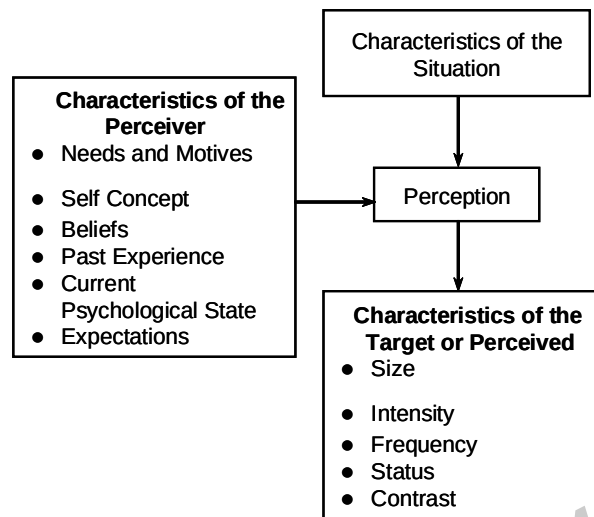


Fig. : Factors Influencing Perception

1. Characteristics of the Perceiver (Internal Factors)

(i) Needs and Motives

People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to.

(ii) Self Concept

The way a person views the world depends a greatly on self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity.

(iii) Beliefs

A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be.

(iv) Past Experience

A person's past experiences mould the way he perceives the current situations. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.

(v) Current Psychological State

The emotional and psychological states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated.

(vi) Expectations

Expectations affect what a person perceives. Thus, a technical manager may expect ignorance about the technical feature of a product from the nontechnical people.

2. Characteristics of the Target or Perceived (External Factors)**(i) Size**

The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection.

(ii) Intensity

High intensity increases the chances of selection. If the message is bright, if sentences are underlined, it gets more attention than in normal case. The greater the intensity of stimulus, the more likely it will be noticed.

(iii) Frequency

Repeated external stimulus is more attention-attracting than a single time. Repetition increases our sensitivity and alertness to the stimulus. Thus, greater the frequency with which a sensory stimulus is presented, the greater the chances we select it for attention.

(iv) Status

Perception is also influenced by the status of the perceiver. High status people can exert greater influence on perception of an employee than low status people.

(v) Contrast

Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in. A contrasting effect can be caused by colour/size or any other factor that is unusual. The contrast principle states that external stimuli stand out against the background, not what are expected will receive better attention.

3. Characteristics of the Situation

The context in which objects or events is seen, is important. Elements in the surrounding environment influence, our perception. The time at which an object or event is seen can influence attention, as can location, light, heat, or any other situational factors.

Short Question and Answers

1. What is an Organizational Behavior?

Ans :

Introduction

Organizational Behavior which has two words that is organization and other one is Behavior. We can relate organization with works, Behavior with actions. We can conclude that actions of people at work is called organizational Behavior. In other sense organizational Behavior is the field of study that researches the actions of people at works.

Meaning

Organizational Behaviour is concerned with the study of how and what people act in organizations and also how their act affect the performances of the organization. It also applies the knowledge gained about individuals, groups and the effect of structure on human Behavior in order to make organization work more effectively.

Definitions

- (i) **According to Stephen P. Robbins** "Organizational behavior is a field of study that investigates the impact that individuals, groups and structure have on behavior with in the organization for the purpose of applying such knowledge toward improving an organizations effectiveness".
- (ii) **According to Fred luthans** "organizational behavior is directly concerned with the understanding, prediction and control of human behavior is organization".
- (iii) **According to Callahan**, "Organizational behaviour is to understand, predicting and controlling human behaviour at work".

2. Scope of Organizational Behaviour.

Ans :

(i) An inter disciplinary approach

OB is an inter disciplinary approach because it tries to integrate the relevant knowledge

drawn from related disciplines like psychology, sociology, and anthropology to make them applicable and to study OB.

(ii) An Integral part of Management

OB represents behavioural approach to management Since human beings are the most important asset of any organization therefore OB has assumed the status of a distinct field of study. Thus OB brings creative thinking among managers to solve human problems in organizations.

(iii) A humanistic approach

OB is a human tool for human benefit. It helps in under standing and predicting the behaviour of individuals. It is based on the belief that the human beings have a desire to be independent, creative, and productive.

3. What is organizational effectiveness?

Ans :

Meaning

- Organization effectiveness is the efficiency of an organization, group, or company can meet its goals. Since Six Sigma is a methodology that focuses on improving.
- Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members.
- Sometimes efficiency and effectiveness are used as synonyms. However, there exists a difference between the two concepts. Therefore, it is important to explain the difference between the concepts of effectiveness and efficiency to understand why organizations may be effective but not efficient, or efficient but not effective.

4. Learning

Ans :

- (i) **According to Martyn Sloman**, "Learning is the process by which a person constructs knowledge, skills and capabilities".
- (ii) **According to Sanford**, "Learning is a relatively enduring change in behaviour brought about as a consequence of experience".
- (iii) **According to W. McGehee**, "Learning has taken place if an individual behaves, reacts, respond as a result of experience in a manner different from the way he formerly behaved".
- (iv) **According to E. R. Hilgard**, "Learning is a relatively permanent change in behaviour that occurs as a result of prior experience". Ironically, it can be said that change in behaviour indicates that learning has taken place and that learning is a change in behaviour.

5. Managing Workforce Diversity

Ans :

- It refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, elderly people, etc.
- The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce.
- In general, employees wanted to retain their individual and cultural identity, values and lifestyles even though they are working in the same organization with common rules and regulations.

6. Classical Conditioning.

Ans :

Classical conditioning explains that when a particular event is repeated several times, the desired response evokes. This theory is based on the

experiment conducted by Ivan Pavlov using a dog and a bell. In the experiment, Pavlov initially presented meat powder (unconditioned stimulus) to the dog.

The dog started salivating upon receiving the food (unconditioned response). After that, he simply rang the bell (neutral stimulus) and did not present the food to dog. This time, the dog didn't salivate in response to bell. Now, Pavlov rang the bell while presenting the meat powder. Every time the dog was offered food, the bell was rang. After repeated attempts, it was observed that dog would salivate just at hearing the sound of the bell even if no food was presented. Thus, it can be said that the dog was classically conditioned to salivate (conditioned response) to the bell sound

7. Operant Conditioning.

Ans :

- According to operant conditioning theory, the behavior of an individual produces some consequences and the future action of individual depends on those consequences.
- If an individual behaves in a particular manner and if others (operating environment) like it, he would repeat the specific behavior in future too.
- The term 'operant' is used by the researchers because they operate on the environment and make the environment react to us in the ways we want.
- For example, an individual inserts a coin in the coffee machine and presses a button so that machine respond to the action by providing a cup of coffee. In this case, the individual learns that how to make the environment (the machine) offer a cup of coffee.

8. Define Attitude.

Ans :

Meaning

Attitude is a relatively permanent organizing or cognitive, perceptual, emotional, and motivational process with respect to some aspect of our environment. It is primarily a learned

predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object. Thus, an attitude is the way we think, feel, and act toward some aspect of our environment.

Definitions

- (i) **According to Bem**, "Attitudes are likes and dislikes."
- (ii) **According to Engel**, "Attitudes are an overall evaluation that allows one to respond in a consistently favourable or unfavourable manner with respect to a given object or alternative".
- (iii) **According to Allport**, "Attitude is learned predispositions to respond to an object or class of object in a consistently favorable or unfavorable way".
- (iv) A definition of attitude popularized by cognitively oriented social psychologists is, "an enduring organization of motivational, emotional, perceptual, and cognitive process with respect to some aspect of the individual's world".

9. Define Perception.

Ans :

Meaning

Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin.

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to us.

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Definitions

- (i) **According to Kolasa**, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

- (ii) **According to S.P. Robbins**, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."
- (iii) **According to Joseph Reitz**, "Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting, and smelling."
- (iv) **According to Kolasa**, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

10. Discuss various Levels of OB?

Ans :

(i) Individual Level

At individual level, characteristics of individuals affect their behaviour. These characteristics may include personality, ability, perception, creativity, motivation, feelings etc. An individual's job performance, job satisfaction, his/her interaction with the colleagues at work place, etc., depends upon the characteristics of an individual.

(ii) Group Level

A group consist of more than two people who interact among themselves for the attainment of their goals. A 'team' may be defined as a group of people working collectively towards attainment of common goals.

The characteristics and processes of team influences organisational and group behaviour. Thus, it is important to understand such influences. Apart from characteristics, processes like - communication, decision making and leadership also have profound influence on the group behaviour.

(iii) Organisational Level

At organisational level, characteristics of the organization will have a significant impact on the individual as well as group behaviours. Organization design, organization structure, organization culture etc., are the characteristics of the organization.

Choose the Correct Answer

1. Which of the following prefers to a person's feeling and satisfaction of Job. [c]
(a) Job description (b) Job design
(c) Job satisfacton (d) None of the above
2. OB Refers to. [b]
(a) Organization Building (b) Organization Behaviour
(c) Organization Base (d) None of the above
3. The father of scientific management was. [a]
(a) Frederick Taylor (b) Henri Fayol
(c) Elton Mayo (d) Chester Barnard
4. Hawthorne studies experimend is done by . [c]
(a) Frederick Taylor (b) Henri Fayol
(c) Elton Mayo (d) Chester Barnard
5. 14-Management principles was proposed by. [b]
(a) Frederic Taylor (b) Henri Fayal
(c) Elton Mayo (d) Chester Barnard
6. _____ is orderly arrangement of group efforts. [a]
(a) Co-ordination (b) Co- relation
(c) Understanding (d) All the above
7. _____ should be maintained in respect of instrument and tool period of work. [b]
(a) Economy (b) Standardization
(c) Intencity (d) Non of the above
8. _____ is concerned functioning of the organization. [b]
(a) Unity of command (b) Unity of direction
(c) Unity in divercity (d) All the above
9. Centralization refedred by. [a]
(a) Fayol (b) Taylor
(c) Elton Mayo (d) None
10. _____ is Most important aspect of Managerial function. [a]
(a) Leadership (b) Communication
(c) Supervision (d) None

Fill in the blanks

1. _____ is directly concerned with the understanding, prediction and control of human behavior is organization.
2. Knowledge × skill = _____.
3. _____ is the sum of all organizational situations affecting human behaviour.
4. _____ helps the management in bringing human behaviour in tune with the organizational requirements.
5. _____ refers to a person's feeling of satisfaction on the job, which acts as a motivation to work.
6. _____ is relatively permanent change in behaviour that occurs as a result of experience.
7. _____ are evaluative statements - either favourable or unfavourable-concerning objects, people or events.
8. The first step in organization effectiveness is _____.
9. _____ variables are those independent variables that determine the course of developments within an organization and the objectives achieved by an organization.
10. _____ variables are the dependent variables that reflect achievements of an organization such as its productivity, costs, loss and earnings.

Answers

1. Organizational behavior
2. Ability
3. Organizational climate
4. Leadership
5. Job satisfaction
6. Learning
7. Attitudes
8. Leadership
9. Causal
10. End-Result

UNIT II

MOTIVATION, MORALE, CULTURE, AND CONFLICT :

Motivation: Theories of Motivation – Motivational Processes - Content Theories (Maslow, Herzberg,) – Process Theories (The Goal-Setting Theory, Reinforcement Theory) Morale: Factors influencing Morale Organisational Culture: – Characteristics - Sustaining a Culture – Changing a Culture - Conflict – Functional and Dysfunctional Conflict – Process of Conflict – Managing Conflict.

2.1 MOTIVATION

2.1.1 Concept of Motivation

Q1. What is motivation? Explain the nature of motivation.

Ans :

Meaning

Motivation is the word derived from the word motive which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be:-

- Desire for money
- Success
- Recognition
- Job-satisfaction
- Team work, etc.

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the role of a leaders is to arouse interest in performance of employees in their jobs.

Definitions

- i) **According to Koontz and 'O' Donnell,** "Motivation is a general term applied to the entire class of drives, needs, wishes and similar forces".
- ii) **According to Stephen. P. Robbins,** "Motivation is a process that starts with

physiological or psychological deficiency or need that activities behaviour or a drive that is aimed at a goal or incentive".

iii) **According to Encyclopedia management,** "Motivation refers to degree of readiness of an organism to pursue some designates goal and implies the determination of the nature and focus of the forces, including the degree of readiness".

iv) **According to Dale Breachus,** "Motivation is the willingness to expend energy to achieve goals and rewards."

v) **According to Dubin,** "Motivation is the complex of forces staring and keeping a person at work in an organization".

Nature

1. Unending Process

Man has number of wants. These wants induce a man to work. All the wants cannot be satisfied at one time. If one want is satisfied, then another want emerges. Motivation is also an unending process just like the satisfaction of wants is an unending process.

2. Psychological Concept

Motivation deals with the psychology of workers. An efficient worker will not perform the work desirable well unless he is properly motivated. So, the effective performance requires proper motivation.

3. The Whole Individual is Motivated

An individual is motivated fully and not partly because motivation is related to psychology. The basic needs of a man determine motivation to a greater extent.

4. Motivation may be Financial (or) Non-monetary

Monetary motivation includes increase in wages, allowances, bonus etc. Non-monetary benefits are recognition, praise, more responsibility, decision making etc.

5. Goals are Motivators

Man works to achieve his individual goals. Whenever the goal is achieved, he will no longer be interested to work. So, management has to identify the goals of individuals, to persuade them to work by directions.

Q2. Explain the classification of motivation.

Ans :

1. Negative Motivation

It is based on force or fear, i.e., workers can be threatened with demotion, dismissal, lay-off, pay cut etc. Negative motivation results in disloyalty to the group as well as to organization.

2. Positive Motivation

It is based on reward. It is a process of attempting to influence others to do your will through the possibility of gain or reward.

3. Extrinsic Motivation

Increase in wages, retirement benefits, rest periods, holidays, health wages, health insurance and the like are the examples of extrinsic motivation. Extrinsic motivation is available only after the completion of job.

4. Intrinsic Motivation

Intrinsic motivation is available at the time of performance of work. These motivations provide a satisfaction during the performance of the work itself. Praise, recognition, power, delegation of authority and responsibility, competition and participation in the decision-making process are some of the examples of intrinsic motivation.

5. Financial Motivation

Financial motivation is directly or indirectly associated with money, wages, salaries, bonus, profit-sharing, paid vacation, retirement benefits, free-medical service are some of the financial motivations.

6. Non-financial Motivation

These are not associated with monetary rewards. Praise, job rotation, delegation of authority and responsibility, participation, recognition and power are some of the examples of non-financial motivation.

Q3. Explain the features of motivation.

(OR)

What are the features of Motivation?

Ans :

The analysis of definitions on motivation presents the following features:

1. Motivation is Individual's Internal Feeling

Motivation is a psychological process within individuals. Individual needs/desires are the feelings in the mind of a person regarding the deficiencies. These deficiencies include physical, social and psychological.

2. Motivation is concerned with the total person

Individuals are total persons. They are self-contained. Each individual is an inseparable unit and all his needs are interrelated. The individual feelings in the social area affect his physical and psychological areas also. Individual feelings and motivation is continuous process. They result in continuous and interrelated human behaviour.

3. Motivation = Anticipated values × Perceived Probability

Motivation is the product of anticipated values from an action and the perceived probability that these values would be attained by the action. The anticipated value is called 'Valence' and the perceived probability is called 'Expectancy'. Thus the

Motivation = Valence × Expectancy

4. **Motivation is the willingness to exert** high levels of effort towards organizational goals, conditioned by the efforts and the ability to satisfy some individual need.
5. **Motivation involves** the arousal, direction and maintenance of behaviour towards a goal.

2.1.2 Importance of Motivation

Q4. Articulate the Importance of Motivation.

Ans :

Motivation is an important factor in determining the efficiency of an organization. With its help a desire is born in the minds of the employees to achieve successfully the objectives of the enterprise.

The importance or need of motivation becomes clear from the following facts:

1. High Level of Performance

The efficiency of the motivated employees is better than the unmotivated people. It is important to achieve high level of efficiency for the organization and this can be achieved only through motivation. Many researchers have proved the high degree of positive correlation between motivation and efficiency.

2. Low Employees Turnover and Absenteeism

The goodwill of an enterprise is adversely affected by the high level of employees turnover and absenteeism. This creates many problems for the managers. The problems of appointing the employees time and again, arranging for their education and training, etc., lead to wastage of time as well as money. It is impossible to face this wastage in today's competitive economy. Only motivation can save this wastage for the organization. Motivated people work for a longer time in the enterprise and the rate of absenteeism also gets lowered.

3. Easy Acceptance of Organizational Changes

Changes continue taking place in the organization - like technical changes, methods of work performance, etc. Generally, the employees do not accept changes in the method of their work performance they are accustomed to. But changes become necessary keeping in view the demands of time. These changes can be made acceptable only through motivation. Motivated people accept them enthusiastically and perform their work.

4. Sweet Relations between Owner and Employees

A high level of motivation establishes sweet relations among the appointors and the employees. Motivation fills the employees with enthusiasm and they start accepting orders and information willingly. Thus, motivation makes a great contribution in establishing good human relations.

5. Good Image of Organization

Where the employees are motivated through a proper method by satisfying their needs one after the other, a good image of the enterprise is created in the mind of the public. Qualified employees give preference to getting appointment in such an enterprise making the function of appointing the employees easier.

6. Increase in Morale

High level of motivation increases the morale of the employees and they face challenges and, in case of need, are not afraid of taking bold decisions.

7. Proper use of Human Resources Possible

Human resource has an important place among the resources of production. The success or failure of an enterprise depends on the proper use of this resource. Its proper use can be made with the help of various types of motivation. Motivated employees work at their full capability and their aim is the achievement of the objectives of the enterprise.

8. Helpful in Achieving Goals

The employees have to be shown the right way in order to achieve the pre-determined objectives of any enterprise through their medium. This aim can only be achieved through the weapon of motivation. Without motivation the achievement of goals is only a dream. Motivation is essential to realize this dream.

9. Builds Good Relations Among Employees

Since most of the needs of the motivated people are satisfied their behaviour assumes calmness. All the employees working in such a human group develop a sense of cooperation with one another. There is thus no conflict among them and there is no hindrance in their work performance.

A study of the above facts makes it clear that motivation is an important tool in the hands of management for the attainment of objectives of the individual and the organization economically and effectively. Through the medium of motivation the subordinates can be guided in the desired direction and the wastage of human and other resources of production can be minimized.

Q5. Explain the different types of motivation.

Ans :

Motivation may be classified on various bases:

1) Positive versus Negative Motivation**i) Positive Motivation**

It seeks to create an optimistic atmosphere in the enterprise. Positive motivation involves identifying employee potentialities and makes him realize the possible result by achieving his potentialities.

ii) Negative Motivation

One can get the desired work done by installing fear in the minds of people. In this method of motivation, fear of consequences of doing something or not doing something keeps the worker in the

desired direction. This method has got several limitations.

2) Rational versus Emotional Motivation**i) Rational Motivation**

Traditionally the term rationality is associated with persons who carefully weigh the pros and cons of all the alternatives and then choose the one that gives them the greatest utility. Thus, rational motivation appears when the individual exercise his own will, uses his knowledge to anticipate the possible consequences of the action.

ii) Emotional Motivation

As against this emotional motive are those goals, which are selected on the basis of emotion's involvement. Usually such goals are selected purely on personal or subjective criteria such as desire for recognition of status, fear, pride, esteem, love, etc.

3) Primary Motivation versus Secondary Motivation**i) Primary Motivation**

Many motivation drives and motives are unknown to the individual, although they exist in them and motivate them indirectly. Since these drives and motives are physically attached to people, they are known as primary motivations. Primary motivations are basically related to human needs for psychological satisfaction. Primary motivations are unlearned and natural, relating to physiological needs.

ii) Secondary Motivation

Secondary motivation is learned whereas primary drives are unlearned and are as natural as feelings of thirst, hunger, etc. Secondary motives are learned and realized as a result of development. As human beings develop and learn many new ways of satisfaction and comfort, secondary motives crop up, which prevail in a cultured and educated society.

4) Intrinsic Motivation versus Extrinsic Motivation**i) Intrinsic Motivation**

It refers to motivation that comes from inside of an individual rather than from any external or outside rewards, such as money or grades. People may work at a job because it gives them feelings of competence and a sense of personal control, doing the job is fun, the work is a matter of pride, the tasks are challenging, and so on.

ii) Extrinsic Motivation

It refers to motivation that comes from outside an individual. The motivating factors are external, or outside, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide. Extrinsic motivation drives the performance of an activity to gain a specific externally offered or required outcome. The motivation that leaders or managers through their actions create in people is extrinsic.

5) Financial versus Non-Financial Motivation / Incentives:

The term 'incentive' means an inducement, which rouses or stimulates one to action in a desired direction. These incentives are of two types, as given below:

i) Financial (or) Pecuniary Incentives

These are monetary in nature as they involve flow of money from the organization to its staff. The examples of pecuniary benefits are wages, salaries, allowances, bonus, fringe benefits, etc.

ii) Non-Financial (or) Non-Pecuniary Incentives

Non-pecuniary incentives do not involve much financial commitments on the part of the organization. They do not add to the money income of those who receive them. They take the form of job enrichment, participative management, praise, opportunity for growth, etc.

2.2 THEORIES OF MOTIVATION**Q6. What are the Various Theories of Motivation?**

Ans :

There is no shortage of models, strategies and tactics for motivating employees as a result, firms constantly experiment with new motivational programmes and practices.

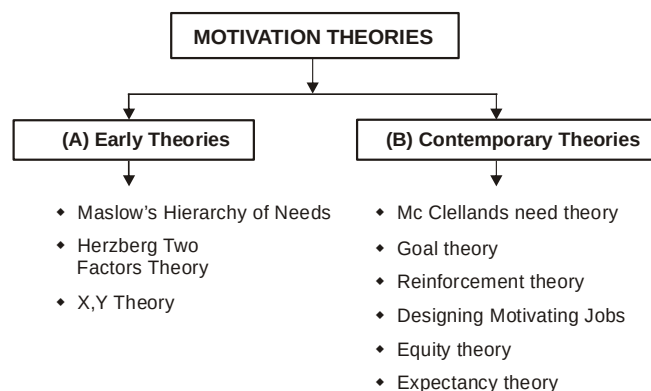
Types of Motivation Theories

Fig.: Motivation Theories

2.2.1 Motivational Processes

Q7. Write about steps involved in Motivation process.

(OR)

Outline the process of motivation ?

Ans :

(Imp.)

Motivation can also be defined as a condition that is initiated by a physiological or psychological deficiency or need in an individual, which causes the individual to behave in a certain manner in order to achieve a particular goal or incentive.

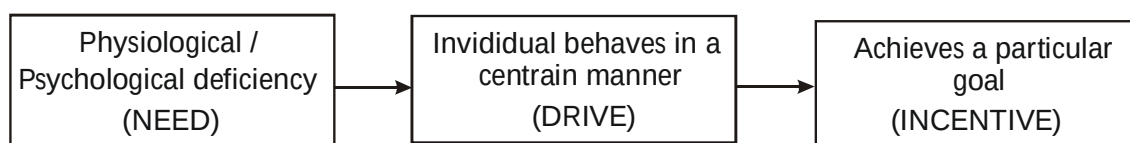


Fig. : The Motivation Process

Motivation consists of three interacting and interdependent elements - needs, drives and incentives. Needs form the basis for drives, which in turn seek the attainment of certain incentives. To understand the process of motivation, we should first understand the meaning of needs, drives and incentives, and the relationship between them.

i) Physiological / psychological deficiency (Need)

A physiological or psychological imbalance leads to the creation of a need. For example, the need for food or water arises when a person is hungry or thirsty. Similarly, people who are deprived of the company of other people may look for friends or companions.

However, psychological needs may sometimes arise without any deficiency or imbalance. For instance, a person who has a strong need to progress may move from success to success. Even if a person has several extraordinary achievements to his credit, he may still feel the need to achieve more. For example, many millionaires strive to make more and more money, even though they are considered rich by regular standards.

ii) Individual behaves in a certain manner (Drive)

Drives or motives (the two terms are used interchangeably) propel individuals to attain their goals or satisfy their needs. A physiological drive is a condition which causes a person to work in a particular direction. Both physiological and psychological drives push an individual towards achieving a certain goal or accomplishing a certain task. Drives constitute the core element in motivation. For example, the need for food and water is transformed into the drives of hunger and thirst, and the need to achieve manifests itself as the achievement drive.

iii) Achieves a Particular Goal (Incentive)

Anything that can mitigate a need and decrease the intensity of a drive is called an incentive. When a person obtains the incentive, the strength of that drive is reduced and physiological or psychological balance is restored. For example, eating food, drinking water, or finding friends reduces the corresponding drives and helps in achieving balance. Here food, water and friends are the incentives.

2.3 CONTENT THEORIES

Q8. Explain the content theories of motivation?

Ans :

The content theories of motivation attempt to identify and prioritize the needs and drives that motivate people at work. They deal with the goals and incentives that people strive for in their work environment. Although these theories have some limitations and do not always explain motivation and behavior at work successfully, they have proved useful in providing insights into motivating people.

The earliest content theory of scientific management was pioneered by Frederick W. Taylor, Frank Gilbreth and Henry L. Gantt. The scientific management theory of motivation considered money to be the only incentive. Subsequent theories began to consider factors such as working conditions and work security to be incentives. Still later, the possibility of satisfying "higher level" needs or motives also came to be considered as incentives.

Examples of such needs are: the needs for esteem and self-actualization, identified by Maslow; responsibility, recognition, achievement and advancement as proposed by Herzberg; and growth and personal development as identified by Alderfer.

2.3.1 Maslow Theory

Q9. Evaluate the contribution of Maslow to our understanding of behaviour in organizations.

(OR)

Explain Maslow's theory of motivation.

Ans : (Imp.)

The advocate of this theory is Abraham Maslow who first of all presented the Need Hierarchy Theory of Motivation in 1943. Maslow developed the theory of motivation on the basis of a chain or sequence of needs.

According to him, a man has countless needs and they can be categorized on the basis of priority. For example, the needs which are more sharply felt should be satisfied first and the less sharply felt needs should be satisfied afterwards. Similarly, the least felt needs should be thought of last of all.

Maslow has divided different human needs on the basis of priority into five parts which are shown in the following diagram:

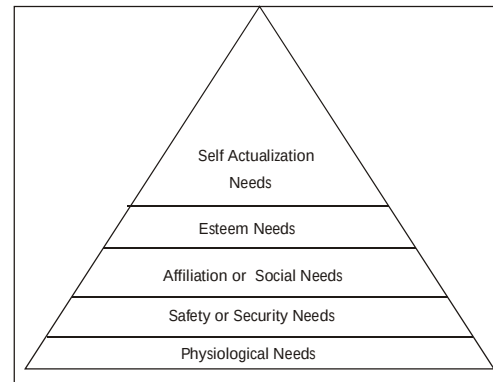


Fig.: Pyramid Representing Maslow's Hierarchy of Need

(i) Physiological Needs

In this category, those needs are included which need to be satisfied to keep a man alive. These needs include food, shelter, clothing and sleep, etc.

(ii) Safety Needs

After physiological needs are satisfied, a man thinks about his safety. Safety needs include physical, economic and psychological needs. Physical Safety refers to defence against accidents, attacks, diseases and other unexpected problems. Economic Safety means safety of livelihood and arrangement for old age. Psychological Safety means maintaining one's prestige.

(iii) Affiliation or Social Needs

Man is a social animal and wants to live in society honourably. It is, therefore, necessary that he should have friends and relatives with whom he can share his joys and sorrows. Maslow has placed social needs at number three in order of priority.

(iv) Esteem and Status Needs

These needs are called ego needs of man. This means every human being wants to attain a higher status so that his power increases and he gets authority.

(v) Self Actualization Needs

Last of all, a man tries to satisfy himself by attaining self-realization. This means that a man should be whatever he can be, meaning thereby, that he should actually be an achiever in respect of his capability. For example, a musician wants to be proficient in music, an artist wants to excel in the field of creating works of art. Similarly, a poet wants to be a specialist in his field.

Assumptions

Following are the assumptions of Maslow's theory:

- (i) People's behaviour, being affected by their needs.
- (ii) There are many needs of people and their order or priority can be made.
- (iii) Motivation ends with the satisfaction of needs. After that the next higher need serves as a motivator.
- (iv) People move to next higher need only when the lower level needs are satisfied.

The above analysis shows that an individual has many needs and that their order can be determined. The moment an individual's one need is satisfied, he gets worried about his next need. After the satisfaction of the second need comes the third and this order continues till all his needs are satisfied. It is, therefore, clear that needs can be motivators. In order to satisfy needs an individual himself wants to work with vigour and full capacity.

Criticisms

If the special study is not undertaken, Maslow's theory of hierarchy of needs will appear to be right. However, many researchers have opposed this theory and given their own criticisms which are as under:

- (i) Maslow's hierarchy of needs is not permanent. This changes according to the situation.
- (ii) It is not necessary that the needs of only one category be strong at a time and the remaining remain unimportant.

2.3.2 Herzberg

Q10. Write about Herzberg's two factor theory of motivation.

(OR)

Critically examine Herzberg's two factor theory.

Ans :

(Imp.)

Herzberg's two-factor theory of motivation is characterised by the priority of needs on which an individual focuses. It could be either directed towards achievement of some desirable, positive goals or it could be directed towards avoiding other undesirable, negative consequences. Thus, it is important to assess what variables are perceived to be desirable to achieve goals and undesirable conditions to avoid. Herzberg's theory advocates that human beings have two categories of needs essentially independent of each other effecting behaviour in different ways. His findings states that some working conditions are a must and without which the employee gets dissatisfaction and another set of working conditions are those which primarily build strong motivation and job satisfaction, but their absence rarely proves dissatisfaction. The first set of conditions are referred to as hygiene factor and second set of conditions as motivational factors.

Hygiene Factors

According to Herzberg, the hygiene factors are the company policy and administration, interpersonal relationship with supervisors, peers and subordinates, technical supervision, salary, job security, personal life, working conditions and status.

Motivational Factors

The motivational factors are capable of bringing a positive effect on job satisfaction. The factors such as achievement, recognition, advancement, work itself, possibility of growth are motivational factors. An increase in these factors will satisfy the employees. Once the employees are satisfied they can be encouraged and motivated to achieve higher outputs.

Criticisms of Herzberg Two Factor Theory

The criticisms of Herzberg's two factor theory are as follows,

1. Herzberg used the procedure which is limited due to its methodology. People credit themselves if the situations favour them and they tend to blame the extrinsic environment in case of failure.
2. Herzberg's theory is not a reliable theory as the raters may interpret the similar findings in different ways.
3. The theory doesn't use the overall measure of satisfaction. It doesn't focus on the fact that a person may not like some part of his/her job, but still considers the job to be acceptable.
4. The motivators and hygiene factors are not different. They both will lead to satisfaction and dissatisfaction.
5. The theory ignores situational variables and also the blue-coloured workforce.

Relevance of Herzberg's Two Factor Theory for Managers

Herzberg's two factor theory help managers motivate employees in the following ways,

1. The theory help the managers in understanding the behavior of people.
2. It suggests managers to take some specific actions to improve motivation levels of employees.
3. It shifted the-focus of managers from money factor to content factors for work motivation. The content factors may include recognition, achievement, opportunities for personal growth.
4. It encouraged the managers to motivate employee by assigning them challenging work and by giving them a sense of achievement, growth and recognition.
5. It enables the managers to make the effective use of employees skills, abilities and talents through job designing. As a result, employees will feel motivated.

Q11. Compare and contrast maslow's theory and herzberg's theory.

Ans :

(Jan.-21, May-19)

S.No.	Nature	Maslow's Theory	Herzberg's Theory
1.	Nature of theory	Descriptive	Prescriptive
2.	Needs Order	Hierarchical arrangement of needs	No such arrangement of needs.
3.	Satisfaction Performance Relationship	Unsatisfied needs energize behaviour and this behaviour causes Performance	Fratified needs cause performance
4.	Effect of need	A satisfied need no longer remains a motivator except self- actualization need	Satisfied need is a motivator except hygiene factors which are not motivators
5.	Motivator	Any need is a motivators, specially when it is relatively unsatisfied	Only higher order needs are motivators
6.	Applicability view of motivation	Takes a general view. Macro view deals with all aspect of existence. problems.	Takes a micro view Micro view basically deals with work related motivational
7.	Universality	Relevant for all categories of workers at all time and place, probably more relevant to developed countries.	More relevant to white collar and professionals.

2.4 PROCESS THEORIES**2.4.1 The Goal-Setting Theory****Q12. Explain briefly about Goal-Setting Theory of motivation.**

Ans :

The idea of goal setting theory is that setting measurable and specific goals is more effective than setting unclear goals. By adopting goal setting theory, an organization can improve performances and productivity.

Basically, a goal is nothing but a desirable objective, which everyone tries to achieve as their top-most priority. In an organization, there are two basic reasons for using goals,

1. Firstly, goals are used as motivational devices i.e., they are used to motivate the employees to put their efforts in achieving goals. It is the responsibility of managers to make sure that employees use their resources effectively to achieve goals. Motivating employees is possible through directing action and attention, organizing efforts, increasing determination and developing right strategies for the achievement of goals.
2. Secondly, goals are used as control devices i.e., the performance is assessed in connection with the set goals.

Goal-setting theory has three main elements as presented in the figure below,

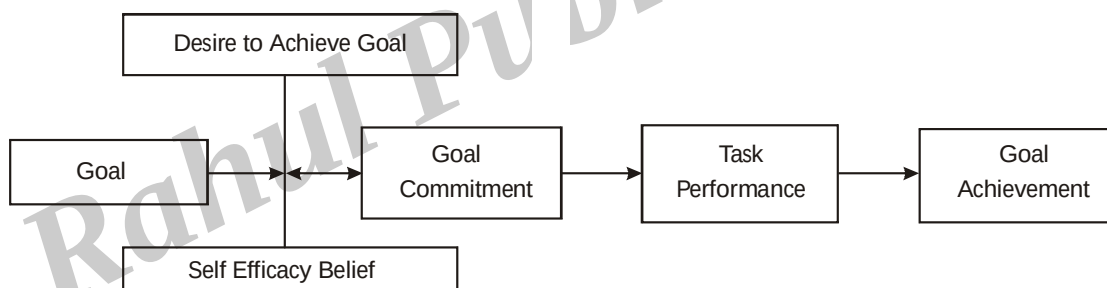


Fig.: Goal-Setting Process

The above process is explained as follows,

- (i) Firstly, an individual has a desire to achieve the goal. Setting a goal and having a desire to achieve it is in the nature of every human being. When they achieve their set goal, they tend to feel happy and competent.
- (ii) Secondly, individuals commit to goals, when they accept job and organizational goals as personal goals. Goal commitment is all about how much a person is willing to invest himself or herself to achieve the goal. An individual shows high commitment to goal when he/she has a strong desire to achieve it. In the similar manner, commitment to goal also depends on "self-efficacy belief" of an individual i.e., the belief of an individual that he/she can perform the task to achieve the goal.
- (iii) Finally, the task performance is influenced by the two factors i.e., self-efficacy belief and goal commitment. Because, an individual can perform task only when he/she believes in himself/herself and when he/she is committed to the goal. This will ultimately leads to achievement of goal.

Goal setting to motivate employees can only be successful when the set goals have relevant characteristics. The set goals must be SMART i.e., specific, measurable, attainable, realistic and time-bound. The goal setting theory is considered to be an effective model of motivation which not only guides how to motivate employees but also improves performance.

2.4.2 Reinforcement Theory

Q13. Explain briefly about Reinforcement Theory of motivation.

Ans :

Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that individual's behaviour is a function of its consequences. It is based on "law of effect", i.e., individual's behaviour with positive consequences tends to be repeated, but individual's behaviour with negative consequences tends not to be repeated.

Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action.

Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee.

This theory is a strong tool for analyzing controlling mechanism for individual's behaviour. However, it does not focus on the causes of individual's behaviour.

The managers use the following methods for controlling the behaviour of the employees:

➤ Positive Reinforcement

This implies giving a positive response when an individual shows positive and required behaviour. For example - Immediately praising an employee for coming early for job. This will increase probability of outstanding behaviour occurring again.

Reward is a positive reinforce, but not necessarily. If and only if the employees' behaviour improves, reward can said to be a

positive reinforcer. Positive reinforcement stimulates occurrence of a behaviour. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

➤ Negative Reinforcement

This implies rewarding an employee by removing negative/undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable/required behaviour.

➤ Punishment

It implies removing positive consequences so as to lower the probability of repeating undesirable behaviour in future.

In other words, punishment means applying undesirable consequence for showing undesirable behaviour.

For instance-Suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

➤ Extinction- It implies absence of reinforcements.

In other words, extinction implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour.

For instance - if an employee no longer receives praise and admiration for his good work, he may feel that his behaviour is generating no fruitful consequence. Extinction may unintentionally lower desirable behaviour.

Implications of Reinforcement Theory

- Reinforcement theory explains in detail how an individual learns behaviour.
- Managers who are making attempt to motivate the employees must ensure that they do not reward all employees simultaneously.
- They must tell the employees what they are not doing correct.
- They must tell the employees how they can achieve positive reinforcement.

2.5 MORALE

Q14. Define Morale and explain different types of morale.

Ans : (Dec.-12)

Meaning

Morale is defined by various terms from different standpoints. In military situation morale means enthusiasm to accomplish the assigned task or esprit-de-corps in sports it may mean self confidence of a team, in education it may be the eagerness to learn by students, in business it is associated with the desire to achieve the goals. So it is an overall attitude of an individual or group towards all aspects of their work e.g., the company, the job, the supervisors, fellow workers, working conditions, etc.

Definitions

- (i) **According Flippo** has described morale “as a mental condition or attitude of individuals and groups which determines their willingness to co-operate.

Good morale is evidenced by employee enthusiasm, voluntary confirmation with regulations and orders, and a willingness to co-operate with others in the accomplishment of an organization's objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates.”

- (ii) **According to Yoder**, “morale is a feeling, somewhat related to esprit de corps, enthusiasm or zeal. For group of workers, morale, according to a popular usage of the word, refers to the over-all tone, climate or atmosphere of work, perhaps vaguely sensed by the members.’

Types

The following are the two types of morale :

1. Individual and Group Morale

Individual morale is a single person's attitude towards work, environment etc. Whereas group morale reflects the general attitude of

a group of persons. Group morale is everybody's concern and may go on changing with the passage of time. Individual and group morale are interested but not necessarily identical. They have an effect on each other. The individual's personal perception of the present conditions may be high but the group's perception may be low or vice-versa.

2. High or Low Morale

Morale may be referred to high morale or low morale. In the words of McFarland, high morale exists when employee attitudes are favourable to the total situation of a group and to the attainment of its objectives. Low morale exists when attitudes inhibit the willingness and ability of an organization to attain its objectives. The words such as zeal, enthusiasm, loyalty, dependability denote high morale. Low morale may be described by words like lack of interest, laziness, apathy, bickering, jealousy, quarrelsome, pessimism, etc.

3. Morale and Motivation

Morale and motivation are inter related but differ from each other. Morale refers to the attitude of a person towards his work and environment while motivation is a process to inspire people. Motivation is an inner feeling which energizes a person to work more for satisfying his unsatisfied demands. Motivation revolves round needs and incentives while morale will determine the willingness to co-operate.

Morale is a group phenomenon while motivation is an individual's readiness to work more. Moral is related to the combination of various factors operating at work but motivation concerns to the job only. Motivation helps in mobilizing energy while morale is concerned with the mobilization of sentiments.

4. Morale and Productivity

Morale reflects the attitude of employees towards their work, it will be of interest to know if it has any bearing on productivity. A

number of research studies reveal that there is no direct relationship between morale and productivity. High morale may lead to higher productivity but in some cases production may go down even. It is generally felt there is a positive relation between morale and productivity but the degree may not be the same. For example, 10 per cent increase in morale may lead to higher productivity but production may not necessarily increase by 10 per cent.

2.5.1 Factors influencing Morale

Q15. What are the factors that influencing morale ?

Ans : (Jan.-18, Dec.-12, Imp.)

The employee morale is a very complex phenomenon and is influenced by many factors. Different authors like McFarland. Bradshaw and Krugman. Roach and Apple white name given different criterion for the determination of morale.

On the basis of all these classifications, the important factors in the determination of levels of morale are as describe below :

1. The Organization

The first factor affecting the employee morale is the organization itself. The organization influences the worker's attitudes to their jobs. The public reputation of an organization may build up for better or worse, their attitudes towards it.

2. The Nature of Work

The nature of the work, the worker is expected to perform also affects his attitude towards the job as well as his morale. If the employee is expected to perform routine or specialized jobs, he will feel bored and alienated. Repetition of the same task again and again makes the working situation worse for the employees. Another factor is the large impersonal organizational structure. Sometimes, if the employee feels that he is just a cog in the machine instead of a person, his morale will become very low. Lack of

understanding of organizational goals may also affect the morale. Another factor which causes low morale is the assembly line operations moving at a constant speed.

3. The Level of Satisfaction

The level of satisfaction, a worker derives from his job is another determinant of morale. If the job factors and the satisfaction they bring is perceived to be favourable by the employee morale will tend to be higher than if there factors seem to be unfavourable. The job factors include the factors such as opportunities for promotions, job security, steadiness of employment, opportunities to learn the job and to use his own ideas, pay working conditions, recognition, cooperative-ness of co-workers, group relationship etc.

4. The Level of Supervision

The level of supervision received by an employer has a tremendous influence on his morale. High rate of employee turnover indicates that the leadership is ineffective. On the other hand, if employees are given freedom to do the job, their morale will be high. Nobody likes to be supervised all the time.

5. Concept of Self

What is the employee's concept of himself? The answer to this question influences the attitudes of the employees to the organizational environment. How an employee perceives himself, is a very important question. The morale of persons who have lots of self confidence or who enjoy good mental and physical health is generally high as compared to those who lack self confidence or suffer from poor physical or mental health.

6. Worker's Perception of Rewards System

The worker's perception of past rewards and future opportunities for rewards affect their morale to a substantial extent. If the workers regard the rewards as fair and satisfactory, their morale will tend to by higher than if the perception is in the opposite direction. Moreover, if the rewards and opportunities for the future tend to be bleak, morale will

tend to be low as compared to the situation where the worker perceives opportunities for satisfaction and for attainment in the rewards that lie ahead in the future.

6. The Employee's Age

Studies have reported that age and morale are directly related. Other things being equal, elder employees seem to have higher morale. This is because of the reason that perhaps younger workers are more dissatisfied with higher expectations than their elders. The older employees have more stability which comes with maturity, a serious attitude towards job, more reliability, less absenteeism, proven steady work habits, a sense of responsibility and loyalty and less tendency to be distracted by outside interest as influences.

7. The Employee's Educational Level

Studies have concluded an inverse relationship in the educational level of the employee and his morale. Higher the educational level lower will be the job satisfaction and vice versa. The higher he thinks he should be the more dissatisfied he will be.

8. The Employee's Occupational Level

The occupational level of the employee also influences his level of morale. The higher up in organizational hierarchy an employee is higher will be his morale. The morale of the people who are lower in the levels of hierarchy is generally low because they compare their own attainments with those of others.

10. The Off the Job Activities of the Employee

The relationship of an employer with his family and work group influences his behaviour and attitude while he is on the job. His off the job activities e.g. whether his family life is happy or not, whether he has excessive drinking habits etc. The influences and pressures of a formal and informal group have a significant effect on the morale of workers.

2.6 ORGANIZATIONAL CULTURE

Q16. Define Organizational Culture ?

(OR)

What is Organizational Culture?

Ans :

(Imp.)

Meaning

The term culture is an Anthropological term. Culture refers to the underlying values, beliefs and codes of practice that makes a community what it is).

Culture is generally subjective and reflects the meanings and understanding that we typically attribute to situations.

Definition

(i) **According to Deal and Kennedy** says that culture is the single most important factor accounting for the success or failure of an organization.

(ii) Organizational culture is defined as the set of assumptions, beliefs, values and norms that are shared by an organization's members.

(iii) **According to Edgar and Schein**, organizational climate is a pattern of basic assumptions invented, discovered (or) developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems

Thus, organizational culture is a set of assumptions that the members of an organization share in common. The assumption may be in the form of internally oriented characteristics or externally-oriented characteristics. Internally-oriented characteristics include values, attitudes, beliefs, feelings, personality types etc., also known as abstract elements of culture. Externally-oriented characteristics include buildings, products, dresses etc., also known as material elements of the culture.

Q17. Explain the characteristics of organizational culture.

Ans :

The important characteristics of organizational culture are,

1. Initiative

The degree of freedom, authority and responsibility enjoyed by an individual in an Organization.

2. Risk taking

Employees are encouraged to be aggressive, innovative and risk taking.

3. Direction

The degree to which the organization creates clear objectives and performance expectations.

4. Integration

The degree to which units within the org. are encouraged to operate in an integrated manner.

5. Management Support

The degree to which managers provide clear communication, assistance and support to their subordinates.

6. Control

The number of rules and regulations and the amount of direct supervision that is used to control employee behaviour.

7. Identity

The degree to which members' identity with the org. as a whole rather than with their particular work group or field of professional expertise.

8. Reward system

The degree to which reward allocation are based on employee performance criteria in contrast to seniority, favoritism etc.

9. Conflict Tolerance

The degree to which employees are encouraged to air conflicts and criticisms openly.

10. Communication Patterns

The degree to which org. communication are restricted to the formal hierarchy of authority.

Q18. Discuss the Factors Shaping organizational culture.

Ans :

Following are the factors shaping organizational culture

1. Characteristics of People in an Organization

Human resources of an organization are the most important source of the organizational culture. The culture of an organization differs from one organization to another organization, due to the presence of different members. For instance, if three organizations namely x,y and z follow different methods for attracting, selecting, and retaining the employees and having different values, personalities and ethics, then a different culture would be formed.

2. Ethics of an Organization

Few organizations create an ethical environment in order to monitor their member's behaviour. The most important set of values are the organizational ethics which includes the moral values, beliefs and rules that create the adequate way for an organization and its members to behave with each other and also with the outside people.

3. Employment Relationship

It is the third factor which shapes up the organizational culture, where in the company creates an employment relationship with its employees through its human resource policies and practices. Various human resource policies such as the hiring process of the company, promotion policies, layoff policies, benefit policies and so on foster the employees towards achievement of organizational goals. Promotions also helps in building good employee relationship.

4. Organizational Design Structure

The last important factor shaping the organizational culture is the organizational structure. Organizational structure is the formal way of task and reporting relationships which an organization creates in order to encourage and coordinate its employees. Mechanistic and organic structures can be formed by the managers according to their requirements.

2.6.1 Sustaining a Culture

Q19. How does a culture in an organization sustain ? Discuss.

Ans : (Imp.)

- Ethics form an important part of an organization. Ethics include the moral values, beliefs and the rules which monitor the manner in which the organizational members act and behave with one another within an organization and also with the outside people, this together forms an ethical culture.
- In the present era, where each and every action of the company is being analyzed by the customers, investors and the government agencies, organizations and their employees need to be very careful in building up and maintaining their reputation.
- Earlier creation of an ethical organizational culture was not emphasized greatly but now-a-days it has become quite important and the companies have started giving more/greater priority to the maintenance of ethical culture, otherwise it would be a damage or loss to the company.
- One of the vital impacts of the ethical rules is its monitoring and bridling the uncontrolled self-interest. It is essential to control the self-interest because of the "tragedy of the commons". The "tragedy of the commons" explains that it is common for the people to increase their use of "common" land or resources as these resources are free in nature.
- For instance, the owners of the cattle would like to graze their animals on the open land in order to have the optimum utilization of the resources or to develop/ increase their self-interest. As a consequence, the land would be over grazed and would result in soil-erosion.
- In the process of increasing self-interest of the individuals, there would be a collective disaster.
- Similarly, in an organization the same could take place i.e., the employees would try to achieve their own goals by ignoring the organizational goals.

- For instance, the top managers in the organization would always work in their own interest and advantage which would be harmful to the other stakeholders like shareholders, employees and customers.
- In order to control such actions of the top managers there is a need of ethical values and culture, which would monitor and keep in control the self-interest and would develop the organizational interest.
- Ethical values create the expected end states - for instance, equitable or "good" business practices and the behavioural modes which are required to attain the end states, like honesty or fairness.
- Ethical values also decreases the need for people to assess as to what is correct and what is wrong? Implementation of the ethical values helps the employees to be more and more productive and reduce the time to be spent on deciding what action is to be taken?
- Ethical values also help the organization to gain good reputation, which helps in attracting new customers, suppliers and also new employees.
- The organizations with bad reputation or with unethical reputation increases hostility and mistrust in the organization.
- These organizations may be successful in the short-run, but in the long-run they would be suffering from losses.

2.6.2 Changing a Culture

Q20. What do you mean by changing a organizational culture ?

Ans : (Imp.)

Culture is transmitted to employees through number of means. The most effective means are, stories, rituals, material symbols and language.

a) Stories

Founding fathers of organizations emerge as heroes. Their sacrifice, valorous deeds and ingenuity in the difficult initial years of the organization and later during crises periods are embellished into stories sagas.

They typically contain a narration of events about the organization's founders, rule breaking, rags to-riches successes, reduction in the workforce, relocation of employees, reactions to past mistakes and organizational coping.

These stories anchor the present in the past and provide explanations and legitimacy for current practices.

b) **Rituals**

Rituals to any practice or pattern of behaviour repeated in a prescribed manner. Key values of the organization are reflected in rituals.

One of the practices religiously followed by the students and the faculties to conduct prayer every morning in the college. In addition, every festival is celebrated with religious favour, both staff and students participate with great enthusiasm.

Work in Maruthi Udyog starts every morning with all employees assembling and doing yoga. Similarly, in the annual conference of the branch and depot managers of Transport Corporation of India, the high performing managers are gifted with a suit-length material each by the CEO.

Repeated activities of the type mentioned above will help employees learn culture of the organization.

c) **Material Symbols**

The layout of corporate headquarters, the types of automobiles, top executives are given, the presence or absence of corporate aircraft, size and layout of offices, the elegance of furnishings, executive perks, dress attire and the like represent material symbols. These symbols convey to employees who is important, the degree of egalitarianism desired by top management and the kinds of behaviour that are appropriate.

d) **Language**

Many organizations and units within organizations use language as a way to identify members of a culture or subculture. By

learning this language, members attest to their acceptance of the culture and in so doing, help to preserve it.

Organizations, overtime, often develop unique terms to describe equipment, offices, key personnel, suppliers, customers or products that relate to its business. New employees are frequently overwhelmed with acronyms and jargon that, after six months on the job, have become fully part of their language. Once assimilated, this terminology acts as a common denominator that unites members of a given culture or subculture.

If the prevailing culture is unfavourable to organizational effectiveness' it needs to be changed. A few principles are available for this purpose. Some of them are within the control of management and some others are the result of external forces. A brief description of those principles follows.

1. **Change Reward Systems**

Since culture is learned, it can also be unlearned. Reward systems establish and reinforce specific cultural behaviours and therefore, a change in culture can be initiated and supported by changes in corporate reward systems.

2. **Add New Members**

Adding new members, particularly at the higher levels, is a powerful strategy to change the culture, provided that the new members bring in new culture.

3. **Implement Culture Shock**

A culture shock is an event that causes an organization to seriously examine its culture. The event could be a cut in profits, dismissal of the company's top boss, a lawsuit, or an event that challenges the company's internal integrity. If such events are attributed to cultural deficiencies, drastic changes are made quickly.

4. **Change of Chief Executive Officer**

In addition to its potential shock values, changing the CEO can have a major impact on organizational culture, the

CEO sets the norms and formal reward systems for achieving corporate goals. He or she, in a very real sense, is the personification of the culture. A change of this magnitude can have a significant impact on others in the organization.

5. Involve Members

Since changing a culture involves not only changing behaviour patterns but also underlying assumptions, values and beliefs, participative mechanisms are more likely to be successful at the attitudinal level. Culture change can be forced if necessary and if the dominant culture is powerful enough, enforcement is a costly strategy. Individuals resent having their cultures being disrupted and will often resist attempts to make major changes. Participation and the associated communication processes that accompany it can often assist in minimizing the resistance.

2.7 CONFLICT

Q21. Define Conflict ? Explain the causes of conflicts in organization.

Ans : (Imp.)

Meaning

- Conflict is feeling of disagreement among parties. It occurs when groups in the organization disagree over significant issues.
- A conflict has both positive and negative characteristics.
- In particular, conflicts frequently occur when a person or a group believes that, its attempts to achieve its goals are being blocked by another person or group. It may also result from anticipating trouble.
- Conflict is often considered as harmful. Besides, it is advantageous in some situations.
- Some organizations, mainly profit centered ones, believe that conflict is dysfunctional. Many of the nonprofit organizations consider conflict as beneficial and conducive to higher quality decision-making.

- They believe that non-presence of conflict can lead to laziness.
- Employees in organizations have different opinions and attitudes, considering their varying backgrounds. Therefore, there is a possibility that conflicts may arise during interactions between them. Although a conflict might foster a competitive environment to a certain extent, prolonged conflicts could prove detrimental to the organization. Hence, there is a need for these conflicts to be resolved at the earliest.
- An ideal way of settling conflicts is through the negotiation process. A study of the inter-group behavior of people in organizations is also essential for understanding and resolving organizational conflicts.

Definitions

(i) **According to Follett**, "Conflict is the appearance of difference, difference of opinions, of interests."

(ii) **Organizational conflict** occurs when a stakeholder group pursues its interests at the expense of other stakeholders. Given the different goals of stakeholders, organizational conflict is inevitable. Conflict is associated with negative images, such as unions getting angry and violent, but some conflict can improve effectiveness. When conflict passes a certain point, it hurts an organization.

Causes

1. Communicational Aspect of Conflict

Poor communication can also have a powerful effect in causing conflict. Any misunderstanding or partial information during the communication process is another factor supporting it. Due to the improper sending and receiving of the information conflicts situation. The filtering of information is also said to be playing its role at various levels of the organization structure. Amount of information is functional upto a point, beyond which it becomes a source of conflict. Semantic difficulties arise due to differences in background, training, selective perception

and incomplete or inadequate information regarding others. In respect of completion of any job in absence of the senior or supervisor it is essential that proper information in a correct and understandable form must be disseminated.

2. Behavioural Aspect of Conflict

These types of conflicts arise because of human thoughts, feelings, attitudes, emotions, values, perceptions and reflects basic traits of a personality. So perceptions of certain people any arise conflicts among others. On the other hand individuals who are of low self-esteem may feel threatened by others in simple matters and over-react causing a conflict.

Conflict in the modern society are mostly behavior oriented. They induce unrealized expectations and complexity of social and organization system. Conflict may also arise due to differing views regarding any issue or cause which is requiring participation. Under privileged and the one having unrealized expectations also cause conflicting situation. From organizational behaviour point of view, there is a conflict between the goals of the formal organization and psychological growth of the individual.

3. Structural Aspects of Conflict

These conflicts arise due to issues related to the structural design of the organization as a whole as well as its sub-units. some of the structurally related factor are :

(i) Size of Organization

The larger the size of the organization, the more is the basis for existence of conflict. In a big organization there is less goal clarity, more supervisory levels and supervision and greater chances of information being diluted or distorted as it is passed along.

(ii) Participation

It is seen that if subordinates are not allowed to participate in the decision-making process they show resentment which gives rise to conflict. On the other side, if more participation of the subordinates are allowed

then also chances of conflict increases as they become more aware of the things in detailed manner.

(iii) Role Ambiguity

Role is a certain set of activities associated with a certain position in the organization. When the work is ill defined the person at that position fails to perform well. This creates conflict with that person and the others who are dependent on that particular individual. Such conflicts can be reduced by defining and classifying roles and their inter-dependencies.

(iv) Scarcity of Resources

The resources are made available to the working employees, but when there is an uneven distribution it gives rise to dissatisfaction and resentment. Specially in declining organization cut back is made on personnel and services so that the concerned unit shrinking pool of resources and this breeds conflict. The chances of conflict rise high when resources such as capital facilities, staff assistance and many other factors start decreasing or are in inadequate forms.

Q22. What are the different types of conflicts?

Ans :

In any organization, there exist four types of conflicts. They are,

1. Inter-group conflict
2. Intra-group conflict
3. Inter-individual or inter-personal conflict
4. Intra-individual or intra-personal conflict.

1. Inter-group Conflict

Conflicts between groups, departments or section may result in inter-group conflicts, that can also be called as organizational conflicts. Some of the reasons for inter-group conflicts are, task interdependence among various departments for assistance, ambiguity of the task among the groups, goal incompatibility for different organizational units etc.

2. Intra-group Conflict

The disputes among some or all the group members that affect the group's performance

result in intra-group conflicts. Severe intra-group conflicts can be noticed in family run business.

3. Inter-personal Conflicts

The conflict that arises between two individuals in an organization is known as inter-personal or inter-individual conflicts. These type of conflicts are caused due to differences in perceptions, temperaments, personalities, value systems, sociocultural factors and role ambiguities.

4. Intra-personal Conflict

The conflicts that take place within a person result in an intra-personal conflict. Intra-personal conflicts can be due to frustration, large number of roles that require equal attention which can not be possible all the time, goals that possess both positive and negative aspect, cognitive dissonances and neurotic tendencies.

2.7.1 Functional and Dysfunctional Conflict

Q23. Explain about Functional conflict in an Organization.

(OR)

Describe functional side of Organizational Conflicts.

Ans : (June-16, Dec.-13, Imp.)

Meaning

Functional conflicts are constructive, support the company's goals, and improve performance. It generally involves people who are genuinely interested in solving a problem and are willing to listen to one another.

Stimulating functional conflict is a great way to improve the team's performance and generate new ideas. It involves getting the team to either defend or criticize ideas based on relevant facts rather than on the basis of personal preference or political interests.

There are two widely accepted techniques for doing this: devil's advocacy and the dialectic method.

1. Devil's Advocacy

This method involves assigning a team member the role of a critic. This person should always question and critique any ideas that

your team may have, usually resulting in critical thinking and reality testing. However, it is recommended that this role gets rotated amongst your team to avoid any particular person from developing a strictly negative reputation.

2. Dialectic Method

This approach involves facilitating a structured debate of opposing views prior to making a decision. By hearing the pros and cons of all the different ideas, the team will have greater success in making sound decisions. However, it should be noted that a major drawback of this method is that the emphasis to win a debate often clouds the issue at hand.

The conflict which supports the goals of a group and also improves its performance is known as a functional or a positive conflict. The functional conflict is helpful in the achievement of the goals of a group as it aids in –

(i) Analytical thinking

During a conflict the members of a group display analytical thinking in identifying various alternatives. In absence of conflict, they might not have been creative or even might have been lethargic. The conflicts may include challenge to such views, rules, policies, purpose and plans which entail a significant analysis so as to justify these groups as they are or make other alterations that may be necessary.

(ii) Diffusing tension among the members of the group

When conflict is allowed to express openly it can help in reducing the tension among the members of the group which would otherwise remain suppressed. Suppression of tension can lead to imaginative distortion of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. When members express themselves, they get some psychological satisfaction. This also leads to reduction of stress among the involved members.

(iii) Promote Competition

Conflicts results in increase competition and this increased competition in turn results in more efforts. Some persons are highly motivated by conflict and service competition. Such conflict and competition can result in increased effort and output.

(iv) Promote group cohesiveness

Some experts believe that conflict creates solidarity among the members of the group it also increases loyalty in the members of the group and inculcates a feeling of group identity as the members of a group compete with outsiders. This increased group cohesiveness can help the management in achieving the organizational goals effectively.

(v) Facing challenges

The abilities of individuals as well as groups can be tested during conflict. Conflict creates challenges for them and to face these challenges individual and group to need to be creative and dynamic. When they are able overcome these challenges successfully it leads to a search for the alternatives to the present methods which results in organizational development.

(vi) Organizational change

It has been seen that some times conflict stimulates change among the members of a group. Whenever people are faced with conflict, there is a change in their attitudes and they become ready for the change to meet the requirements of the situation

(vii) Increased awareness

Conflict creates an increased awareness about the problems faced by the group. The group members also become aware of the members involved in the problem and the methods adopted to solve the problem.

(viii) Quality of decision

Conflict results in high quality decisions taken by the members of a group. During the conflict, the members express the opposing views and perspective which results in some high quality decisions. The members share the information and examine the reasoning of other members to develop new decisions.

(ix) Identification of weakness

The weaknesses of a group and its members can be identified easily during the conflict. It becomes easier for the management to remove these weaknesses once it becomes aware.

Q24. Discuss about dysfunctional conflicts in an organization.**(OR)****Describe Dysfunctional side of Organizational Conflicts****Ans :****(Imp.)****Meaning**

Dysfunctional conflicts on the other hand, consist of disputes and disagreements that hinder your company's performance. This generally involves people who are unwilling to work together to solve a problem and is often personal.

When dysfunctional conflicts arise in the workplace, there are various methods for dealing with it, including :

1. Integrating

Method is also known as problem solving and generally involves encouraging opposing parties to confront an issue and cooperatively identify the problem, generate alternative solutions and select the most appropriate solution. Misunderstandings and similar disputes can often be resolved using this method.

2. Obliging

This occurs when a person neglects their own concern in order to satisfy the concern of the opposing party. A characteristic of this conflict management style includes playing down differences while emphasising on commonalities.

3. Dominating

It also referred to as forcing, people that adopt this approach often have an “I win, you lose” mentality. Dominating relies on formal authority to force compliance and is generally appropriate when unpopular but necessary solutions are implemented.

4. Avoiding

This involves either passive withdrawal from the problem or active suppression of the issue. It is generally appropriate for trivial issues or when the negative effects of confrontation outweigh the benefits of resolving the conflict.

5. Compromising

This is a give-and-take approach for resolving dysfunctional conflicts and is particularly useful when the parties involved possess equal power.

The following are some examples of situations that can produce either functional or dysfunctional conflict :

- Incompatible personalities
- Overlapping or unclear job boundaries
- Competition for limited resources
- Inadequate communication
- Interdependent tasks
- Unreasonable rules
- Unreasonable deadlines or extreme time pressure
- Collective decision making (the greater the number of people participating in a decision, the greater the potential for conflict)
- Decision making by consensus
- Unresolved or suppressed conflicts

As a leader or manager, you should be continually aware of staff interactions within the workplace. As such, you should carefully observe and react appropriately to these early warning signs as they have the potential to lead to major conflict, reduce morale, motivation and cause business inefficiency.

The conflict which obstructs the achievement of the goals of a group is called a dysfunctional or destructive conflict. The characteristics of a dysfunction conflict are:

(i) Increased tension

A dysfunctional conflict can cause high level of tension among the members of a group and in some cases it becomes difficult for the management to resolve such a conflict. This increased tension may result in anxiety uncertainty, hostility and frustration among the members of a group.

(ii) High rate of employee turn over:

Dysfunctional conflicts can cause some employees to leave the organization if they are not able to resolve the conflict in their favor. In such a case it is the organization that has to suffer to loss of its valuable employees.

(iii) Increased dissatisfaction

Dissatisfaction can be increased among the members of the party that loses in conflict. This struggle during conflict also results in decreased concentration on the job and in this way it can also adversely affect the productivity of the whole group.

(iv) Distrust

Conflict can result in a climate of distrust among the members of a group and also in the organization. It can decrease the level of cohesiveness among the group members who will have negative feelings towards other members of the group and avoid interaction with them.

(v) Distraction from organizational goals

Conflicts can distract the members of a group from the organizational goals they are supposed to achieve but during a conflict the members may waste their time and energy in making efforts for emerging as winners in the on-going conflict in the group and their attention from the organizational goals may be diverted. Personal victory becomes more important for the members involved in the conflict and the organizational goals take a back seat.

Q25. What are the differences between side Functional and Dysfunctional side of Organization.

Ans :

(Jan.-20)

S.No.	Basis of Difference	Functional Conflict	Dysfunctional Conflict
1.	Meaning	When a disagreement among individuals is constructive and healthy in nature it is called as functional conflict.	When a disagreement among individuals is destructive and unhealthy in nature it is called as dysfunctional conflict.
2.	Impact on individuals	It helps the individuals develop new ideas and get an opportunity to learn and grow.	It drains the productive energy of the individuals.
3.	Impact on the organization	Such conflicts have a positive impact in the working of the organizations.	Such conflicts have a negative impact on the working of the organizations.
4.	Signs for recognition	Managers can assess such conflict by identifying that individuals are challenging to old ideas and policies. Besides this, finding new solutions to a problem by the individuals is also a sign of functional conflict.	It arises out of various emotions including anger and resentment.

2.7.2 Process of Conflict

Q26. Explain the process (Or) various stages of conflict organization ?

(OR)

Discuss the Process of Conflict.

Ans :

(Imp.)

Organizational conflict arises when the goals, interests or values of different individuals or groups are incompatible and those individuals or groups block or request one another's attempts to achieve their objective. It can identify the stages that a conflict born and grows in an organization. In this post we will look at the stages of a Conflict covering the birth, rise and ending of it.

The conflict process can be seen as comprising five stages. These stages are described below.

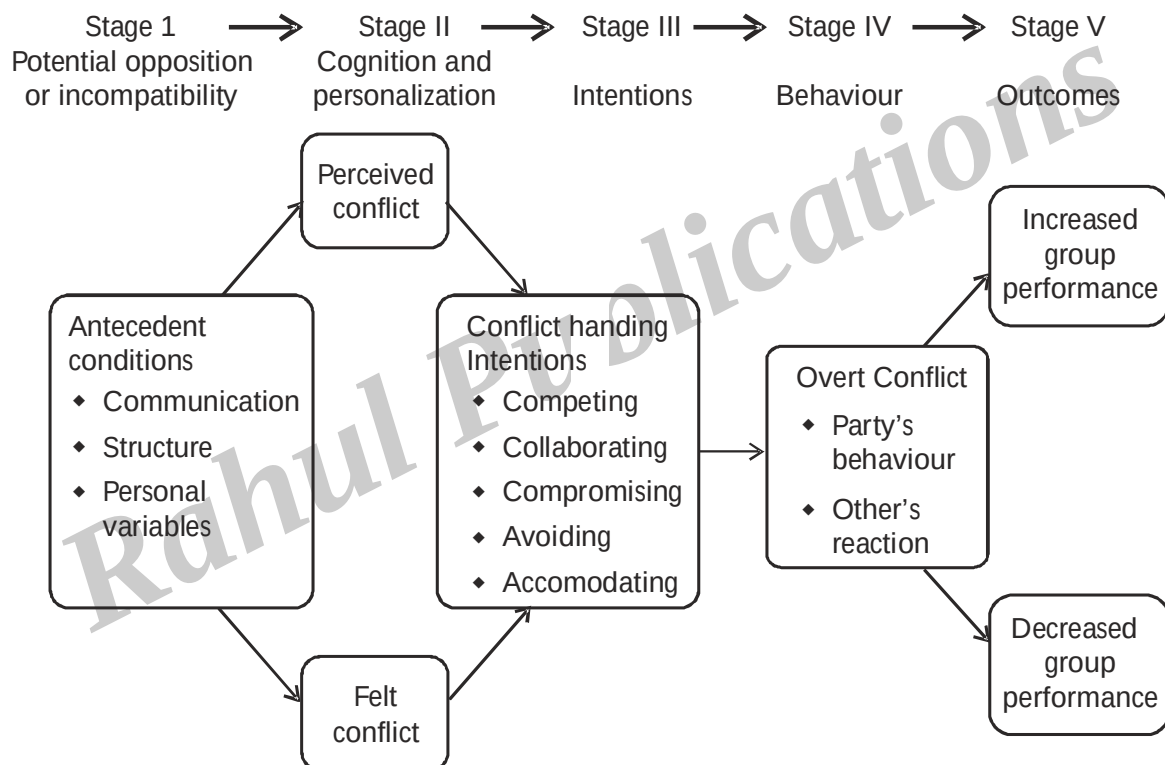


Fig.: Process of Conflict

Stage 1: Potential Opposition or Incompatibility

The first step in the conflict process is the presence on conditions that create opportunities for conflict to develop. These cause or create opportunities for organizational conflict to rise.

i) Communication

Communication barriers such as semantic difficulties, noise, and disturbances in the communication channel, failure on behalf of the sender to convey the message properly, etc. might obstruct effective communication. This in turn might lead to a conflict among individuals.

ii) Structure

The following are some of the variables that constitute the structure of organizations:

- size of work groups
- degree of specialization of employees
- role clarity of individuals and departments
- leadership style
- diversity of goals and reward system.

The structural variables are also a major source of conflict in organizations. For instance, ambiguity in the roles and responsibilities of individuals in a work group might lead to conflicts.

iii) Personal Variables

Every individual has different personality traits, value systems, etc. If these differences come to the fore during an interaction between the employees, then it might lead to a conflict.

State 2 : Cognition and Personalization

This stage occurs only when the individual (or a group) perceives a negative impact of the conditions discussed in the previous stage. During this stage, the affected individual or group develops a sense of opposition toward the other party. The affected individual might not necessarily 'personalize' the perceived conflict. However, if the perceived conflict is prolonged then the individual might reach the 'felt' level where personalization may begin. At this point, both the parties concerned experience anxiety, tension, and frustration and might develop hostility toward each other. Clearly defining the issue over which there is a conflict and examining the role of emotions might help in determining the root cause and also the outcome of the conflict.

Stage 3 : Intentions

In the third stage of the conflict process, the individuals try to choose an action which will help them to settle or deal with the conflict. Toward this end, they attempt to understand the intentions of the other party. However, they should not do this based on the behavior of the others because there is often a mismatch between the behavior and real intentions of people.

Five types of conflict handling situations have been identified.

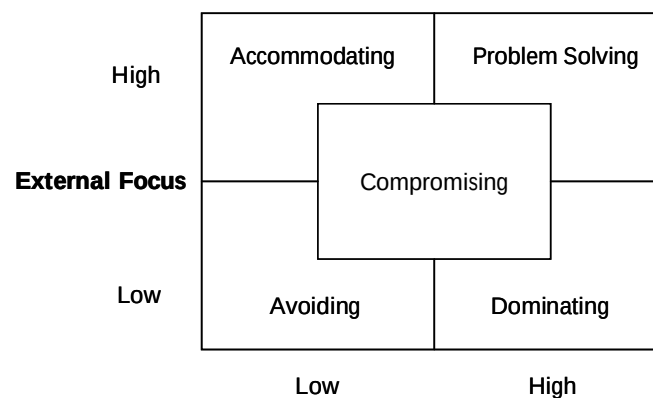


Fig. : Dimensions of Conflict-Handling Intentions

(i) Dominating

This occurs when each party tries to satisfy its own need at the expense of the other party.

(ii) Avoiding

This occurs when one party recognizes the conflict situation and tries to avoid the other party in order to avoid the conflict.

(iii) Accommodating

This occurs when one party tries to satisfy the interests of the other party by sacrificing its own interests.

(iv) Problem-Solving

This type of intention creates a win-win situation for both the parties. In this type, both the parties involved in the conflict are willing to co-operate with each other to resolve the conflict. However, both the parties are unwilling to let go of their personal interests.

(v) Compromising

This occurs when both the parties involved in the conflict are willing to compromise and let go of some of their interests. Often, this leads to dissatisfaction among the individuals in both the parties.

Stage 4 : Behaviour

The existence of a conflict may not be visible to outsiders during the initial stages. However, as the conflict prolongs, the parties involved might make their conflicts explicit in the form of verbal statements, actions, and reactions. Outsiders get to know about the conflict as a result of the behavior of the parties involved.

Conflict behaviour can range from disagreements between the parties and subtle remarks to abusive physical attacks.

Stage 5 : Outcomes

This is the last stage of the conflict process. The interaction among the conflicting parties results in certain consequences which are known as 'outcomes.' Outcomes may have a positive or negative effect on organizations. They may be functional or dysfunctional.

(i) Functional outcomes

Functional outcomes are the result of constructive conflicts among individuals. They have a positive influence on organizations. The following are some of the advantages of functional outcomes:

- They help in preventing the group from accepting decisions which are based on inaccurate assumptions, inadequate consideration of attributes, and flawed decisions.
- They encourage group members to put forward creative and innovative ideas, which in turn might improve the quality of decisions to be taken by the management.
- Constructive conflicts, which arise due to differences in cultural background, might lead to diverse solutions that suit the needs of the diverse workforce.

(ii) Dysfunctional outcomes

Dysfunctional outcomes are the result of destructive conflicts among the individuals of the organization. They have a negative impact on the performance of the organization. Some of the disadvantages of dysfunctional conflicts are :

- They weaken relationship between the members of the organization.
- They hinder the effectiveness of the communication channel between individuals.

It has been observed that constructive conflicts encourage members of organizations to perform better. Therefore, managers should encourage constructive conflicts.

Q27. What are the different techniques to resolve conflict ?

Ans :

Conflict resolution is a method by which two more parties find a peaceful solution to a disagreement among them. The disagreement can be personal, financial, political, or emotional. When a disagreement arises, often the best course of action is negotiation to resolve the disagreement. We all

know that when people gather for a discussion, it is not necessary that what one thinks is right the other thinks the same way, this difference in thinking or mentality leads to conflict.

Conflict arises when the person opposite to us has a different mindset. It is very common in a workplace to get into differences of opinion. Sometimes there is a conflict between two or more employees, sometimes employees have a conflict with their managers

Here are five strategies from conflict management theory for managing stressful situations. None of them is a "one-size-fits-all" answer. Which one is the best in a given situation depends on variety of factors, including an appraisal of the levels of conflict.

1. **Collaborating** – win/win
2. **Compromising** – win some/lose some
3. **Accommodating** – lose/win
4. **Competing** – win/lose
5. **Avoiding** – no winners/no losers

1. Collaborating

This technique follows the rule "I win, you win". Collaborating means working together by integrating ideas set out by multiple people. The objective here is to find a creative solution acceptable to everyone. It calls for a significant time commitment but is not appropriate for all conflicts.

This technique is used in situations where :

- There is a high level of trust
- We don't want to take complete responsibility
- We want others to also have "ownership" of solutions
- People involved are willing to change their thinking
- We need to work through animosity and hard feelings

However, this process takes a lot of time and energy and some may take advantage of other people's trust and openness.

Example : A businessman should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

2. Compromising

This technique follows the rule "You bend, I bend". Compromising means adjusting with each other's opinions and ideas, and thinking of a solution where some points of both the parties can be entertained. Similarly, both the parties need to give up on some of their ideas and should agree with the other.

This technique can be used in situations where:

- People of equal levels are equally committed to goals
- Time can be saved by reaching intermediate settlements on individual parts of complex matters
- Goals are moderately important

Important values and long-term objectives can be derailed using this technique. This process may not work if initial demands are high and mainly if there's no commitment to honor the compromise solutions.

Example : Two friends had a fight and they decide to compromise with each other through mutual understanding.

3. Accommodating

This technique follows the rule "I lose, you win". Accommodating means giving up of ideas and thoughts so that the other party wins and the conflict ends. This technique can be used when –

- An issue is not that important to us as it is to the other person
- We realize we are wrong
- We are willing to let others learn by mistake
- We know we cannot win
- It is not the right time and we would prefer to simply build credit for the future

- Harmony is extremely important
- What the parties have in common is a good deal more important than their differences

However, using this technique, one's own ideas don't get attention and credibility, and influence can be lost.

Example : When we fight with someone we love we choose to let them win.

4. Competing

This technique follows the rule "I win, you lose". Competing means when there is a dispute a person or a group is not willing to collaborate or adjust but it simply wants the opposite party to lose. This technique can be used when :

- We know you are right.
- Time is short and a quick decision is to be made.
- A strong personality is trying to steam roll us and we don't want to be taken advantage of.
- We need to stand up for our rights.

This technique can further escalate conflict or losers may retaliate.

Example : When in a debate the party with more facts wins.

5. Avoiding

This technique follows the rule "No winners, no losers". Avoiding means the ideas suggested by both the parties are rejected and a third person is involved who takes a decision without favoring any of the parties. This technique can be used when –

- The conflict is small and relationships are at stake
- We are counting to ten to cool off
- More important issues are pressing and we feel we don't have time to deal with this particular one
- We have no power and we see no chance of getting our concerns met

- We are too emotionally involved and others around us can solve the conflict more successfully

Using this technique may lead to postponing the conflict, that may make matters worse.

Example : Rahul and Rohit had a fight, their mother came and punished both of them.

2.7.3 Managing Conflict

Q28. How Conflicts can be Managed in an Organization ? Discuss.

(OR)

How do you Manage Conflict in Organization.

Ans : (Jan.-20, Jan.-18, Imp.)

Conflict is inevitable in any interpersonal relationship and can be a very positive experience, if managed properly. Why do we stay away from dealing with conflict? Many of us were raised to believe that conflict is something to be avoided, and is an experience of failure. However, conflict doesn't have to lead to failure, defeat, separation or termination of individual relationships. We all come to see the world in different ways, and we have different ideas about what's best for us and what's best for our group. It is actually a signal that change is needed and possible.

The ability to manage conflict is probably one of the most important social skills an individual can possess. This information is designed to help you acquire this skill. Specifically, it will offer information about :

- The different ways in which people deal with conflict.
- Increasing awareness of your own style of conflict management.
- A constructive method of conflict management which will not only lead to greater satisfaction of both parties involved, but also promote growth and development of your group.

In conflict management, the study of the conflict style is also important, as it helps to arrive at a solution. Some measures to manage conflicts are,

1. Goals and Objectives Should be Clear

Conflicts can be managed effectively, only if the goals, objectives, performance standards along with the roles are clearly defined.

- 2.** Creating super ordinate goals are shared goals, involving everyone. So, there can be cooperation between the conflicting parties.

3. Solving Problem through Open Discussion

Conflicting parties should meet directly to identify the problem and discuss various solutions for solving it. Expansion of Resources

If there is scarcity of resources in one department, managers can become flexible and transfer resources from another department so as to create a win-win situation.

- 4.** HRM policies and procedures to be followed in order to avoid and reduce conflicts that leads to attrition.

5. Non-monetary Awards

Are increased empowerment, interesting work, job design and so, on. This avoids conflicts but gives job satisfaction.

- 6.** Avoiding Conflict by withdrawal from the source of conflict.

7. Development of Skills

Through development of interpersonal or group process skills a persons can understand his own personal behaviour and other persons also through communication.

8. Group Activities

Attention should be paid to the composition of a group to reduce dysfunctional conflict. The teams should be carefully selected.

9. Authoritative Command

Management by exercising its power can end the conflict amicably.

10. Organizational Processes

Through change of the formal organization structure and interaction pattern, conflicts can be reduced. This could be through transfers, job redesign, changing bureaucratic procedures and so on.

11. Socio-technical Approach

Psychological and social factors should be in conjugation with the structural and technical needs. This helps in reducing organizational dysfunctional conflict.

Q29. What are different styles of conflicts ?

Ans :

Conflict management must aim at minimizing affective conflicts at all levels, attain and maintain a moderate amount of substantive conflict, and also to match the status and concerns of the two parties in conflict.

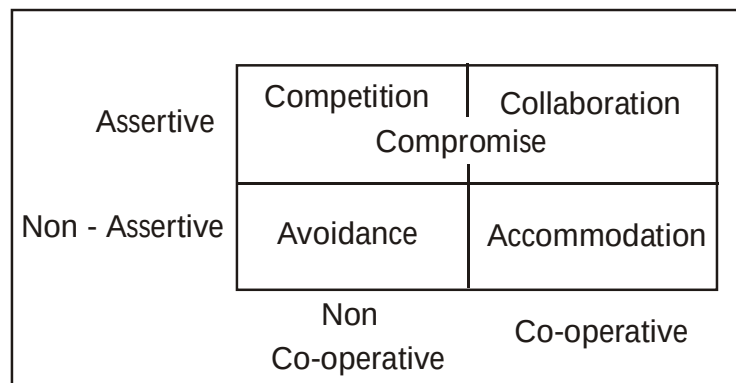


Fig.: Styles of Conflict

1. Avoidance (Leave-lose/win)

It is non-assertive and non-cooperative. The manager may think or pretend that no conflict exists or just ignore it. This strategy is used when the effort to resolve. But this approach over the time worsens the situation.

Avoidance might take the form of diplomatic sidestepping the issue or postponing resolution in time to come or simply withdrawing from a situation. A turtle is a symbol for avoidance, because it can avoid everything by pulling its head and legs into the shell to be off to everything.

2. Accommodating (Yield-lose/win)

Accommodating is non-assertive and cooperative, just opposite of competing. To solve the conflict, if someone puts his interests last so as to satisfy concerns of other people by giving in, sacrificing, or accepting, or yielding to other's view point, it is called accommodation.

However, being too accommodating too often can weaken your position to the point where your voice is never heard. There will be high relationship orientation. This style is also used when the new approach is to be used in the very near future. It may solve the conflict for the other party, but a conflict will begin in manager. This style is not objective.

A chameleon is a symbol of the accommodating style since it changes its color to match the color of its environment. By changing its color to accommodate its surroundings, the chameleon fits quietly into its environment.

3. Competing (Win/lose)

The style is assertive and non-cooperative. A person puts his/her interests before anyone else's interests. It is also known as dominating style. One stands up for his rights and uses all the power to win his position. There is low relationship orientation. Managers, using this style, want others to follow his dictates or get his way.

This style can be used only when one's leadership is established. There would be low relationship orientation. Low relationships orientation a lion can be a symbol of a competitive style. The lion's roar helps the lion to satisfy its interests.

4. Compromising (Mini-win/mini-lose)

It is some assertive and some cooperative. Compromise is on the path toward collaboration, somewhere between competition and accommodation. The style means mutual give-and-take to satisfy both parties, or both may say, "Something is better than nothing." It has equal distance between competing and accommodating.

There would be negotiated relationship orientation. When the objective is to move on, not to stop the journey, the manager may compromise. A zebra can be a symbol for the compromising style. A zebra's unique look seems to indicate that it didn't care if it was a black horse or a white horse, so it "split the difference" and chose black and white stripes.

5. Collaborating (Win/win)

It is assertive as well as cooperative, just opposite of avoiding. It may also be called integrative style. This style focuses on satisfying the underlying concerns of both the parties, meeting many current needs by working together. Through this style, employees develop ownership and commitment. Sometimes this style gives birth to new mutual needs.

Q30. Describe the causes and consequences of conflict.

(OR)

Analyze the causes and consequences of organizational conflict.

Ans :

(Imp.)

Causes

The following are the causes/reasons of conflict,

1. Difference in Goals

One of the reason for a conflict to occur is difference in the goals of two individuals, both of them may be in conflict due to such difference. For example, One persons goal is to maximize the sales of a product whereas the other person may have different goal of improving the quality of the product. This leads to conflict among them.

2. Situational Conflict

There may be many sources of conflict, some of the sources or reasons depends on the thinking or mind set of individuals involved in a conflict, it can be conflict avoidance mode or conflict escalation mode, in this mode the difference in opinion of people in the situation can cause a conflict.

3. Interest of Members

Some individual indulge in a conflict for the purpose of gaining short term benefits which may serve only for a shorter period and disappears in long run. Such individual have a very narrow thinking of concentrating only on acquiring of benefit which may cause conflict to the other who is against interest of the other.

4. Limited Resources

In inter or intra groups conflict arise because the resources are limited in number and the want for such resources may be high which may also leads to a conflict between the members of the same group.

5. Power of Position

When the person at a higher level say a manager or chairperson who hold power in their position does not like to share their power with other because they may be insecure. Which lead to lack of trust among the other members which ultimately leads to conflict.

6. Stereotype Conflict

In this type of conflict members of the same group may differ in the attitude or behaviour but are assumed to have the same perception of the other member in the same group. Where some other member cannot accept such ideologies of stereotypes which causes a conflict between the group members.

7. Norms and Standards

When a group following some norms, rules regulations or standard in achieving and fulfilling their objectives which will need uniformity in group which may not be possible in a group due to difference in accepting of norms and very high standards.

8. Authority and Dependency

Some people are good at performing the task assigned to them by the other authoritarian person who can be a superior or senior manager, whereas some person like to have the high position which demand power. People at the higher position often make others dependent on them which can also lead to conflict.

Consequences

The various consequences of conflict can be categorized into two,

1. Positive consequences and
2. Negative consequences.

1. Positive Consequences

- (a) A conflicting environment in an organization gives an opportunity to the individuals for analyzing the situation in an unbiased and objective manner. An individual's knowledge with respect to a particular situation would be assessed and evaluated on the basis of their performance, discipline, behavior and also on procedures, policies, methods and rules to be followed by him/ her. This type of knowledge assists/facilitates the individual in developing their skills further.
- (b) The organizational conflicts which arise in the organization are being resolved, then it would result in satisfaction of the needs of the managers and also acts as a source of great motivation and satisfaction for the managers.
- (c) The resolution process of organizational conflicts can also result in development of the individuals. People usually accept the rules and respect the values of an organization. Resolution of organizational conflicts brings the employees together and allows/enables them to work in coordination with one another and attain the common objectives.
- (d) Conflicting situations in an organization usually lead to great number of challenges for the managers. In order to face such challenges, the managers follow creative techniques and dynamic leadership styles. Attentiveness and vigilance forms the main part of their managerial styles.
- (e) In order to resolve conflicts, managers constantly identify new objectives, procedures, policies and values which are greatly accepted by the members. Therefore, change may be regarded as

one of the positive consequences of conflict. The process of resolving organizational conflict acts as one of the main tool of organizational development. This is so because during the process of resolving an organizational conflict, the causes of conflict are traced, identified and evaluated quickly in order to enhance the internal environment of the organization.

2. Negative Consequences (or) Destructive Consequences

- (a) The hostile nature of groups, lack of trust among employees, negative feelings are some of the negative consequences of conflict. If timely and appropriate corrective measures are not taken to overcome these consequences then these consequences would very badly effect the functioning of the organization.
- (b) Conflicts which take place in the organization at frequent intervals usually lead to confusion, inconsistency and imbalance in the employees. Lack of harmony in organizational objectives and lack of integration among the different subsystems of the organization are the main negative outcomes of conflicts.
- (c) Interpersonal and inter group conflicts would usually result in hostile feeling among group members, which would further result in unpleasant and unwanted behaviour from the group members.
- (d) Conflicts in an organization may result in the failure of achieving the planned goals i.e., goal displacement. A special focus, efforts and resources may be used as inputs for finding out an effective solution for organizational conflicts. Usually, conflict resolution becomes quite essential for employees as they invest their efforts and resources in resolving the conflicts instead of achieving organizational goals. Therefore, it results in displacement of organizational goals.

Short Question and Answers

1. What is motivation.

Ans :

Meaning

Motivation is the word derived from the word motive which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be:-

- Desire for money
- Success
- Recognition
- Job-satisfaction
- Team work, etc.

2. Features of Motivation.

Ans :

1. Motivation is Individual's Internal Feeling

Motivation is a psychological process within individuals. Individual needs/desires are the feelings in the mind of a person regarding the deficiencies. These deficiencies include physical, social and psychological.

2. Motivation is concerned with the total person

Individuals are total persons. They are self-contained. Each individual is an inseparable unit and all his needs are interrelated. The individual feelings in the social area affect his physical and psychological areas also. Individual feelings and motivation is continuous process. They result in continuous and interrelated human behaviour.

3. Importance of Motivation.

Ans :

1. High Level of Performance

The efficiency of the motivated employees is better than the unmotivated people. It is important to achieve high level of efficiency for the organization and this can be achieved only through motivation. Many researchers have proved the high degree of positive correlation between motivation and efficiency.

2. Low Employees Turnover and Absenteeism

The goodwill of an enterprise is adversely affected by the high level of employees turnover and absenteeism. This creates many problems for the managers. The problems of appointing the employees time and again, arranging for their education and training, etc., lead to wastage of time as well as money. It is impossible to face this wastage in today's competitive economy. Only motivation can save this wastage for the organization. Motivated people work for a longer time in the enterprise and the rate of absenteeism also gets lowered.

3. Easy Acceptance of Organizational Changes

Changes continue taking place in the organization - like technical changes, methods of work performance, etc. Generally, the employees do not accept changes in the method of their work performance they are accustomed to. But changes become necessary keeping in view the demands of time. These changes can be made acceptable only through motivation. Motivated people accept them enthusiastically and perform their work.

4. Intrinsic Motivation.

Ans :

It refers to motivation that comes from inside of an individual rather than from any external or outside rewards, such as money or grades. People may work at a job because it gives them feelings of competence and a sense of personal control, doing the job is fun, the work is a matter of pride, the tasks are challenging, and so on.

5. Extrinsic Motivation

Ans :

It refers to motivation that comes from outside an individual. The motivating factors are external, or outside, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide. Extrinsic motivation drives the performance of an activity to gain a specific externally offered or required outcome. The motivation that leaders or managers through their actions create in people is extrinsic.

6. Define Morale

Ans :

Meaning

Morale is defined by various terms from different standpoints. In military situation morale means enthusiasm to accomplish the assigned task or esprit-de-corps in sports it may mean self confidence of a team, in education it may be the eagerness to learn by students, in business it is associated with the desire to achieve the goals. So it is an overall attitude of an individual or group towards all aspects of their work e.g., the company, the job, the supervisors, fellow workers, working conditions, etc.

Definitions

- (i) **According Flippo** has described morale "as a mental condition or attitude of individuals and groups which determines their willingness to co-operate.

Good morale is evidenced by employee enthusiasm, voluntary confirmation with regulations and orders, and a willingness to co-operate with others in the accomplishment of an organization's objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates."

- (ii) **According to Yoder**, "morale is a feeling, somewhat related to esprit de corps, enthusiasm or zeal. For group of workers, morale, according to a popular usage of the word, refers to the over-all tone, climate or atmosphere of work, perhaps vaguely sensed by the members.'

7. Organizational Culture

Ans :

Meaning

The term culture is an Anthropological term. Culture refers to the underlying values, beliefs and codes of practice that makes a community what it is).

Culture is generally subjective and reflects the meanings and understanding that we typically attribute to situations.

Definition

- (i) **According to Deal and Kennedy** says that culture is the single most important factor accounting for the success or failure of an organization.
 - (ii) Organizational culture is defined as the set of assumptions, beliefs, values and norms that are shared by an organization's members.
 - (iii) **According to Edgar and Schein**, organizational climate is a pattern of basic assumptions invented, discovered (or) developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.
-

8. Define Conflict

Ans :

Meaning

- Conflict is feeling of disagreement among parties. It occurs when groups in the organization disagree over significant issues.
 - A conflict has both positive and negative characteristics.
 - In particular, conflicts frequently occur when a person or a group believes that, its attempts to achieve its goals are being blocked by another person or group. It may also result from anticipating trouble.
 - Conflict is often considered as harmful. Besides, it is advantageous in some situations.
 - Some organizations, mainly profit centered ones, believe that conflict is dysfunctional. Many of the nonprofit organizations consider conflict as beneficial and conducive to higher quality decision-making.
-

9. Inter-group Conflict

Ans :

Conflicts between groups, departments or section may result in inter-group conflicts, that can also be called as organizational conflicts. Some of the reasons for inter-group conflicts are, task interdependence among various departments for assistance, ambiguity of the task among the groups, goal incompatibility for different organizational units etc.

10. Inter-personal Conflicts

Ans :

The conflict that arises between two individuals in an organization is known as inter-personal or inter-individual conflicts. These type of conflicts are caused due to differences in perceptions, temperaments, personalities, value systems, sociocultural factors and role ambiguities.

11. Intra-personal Conflict

Ans :

The conflicts that take place within a person result in an intra-personal conflict. Intra-personal conflicts can be due to frustration, large number of roles that require equal attention which can not be possible all the time, goals that possess both positive and negative aspect, cognitive dissonances and neurotic tendencies.

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Choose the Correct Answer

1. _____ is the set of forces that energize, direct, and sustain behavior. [a]
(a) Motivation (b) Expectancy
(c) Empowerment (d) Socialization
2. Which of the following statements regarding internal forces of motivation is true? [c]
(a) They are more important to understand than external forces of motivation.
(b) They are less important to understand than external forces of motivation.
(c) They are as important as external forces of motivation.
(d) They are seldom recognized by managers.
3. Which of the following is NOT a “pull” force of motivation? [b]
(a) Availability of training (b) Performance-level goals
(c) Rewards and compensation (d) Pressure for high levels of output
4. Which of the following is NOT an internal motivational force? [d]
(a) Goals (b) Needs
(c) Attitudes (d) Feedback
5. Employees with need for achievement desire challenging jobs over which they have control: [c]
(a) Low (b) Medium
(c) High (d) No
6. Which statement about job satisfaction is most correct? [c]
(a) It causes performance (b) It can affect turnover
(c) It cannot be measured (d) It does not affect absenteeism
7. A person who is motivated by the enjoyment of performing a task is high in: [d]
(a) Self-esteem (b) Need for achievement
(c) Extrinsic motivation (d) Intrinsic motivation
8. According to Maslow's theory, the highest order need is: [d]
(a) Safety (b) Social
(c) Ego (d) Self-actualisation
9. Collaborating is the preferred conflict-handling orientation: [c]
(a) When an issue is trivial (b) To build social credits for later issues
(c) To gain consensus and commitment (d) In emergencies
10. Conflict management techniques can: [c]
(a) Only resolve conflict (b) Only stimulate conflict
(c) Both resolve and stimulate conflict (d) None of these

Fill in the blanks

1. _____ is a general term applied to the entire class of drives, needs, wishes and similar forces.
2. Reinforcement theory of motivation was proposed by _____
3. _____ is defined by various terms from different standpoints.
4. _____ morale is a single person's attitude towards work, environment etc.
5. _____ may lead to higher productivity but in some cases production may go down even.
6. _____ is generally subjective and reflects the meanings and understanding that we typically attribute to situations.
7. _____ is feeling of disagreement among parties.
8. _____ is the appearance of difference, difference of opinions, of interests.
9. _____ conflicts are constructive, support the company's goals, and improve performance.
10. _____ is a method by which two more parties find a peaceful solution to a disagreement among them.

ANSWERS

1. Motivation
2. BF Skinner
3. Morale
4. Individual
5. High morale
6. Culture
7. Conflict
8. Conflict
9. Functional
10. Conflict resolution

UNIT III

LEADERSHIP, COMMUNICATION, AND CHANGE :

Leadership: Leadership and Management – Leadership Styles - Theories of Leadership – Traits – Behavioral Model (Managerial Grid) – Contingency (Feilder) Learning Organization: Characteristics – Role of Leader in Learning Organizations. Managing Diversity – Benefits- Strategies. Work-life Balance- Significance-Steps. Stress management- factors affecting stress management -Virtual Organizations.

3.1 LEADERSHIP

Q1. Define Leadership. Explain the Characteristics of Leadership ?

Ans :

(Imp.)

Meaning

Leadership is the factor that helps individuals and groups to achieve the goal. It is the process of influencing and supporting employees or others to work enthusiastically toward achieving the objectives.

Definitions

The term 'leadership' has been defined by many authors as under :

1. **According to Mooney & Reiley**, "Leadership is regarded as the form which the authority assumes when it enters into process".
2. **According to Chester I. Koontz & O'Donnell**, "Leadership may be defined as the influence, the art or the process of influencing people so that they will strive willingly towards the achievement of group goals".
3. **According to R.T. Livingston**, "Leadership is the ability to awaken in others the desire to follow a goal or objective".
4. **According to Ordway Tead**, "Leadership is that combination of qualities by the possession of which one is able to get something done by others, chiefly because, through his influence they become willing to do so".

5. **Alford & Beatly**, "Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion".

Characteristics

After analyzing the definitions of leadership, the following major characteristics become quite apparent:

1. Followers

The first requirement of leadership is the presence of followers without whom leadership cannot be thought of. Without followers, leader himself has no existence. Therefore, it is important that leader should have followers (or the employees) to work with.

2. Personal Ability

Leadership depends on the ability of a particular individual. For example, the degree of the success of a manager will be in proportion to his qualities of leadership. Different scholars have different opinions about the ability of an individual with reference to leadership. According to one opinion this ability is inborn, while according to the other view this ability can be acquired. Still the third opinion holds the view that leaders are born as well as made.

3. Influencing Process

Leadership is a process of influencing people. It means taking other people under one's

influence. Under leadership a leader behaves with his followers in such a manner that they come under his influence effortlessly and they start working in accordance with his wishes.

4. No Need of Coercion

It is an important characteristic of leadership that it does not require coercion. A manager so impresses the employees with his behaviour that they willingly start working. Leadership does not mean getting work out of the employees under coercion.

5. Full Capability Utilization

It is clear that ordinarily an individual does not work at his full capacity. He needs to be encouraged to do so and this is possible only under leadership. Thus, it is a characteristic of leadership that the followers start working at their full capacity.

6. Ideal Conduct

It is important for leadership that a leader should have an ideal conduct. He should not only be delivering lectures to others but should behave in a manner that he expects from others. For example, if a manager tells his employees to be punctual in coming to their work but himself always arrives late at office, he cannot be a successful leader.

7. Leadership is a Continuing Process

Leadership is a continuous process. In other words, the job of a leader does not end by explaining the objectives of the organization to his followers but they have to be regularly guided. Therefore, it can be said that leadership is a dynamic process.

8. Leadership is a Part of Management but not all of it

Generally, management and leadership are thought to be synonyms, but it is a wrong idea. Under management, we include planning, establishing the organizational structure for the implementation of planning, appointing competent persons on different posts in the organizational structure, and exercising control over them. All these functions require a manager but he cannot

successfully perform these functions if he does not know how to lead or get work done through other people. The reality is that a leader is not appointed separately but a manager has to take the burden of leadership while performing his managerial functions.

9. Leadership is ever a new Process

Normally the nature of work, the efficiency of people, enthusiasm for work and level of competition continue changing. In this way new problems daily confront the leader in the changing situations. To face these problems the leader has to find out new techniques of leadership so that he continues motivating his followers as usual so that they can successfully achieve the objectives. It is, therefore, said that leadership is always a new process.

10. Leadership is something a person does, not something he has

Leadership is associated not with the name of a person or his position but with his works. In other words, leadership is recognized from the way how successfully a person influences his followers. For example, a person holding a high post can lack the qualities of leadership, while another person on a low level post can be a leader because of his really good behaviour. In other words, the presence of the qualities of leadership in an individual does not depend on his bookish knowledge but on his practical knowledge.

11. Leadership transforms Potential into Reality

Leadership is that power which brings to light the latent abilities with the help of one's conduct. Generally, some employees cannot estimate their capabilities. There is a mental limit of their work which tells them that they cannot do any more than this but in reality it is not so. An efficient leader brings out their hidden capability by motivation. Thus, the objectives which appear to be imaginary are converted into reality.

12. Leaders exist because of the need of the people to follow some one

If the human nature has a tendency to work, there will be no need to have a leader but the reality is not so. Mostly the employees shirk work so long as they do not get clear orders and directions. Leadership fulfils such needs of the people. Leadership strikes an understanding between the available business environment and the feelings of the employees. They are motivated in such a manner that they start using their utmost capacity most enthusiastically in the available situations.

Q2. Explain about Leadership Skills in Organization ?

Ans :

'The continuous advancement in technology in the present business environment has implied that the leaders require more than just personality traits or behavior to accomplish their tasks. In other words, it has now become necessary for leaders to possess the relevant knowledge and skills to survive in the highly competitive and complex business world. According to Robert Katz, the following skills would help leaders in achieving their goals. These skills also have a great degree of interrelationship between them.

1. Technical Skills

Employees at operational and professional levels should have certain technical skills, which will help them perform their jobs well. However, as employees are promoted to higher managerial positions in the hierarchy, the relevance of these skills decreases.

2. Human Skills

Human skills such as co-operating with members of the organization, developing positive interpersonal relationships, and working effectively in teams are essential for employees at all levels in the hierarchy. However, human skills are more important to people in leadership positions.

3. Conceptual Skills

With the help of conceptual skills, an individual can analyze complex situations, rationally process and interpret available information, and accordingly design a suitable solution to a problem. Also conceptual skills help the individual to foresee what the consequences of his actions will be. Therefore, conceptual skills are very important for managers who are constantly exposed to complex and difficult business situations and are also involved in the construction of long-term plans and goals of organization.

In Figure below, we can see that all levels of management require similar level of human skills whereas the need for technical skills decreases and the need of conceptual skills increases as we move up the organizational hierarchy.

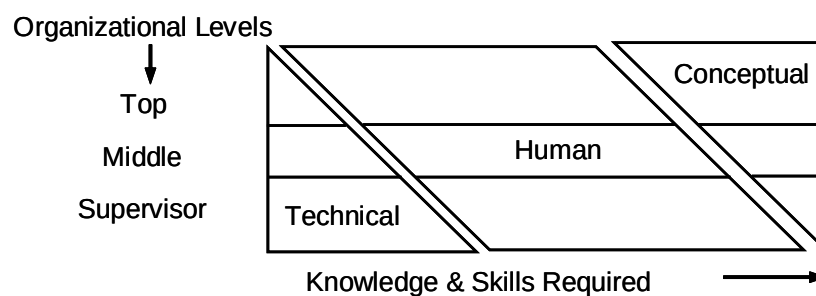


Fig. : Leadership Skills Required at Different Organizational Levels

Q3. Explain the Importance and Need of Leadership ?

Ans :

The significance of leadership in management will be clear if we study the functions which are performed by a leader. The functions are as follows :

1. Determination of Goals

A leader performs the creative function of laying down goals and policies for the group he is leading. He also acts as a guide in interpreting the goals and policies.

2. Organization of Activities

A good leader divides organization activities among the employees in a systematic manner. The relationships between them are clearly laid down. This reduces the chances of conflict between them.

3. Achieving Coordination

A leader integrates the goals of the individuals with the organizational goals and creates a community of interests. He keeps himself informed about the working of the group. He shares information with the group for the coordination of its efforts.

4. Representation of Workers

A leader is a representative of his group. He takes initiative in all matters of interest to the group. He also attempts to fulfill the psychological needs of his followers.

5. Providing Guidance

A leader guides the subordinates towards the achievement of organizational objectives. He is available for advice whenever a subordinate faces any problem.

6. Inspiration of Employees

A good leader inspires the subordinates for better performance. Motivation is necessary for getting the desired work from the subordinates. The leader motivates the employees by providing them economic and non-economic rewards.

7. Building Employees' Morale

Good leadership is indispensable for high employee morale. The leader shapes the thinking and attitudes of the group. He develops good human relations and facilitates interactions among the members of the group. He maintains voluntary cooperation and discipline among followers.

8. Formal groups tend to be well structured and meticulously planned in every respect but informal group remain loosely structured and even disappear at slightest pretext.

Q4. What are the Functions & Qualities of Leader?

Ans : (Imp.)

Leadership is an inspiring medicine which motivates the employees for the accomplishment of the predetermined objectives of the organization. According to Koontz and O'Donnell, the major function of leadership is to create proper environment and maintain it throughout to achieve the desired results.

Functions**1. To Define Organizational Goals**

The first function of leadership is to explain the objectives of the organization. The leader himself gets acquainted with the objectives and places them in simple language before the employees. The works required for the accomplishment of objectives are given priority. The works which happen to be the prominent ones are placed on the top in a definite sequence so that they can be specially taken care of in their performance.

2. To divide the Work as per Capability

After having determined the works required for the achievement of the objectives of the organization, they are divided among the employees according to their capabilities. The more difficult and important works are assigned to educated and trained employees.

3. To Guide the Activities

The leader gives his subordinates the necessary guidance in their efficient work performance. They are told how a work can be accomplished with the help of some method in the minimum time.

4. To Maintain Discipline

The fourth major function of leadership is to maintain discipline. A leader can inspire his subordinates to observe the prescribed rules only through discipline. It is especially important to note that the type of discipline which a leader expects from his followers has to be first made applicable to his own self. That is why it is said, "Discipline after self administration," meaning thereby that one has to make rules applicable to one's own self before talking about discipline.

5. To Create Effective Communication

Under leadership proper communication is created to establish a balance among different activities of the organization and also to maintain cordial relations among the employees. The communication process is considered complete only when something said by someone is received by the other party in the same spirit in which it has been said. Communications should be in simple language so that every individual can easily understand its meaning. It makes many successful rounds of exchange of ideas among the manager and employees possible.

6. To Understand the Feelings of his Subordinates

Another important link in the chain of functions of leadership is to understand the feelings of the subordinates. Why does a human group follow a particular individual? In reply to this question it can be said that this particular person provides them security, gives them opportunities to earn money, gives them the authority to work and tries to understand their feelings. That is why they follow him. Anybody who takes care of the above mentioned things is willingly accepted as a leader. As a result of this they work with full dedication and enthusiasm.

7. To Secure Cooperation

It is clear that the job of converting the objectives of the organization into reality is done by the employees. It is not possible so long as there is complete cooperation between both the sides (manager and the employees). Now the question arises how this feeling of cooperation should be created. The suggestions and advice given by the employees should be respected; their difficulties whether they are connected with the organization or with their family life should be listened to sympathetically, and they should be given chances of promotion. All these functions can be performed only by a leader.

8. To Represent the Organization

The leader also represents the organization. When he gives orders and directions, apart from being the manager, he is representing the enterprise also. Similarly, when he handles the outside people, he represents the enterprise.

9. To Make Decisions

The changing situations present many new problems to the leader and to solve them he has to take decisions. Not only this, even in daily works like what work is to be got done through a particular person, how motivation is to be done, what type of communication is to be made - he has to take decisions. In order to be a successful leader one should possess the quick decision taking power.

10. To Design Environment as per Result Expectations

The last important function of a leader is to create such an environment or conditions within the organization which will be appropriate for the achievement of expected results. It is not only to be created but has to be maintained.

Qualities of Leader

The following are qualities for successful leadership:

1. Ability to Motivate

Leadership means motivating the followers to follow the leader. It shows that it is important to have the ability to motivate in order to make the meaning of leadership meaningful or purposeful. The leader should know the different methods of motivation so that the employees can be motivated according to their nature.

2. Ability to Communicate

The chief function of a leader is to have communication with the employees and other individuals regarding various information, orders, thoughts, etc. This job should be performed in a simple language keeping in view the ability of the person receiving communication so that the receiver takes the communication in the same spirit in which it is conveyed. The effect and its quickness will depend on the amount of communication skill of the person concerned.

3. Quick Decision-making Power

A leader has to face many new difficulties. In order to handle these problems successfully, he should have substantial decision-making power. If the decisions are taken quickly, the leadership gets an extra shine. Quick decision-making power presents no hurdle in any work and makes the right work possible at the right time. In its absence the leader and the entire organization look weak, works get delayed unnecessarily, the consumers get dissatisfied and finally, the reputation of the enterprise suffers.

4. Integrity

It is important that a leader should be a man of integrity. It means that the style of his functioning should depend on goodwill, truth, morality and be free from deceit. A leader is a link between the owner and the employees. Therefore, he should be faithful to both. For example, the owner should be informed before hand about any possible loss and the employees should not be fed on false promises.

5. Full of Courage

A leader should be courageous. Courage here means that whatever he feels should be strongly implemented. In other words, the leader should fearlessly stick to the decision once taken. A courageous leader never wavers on the path of truth and never falls a prey to the feelings of his opponents. This quality of a leader affects the people working with him and they also become quick in their work performance.

6. Self-confidence

It is important to have self-confidence in order to win over his followers completely. Self-confidence should depend on the leader's own knowledge.

7. Flexibility of Mind

It is important that a leader should not be a follower of a beaten track which means that he should not implement old ideas. He should change his ideas according to new technology and economic changes.

8. Ability to Understand the Feelings of Others

A leader should have the ability to understand the feelings and interests of his followers. So long as he does not understand the expectations of his followers, there is no possibility of his being successful. For example, if some employee gives some suggestion to the leader which the latter ignores, it injures the feelings of the employee which directly affects his work performance.

9. Sense of Responsibility

A good leader should possess the sense of responsibility. According to Bernard, "Responsibility means that emotional situation, when he has failed to discharge some moral obligation, and which gives him a sharp sense of dissatisfaction." Thus, every individual should avoid such dissatisfaction. Hence, the only way to avoid this is to work sincerely for the realization of those objectives for which he has been appointed in the enterprise.

10. Tolerance

Tolerance means acting with patience in the face of difficulties. If patience is not exercised at the time of difficulties, the decisions taken are likely to be wrong and it will result in failure. On the other hand, if the decision is taken after realizing the situation and thinking over it, success is certain to follow. A man of tolerance alone can guide his followers properly. Therefore, along with other qualities a leader should have this virtue also.

11. Alertness

Decisions taken in a hurry adversely affect activities. Therefore, when a decision is being implemented one should be aware of its consequences. Prompt decision may be essential but it can be fatal also. It is thus obvious that a leader who is aware of the future situations and remain in touch with them, will be successful. He should also be conscious of the fact that the employees are not planning against him.

12. Technical Ability

Technical ability means that ability which he utilizes in his work performance in the form of his knowledge, methods and techniques. This ability is acquired through experience, education and training.

13. Psychological Expert

A leader is connected with a human group. All the persons working in a human group belong to different religions, castes and tastes. It is not an easy job for an ordinary person to understand all these persons. It requires a psychological expert who can understand their feelings correctly. If a leader possesses this quality, he can immediately understand the feelings of his followers simply by looking at their faces. Hence, a leader should also be a psychological expert.

14. Human Ability

A leader has a direct contact with the active source of production (human group) with whose help the passive sources like capital, land, machinery, material, etc., are utilized. A leader is himself a human being and he

gets work performance from other human beings. Therefore, they should be treated as human beings rather than anything else. If, however, the manager feels that he has bought these persons by giving them jobs, and, therefore, he can treat them the way he likes, it would be absolutely a wrong approach. In order to get work out of the employees they have to be provided non-economic facilities along with economic facilities. Therefore, human ability is a very important quality of successful leadership.

15. Physical and Mental Fitness

Physical and mental fitness is the last quality that leadership should possess. It is an established fact that a healthy mind exists in a healthy body. On this very basis it can be said that a leader should be physically fit so that he can exercise a positive influence on his followers. Mental health means that he should be a clear headed person, in other words, he should understand the point of view of others quickly and make his point of view understandable to others in a simple manner.

**Q5. Write about different types of leaders ?
(OR)**

Explain different types of leaders ?

Ans :

Generally 6 types of leaders are found in different spheres of life. The main kinds of leaders are as follow:

1. Formal leader

A formal leader is selected by the organization. E.g. In the ordination a manager is a formal leader by virtue of the authority coming from the organization. A manager influences others to help accomplish the goals of the organization. Such a Leadership lasts over a long of time.

2. Informal Leader

An informal leader is chosen by the group. Thus all managers are leaders if their authority is accepted, but not all leaders are managers.

Informal Leadership is leadership without position and may shift from one person to another. It may last for a short time. Most people are leaders at one time or the other and they may have influence on others as defined by the concept of leadership itself.

3. Democratic Leader

Democratic leader is one of who perform according to the wishes of his followers. He performs what his followers or majority wants. Democratic Leader is concerned with the interest of followers and subordinates, majority.

4. Intellectual Leader

In the organization, intellectual leaders are those who win the confidence of their followers by their superior knowledge. In most of the organizations there are a few experts whose advice is Sought on all matters in which they are experts. Intellectual Leader may be a production expert, a marketing expert or purchase expert.

5. Autocratic Leader

An autocratic leader is one who dominates and drives his followers through coercion. An autocratic leader Loves power and loves to use it in promoting his own ends.

6. Creative Leader

A Creative leader controls through united and voluntary activities by the members of his group directed by him towards specific goals which are satisfactory to all. A creative leader draw Out the best in his followers without exerting an undue personal influence on the peoples.

3.2 MANAGEMENT

Q6. Define Management Explain the Features of Management.

Ans : (Imp.)

Meaning

Management is the art of getting things done through and with the people in formally organized

group. Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

Definitions :

(i) According to William Spriegel

Management is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives.

(ii) According to Louis A. Allen

Management is the planning, organizing command, coordination and control of the technical, financial security and accounting activities.

(iii) According to Joseph Messie

Management is the process by which a cooperative group directs action towards a common goal.

(iv) According to George R. Terry

Management is a distinct process consisting of planning, organizing, activating and controlling performed to determine and accomplish the objectives by the use of human beings and other resources.

Features

1. Organized Activities

Management is a process of organized activities, where a group of people are involved in working towards a common objective, management comes into existence. The organized activities may take a variety of forms ranging from a tightly structured organization to a very loosely structured organization.

2. Existence of Objective

An objective (or) set of objectives should exist towards which the organized group activities are directed. The existence of objectives is a basic criterion of every human organization because all organizations are deliberate and purposive creation and therefore, they should have same objectives. The objectives are agreed upon by the members of the group/ organization. The realization of objectives is sought through the coordinated efforts of the people constituting an organization.

3. Relationship among Resources

Organized activities meant to achieve common goals are brought about to establish certain relationships among the available resources. Resources include money, machine, materials and men. The essence of management is integration of various organizational resources. Thus management is concerned with the proper utilization of human resources which, in turn utilize other resources.

4. Working with and Through People

Management involves working with people and getting organizational objectives achieved through them. The idea of working through people is interpreted in terms of assigning activities to subordinates. Through the process of assignment and reassignment of activities, the actual work is performed by people at the operative level which is the lowest level in an organization.

5. Decision-making

Decision-making basically involves selecting the most appropriate alternative out of the several. The quality of alternatives which a manager selects determines the organizational performance, and the entire future of the organization rests on the degree to which the right decisions are made by managers. The success (or) failure of managers can be judged by the quality of decision that they make.

Q7. Explain the Nature of Management.

Ans :

The study and application of management techniques in managing the affairs of the organization have changed its nature over the period of time. Various contributions to the field of management have changed its nature from merely a practice to science.

1. Multi-disciplinary

Management drawn freely ideas and concepts from disciplines as psychology, sociology, anthropology, economics, ecology, statics, history etc. Management integrates the ideas and concepts taken from these discipline and presents newer concepts which can be put into practice for managing the organization.

2. Dynamic Nature of Principles

Principle being a fundamental truth which establishes cause and effect relationships of a function. The principles framed by the management are flexible in nature and change with the environment in which an organization exists.

3. Relative, not Absolute Principles

Management principles being relative not absolute, should be applied according to the needs of the organization in the light of prevailing conditions. Thereby giving allowance for different changing environment.

4. Management : Science or Art

Management is both science and art. Management uses both scientific knowledge and art in managing an organization. Science is based on logical consistency, systematic explanation, critical evaluation and experimental analysis.

The process of management does involve the use of know how and skills like any other art such as music, painting, sculpture etc.

5. Management as Profession

Profession is an occupation for which specialized knowledge, skills and training are required and the use of these skills are not meant for self satisfaction but these are used for larger interests of the society and the success of these skills are measured not in terms of money alone.

6. Universality of Management is a Universal Phenomenon

Management is a universal phenomenon. However, management principles are not universally applicable but are to be modified according to the needs of the situation.

Q8. Explain the Objectives of Management.

Ans :

Objectives are described as the results to be achieved by an organization. Managerial objectives maybe defined as the goals which are predetermined, which have a defined scope and the methodologies that suggest direction to the efforts of managerial personnel.

In order to achieve the managerial objective the management should clearly define and effectively communicate these objectives to all the concerned people. The objectives should be formulated in such a way that they are attainable with the available resources as the objectives reflect or determine the ultimate goals of the organization.

Importance of managerial objectives are,

- (i) They provide a basis for the performance.
- (ii) They establish identity of the enterprise.
- (iii) They provide direction to organized effort.
- (iv) They help in uplifting the morale and motivate employees.
- (v) They provide basis for decision-making.
- (vi) They provide a basis for control.

The objectives of management can be classified as,

1. Economic objectives
2. Human objectives
3. Social objectives and
4. Organic objectives.

1. Economic Objectives**(a) Profit Earning**

Every business organization is established with a motto to sell or make goods and services to attain a substantial profit. So it is inevitable for an organization to face the uncertainties in a business cycle, change in demand pattern, fluctuation in money markets, changing outlook of customers. All these have to be managed so that the organization earns profit and in turn the organization should share its profits with the society.

(b) Production of Goods

When an organization is established to earn profits, for doing so it has to produce goods by optimal utilization of resources like men, money, material and machinery which could lead to the increase in efficiency and getting higher productivity with minimum effort and the goods so produced are sold in the market. The customer satisfaction is the factor which decides the economic growth of the organization.

(c) Creating Markets

All the goods produced have to be sold, for doing so the objective of an organization is to open up new markets, penetrate into existing markets, increasing the market share. The businessmen look for new consumers for increasing their sales and also to retain customers by supplying them better quality of goods at reasonable prices.

(d) Technological Improvement

As the markets are highly competitive and the products are pushed into market to meet the needs of customer, to retain the place in market it is evident that the business men should always strive to upgrade the technologies used for production and change to the new market environment and should be in a position to produce and offer good quality goods with lower prices.

2. Human Objectives**(a) Welfare of Employees**

Though the basic objective of earning profit could be possible only when the employees are committed to work as they help in increasing the profit of the firm. So, that management has a responsibility towards the employees to look after them by providing all possible benefits to employees and help in increasing the quality of living standards of the employees.

(b) Customer Satisfaction

The consumer should be provided with good quality products at reasonable prices. The aspirations and perceptions of the customers have to be given prime importance as the business is meant for consumers and their satisfaction should be the main objective of the business. So responsibility to consumers means that we have to set up and maintain the quality and service in addition to lower price tag.

(c) Satisfaction of Shareholders

As the organization grows in size it is difficult to individually finance the running of the organization. So these organizations have shareholders who contribute and invest in the companies. For this, the management should give reasonable return on the money invested by the shareholders and there should be a provision to make the shareholder aware of developments and profits earned, so that we can have a satisfied shareholder.

3. Social Objectives**(a) Availability of Goods**

The business organizations should ensure the supply of products to meet the requirements of the society. The firm should make a study to know the demand and accordingly the production and supply of goods should be done. So business organization should ensure that goods are available in market in order to meet the demand.

(b) Quality of Goods and Services

One of the basic responsibility of the businessman is to supply quality goods and services to customers at reasonable prices.

(c) Cooperation with Government

The government has fixed priorities for the execution of policies for the growth and development of the nation. The

businessmen should be reliable to the government agencies while paying tax dues and other liabilities, by doing so business men cooperate with the government in helping to achieve the objective of establishing socialistic pattern of society.

(d) Creating Job Opportunities

Every business can help the society by creating new job opportunities. The business expansion will help the firm in gaining more profits and also employment to the unemployed.

(e) Natural Resources

Efforts should be made by the businessmen to put the insufficient natural resources to the best possible use. Wastage of any such resource is a loss to the firm and to the nation.

4. Organic Objectives**(a) Survival**

In case of cut-throat competition, profits become very low. Organizations tend to operate very carefully and survival becomes in such cases, their survival becomes crucial objective.

(b) Growth

As the business prospers, it tends to merge with other firms or take over them to gain profits on large scale and to attract more customers.

(c) Recognition

The business organizations attain recognition in society by providing better customer service, increasing market share and by caring for society and environment.

Q9. Explain the Significance of Management ?

Ans : **(Imp.)**

Management is must for every enterprise. The existence of management ensures proper functioning and running of an enterprise. Management can plan the activities to achieve the objectives and utilize the available resources at minimum cost.

1. Management Meets the Challenge of Changes

In the modern business world, there are frequent changes, the changes place the business in a dangerous position. Only an efficient management can save the business from the dangers brought in by the challenges.

2. Accomplishment of Group Goals

The achievement of objectives of a business depends upon three factors. The proper planning of available resources, adjusting possibility of business unit with existing business environment and the quality of decision taken and control made by the business unit are the factors responsible for achieving objectives.

3. Effective Utilization of Business

There are eight M's in the business, which are men, money, materials, machines, methods, motivation, markets and management. Management has control over other remaining M's.

4. Effective Functioning of Business

Ability, experience, mutual understanding, co-ordination, motivation and supervision are some of the factors responsible for the effective functioning of business. Management makes sure that the abilities of workers are properly used and cooperation is obtained with the help of mutual understanding.

5. Resource Development

Efficient management is the life of any developed business. The resources of the business may be identified and developed by the management. The term 'resources' includes men, money, material and machinery.

6. Sound Organization Structure

Management lays down the foundation for sound organization structure. Sound organization structure clearly defines, the authority and responsibility relationship.

7. Management Directs the Organization

The human mind directs and controls the functioning of the human body. Similarly, the

management directs and controls the functioning of an organization.

8. Integrates Various Interests

Each person has his own interest. These interests are different in nature. Management takes steps to integrate various interests to achieve the objectives of an organization.

9. Stability

The fluctuations of business are stabilized by the management. The fluctuation of business are caused by changing policy of the government pressures on the part of competitors and changing preferences of customers. The efficient management can run the business as per the policy framed by the government, face the competitors in the market and produce the articles as per the preferences of customers.

10. Innovation

New ideas are developed by the management and implemented in the organization. Better performance is achieved through new ideas.

Q10. What are the Functions of Management.

Ans :

(Imp.)

Management is considered to be process and identification of the basic functions is necessary. These basic functions describe the job of management. The basic functions of management are,

1. Planning

Planning is outlining what, how, where, when and by whom, a task is to be achieved. Everything is planned before and a blue print is prepared. Planning is the opposite of random action. Hence, as far as possible a definite programme of action is made. But because it refers to the future and the future is uncertain, the management takes help from research, facts and trend forecasts. Again planning is the pre-action stage and it is the basis of all future actions. Therefore, it states clearly what, how, where, when and by whom the various business activities are to be performed.

Elements

- (i) **Forecasting:** These are predictions which are based on the past and present data.
- (ii) **Objectives:** They are the end towards which the activities of the enterprise are aimed. Objectives are decided by the top management which are considered as targets and aims of planning. They are fixed in nature.
- (iii) **Policies:** They specify what can be done or what cannot be done to achieve the given objectives.
- (iv) **Strategies:** These refer to the course of action to be adopted and followed for the achievement of long- term and short-term objectives.
- (v) **Budgets:** These are the plans giving details such as expense budget, sales budget etc.

2. Organizing

Organizing involves identification of activities required for the achievement of objectives of the firm and implementation of plans. Organizing is the function of making arrangement for all the necessary resources required to work for achieving the objectives. It means making arrangements for all six M's (money, men, machines, material, marketing and managing) of business, therefore it involves the following steps.

- (a) Activities determination.
- (b) Staff recruitment.
- (c) Work allocation.
- (d) Authority and duty determination.
- (e) Power delegation.

Thus, organization prepares a stage for taking necessary actions.

3. Staffing

After the objectives have been formulated for the achievement of objectives, the next step in the management process is to procure suitable personnel for maintaining the jobs. So staffing is the function which enables the recruitment of suitable personnel.

Staffing consists of various sub-functions like,

- Manpower planning which decides the number and the kind of personnel required.
- Recruitment is a sub-function which attracts suitable number of potential employees to seek jobs.
- Selection of the most suitable persons.
- Placement, induction and orientation.
- Training and development of employees.

4. Directing

Directing consists of guiding and supervising the subordinates in activities. Management means getting work done by others i.e., the subordinates have to be properly guided and supervised in their respective jobs so that the common goal is achieved.

Directions are not only to be given but also to be obeyed. Hence, they must be definite, clear cut. Under-standable, communicable and practicable. Direction sets the organization in action.

5. Controlling

Controlling consists of making the results tally with targets or achieving close correspondence between plans and performance. The process of measuring the current performance of the employees and assess whether the ,given objectives are achieved or not.,

The various steps in controlling includes,

- a) Establishment of standard works.
- b) Assessment of actual work.
- c) Determination of deviation.
- d) Corrective action.

Controlling brings results nearer to the targets.

6. Coordinating

Coordinating means achieving team spirit and unity of action among the subordinates for achieving the common business objectives. In business unit, hundreds of persons are busy in numerous different jobs in various works in so many different places. But all are individually and collectively working for the same objective, called coordination. Need of coordination arises particularly because of the existence of,

- (a) Numerous persons at work.
- (b) Sub divisions and complexity of work.
- (c) Delegation of authority and responsibility.
- (d) Chances of differences between executives and specialists.

All these and similar factors make coordination by the manager very necessary.

The following are useful tools to achieve coordination.

- (i) Clarify the objectives, which is the basic guide for worker.
- (ii) Clarification of authority and responsibility of every subordinate so that he knows his specific duties and obligations.
- (iii) Effective communication between the executive and his subordinates and also amongst subordinates themselves so that a good relationship is maintained.
- (iv) Good human relationship of the manager with his subordinates.
- (v) Cooperation both amongst the subordinates and between the executives and subordinates.

7. Decision-making

Decision-making is the most comprehensive and all embracing function of management. The modern trend is to include the detailed functions of planning and organizing in this one single function or to treat these various functions, different aspects of this same single function called decision-making. Decision-making means selecting one alternative out of two or more alternative solutions. It can be easily shown how decision-making covers all the earlier discussed functions.

3.2.1 Leadership and Management**Q11. How Leadership is Related to Management ? Discuss ?**

Ans :

S.No.	Nature	Leadership	Managers
1)	Main Focus	Leaders focus on people.	Managers focus on systems and structure.
2)	Risk Taking Ability	Leaders take risks by making changes.	Managers tend to eliminate risks by preserving the system.
3)	Acceptance Level	Leaders challenge the existing system and innovate.	Managers accept status quo and administer order.
4)	Concept	Leaders do the right thing.	Managers do things right.
5)	Influencing Ability	Leaders influence people through altering moods, evoking images, and expectation.	Managers influence people through the use of logic, fact, and reason.
6)	Control and Influence on Initiative	Leaders inspire, motivate and align people to take the initiative.	Managers organize and control people around already taken initiatives.
7)	Planning and Direction	Leaders focus on direction-creating vision and strategy by keeping an eye on horizon.	Managers focus on planning and budgeting by keeping an eye on bottom line.
8)	Emotional Attachments	Leaders connect emotionally (heart).	Managers keep emotional distance (expert mind).
9)	Freedom Given to Sub-ordinate	Leaders provide the tools and training, then allow employees to "do it" by letting go.	Managers rely on close supervision of the doing of followers.
10)	Focus on Solution	Leaders direct energy in guiding people toward practical solutions.	Managers direct energy toward - goals, resources, organization structure, determining the problems to be solved.
11)	Innovativeness	Leaders follow their own intuition.	Managers tend to do things by the book and follow company policy.

3.3 LEADERSHIP STYLES**Q12. Explain the various Styles of Leadership.**

Ans:

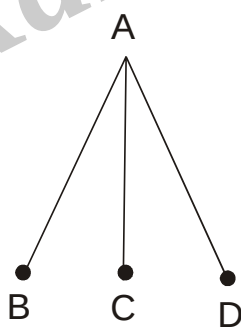
(Imp.)

Different types of leadership styles based on authority are shown in figure.

- 1. Autocratic/Dictatorial Leadership Style:** Autocratic leader often called a "dictator". The autocratic leader gives orders, which must be obeyed by the subordinates.

- He determines policies for the group without consulting them, and does not give detailed information about future plans, but simply tells the group what immediate steps they must take.
- He gives personal praise or criticism to each member on his own initiative and remains detached from the group for the major part of the time.

- Thus, under this style, all decision making power is centralized in the leader.
- Leader adopting this style stresses his privilege to decide and order a subordinates' obligation to do what they are told to carry out. He does not give subordinates the freedom to influence his behaviour.
- He tolerates no deviation from the orders. His subordinates fully depend upon him and are unaware of the goals of the organization.
- The leader takes and assumes full responsibility for decision-making for initiating action and for directing, motivating, and controlling his subordinates. This is because the autocratic leader may think that he is the only competent and capable individual, and that his subordinates' are incapable or unwilling to guide themselves, (or) he may have other reason for assuming a strong position of guidance and control.
- Autocratic style is efficient, needs little or no time to consult others during the decision-making process, and it works well in developed situation when decision must be made and acted on quickly and without question.



(a) Autocratic

- Autocratic leadership may be negative because followers are uninformed, insecure and afraid of leader's authority.
- Such a leader may be called strict autocrat who relies on negative influences and gives order, which the subordinates must accept.

- Leadership can be positive also because the leader may use his power to disperse rewards to his group.
- When his motivational style is positive he is often called a benevolent autocrat.
- The benevolent autocrat is effective in getting high productivity in many situations and he can develop effective human relationships.
- There is another type of autocratic leader, known as manipulative autocrat, who makes the subordinates feel that they are participating in decision-making process even though he has already taken the decision.

In industry, this style is quite common and has often succeeded. In future, it is less likely to be effective because:

- i) The coming generation is less amenable to rigid direction and control.
- ii) The standard of living of people is rising.
- iii) There is now social awareness among the people; they look for social and egoistic satisfaction from their jobs.

Importance

Importance of autocratic leadership style is as follows:

i) Facilitates Fast Decision-Making

It can be used where there is pressure of time. In times of crises or emergencies, decision-making is faster when only one person is involved in the process. In situations like these, there is limited time to consult people and call for their participation to make decisions.

ii) Increased Productivity

The "leader is watching" style motivates managers to work hard as the oversight that an autocratic manager exerts over a team improves their working speed and makes them less likely to slack. This is ideal for poorly motivated employees who have little concern or interest in the quality or speed of work performed.

iii) Reduces Stress

In autocratic style, as the leader has significant responsibility for every task, managers will feel comforted, reduce their stress levels to know that leaders have control over their fate.

iv) Helpful in Training New Employees

Autocratic leadership style is appropriate when the leader is training others who are new and untrained at the job to make decisions. New or untrained workers usually do not know which procedure to follow. The leader is a coach. He is competent and the employees are motivated to learn new skills. The leader closely supervises the new employees, leading through detailed orders and instructions.

v) Improved Logistics of Operations

Having one leader with heavy involvement in many areas makes it more likely that problems are spotted in advance and deadlines met.

Advantages

The advantages of authoritarian or autocratic style are as follows,

- (a) This style is helpful at the time of emergencies when there is a requirement of quick decision making.
- (b) It is helpful when subordinates are unskilled.
- (c) It is useful in routine and low-skilled jobs.
- (d) It is helpful when there is no effect on decisions whether discussion takes place or not.

Disadvantages

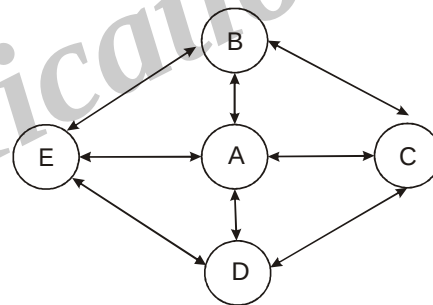
The disadvantages of authoritarian or autocratic style are as follows,

- (a) This style does not result in growth of subordinate rather it makes them helpless.
- (b) It doesn't make subordinates to feel encouraged.
- (c) It increases burden on leader.

2) Democratic/Participative Leadership Style

Participative leadership style decentralizes managerial authority.

- The leader's decision is taken after consultation with his followers and after their participation in the decision-making process.
- He sees to it that policies are worked out in group discussions and with the acceptance of the group.
- He makes it clear that praise or blame is a matter for the group and participates in the group as a member.
- Unlike an autocratic manager who controls through the authority he possesses, a participative manager exercises control mostly by using forces within the group.

**(b) Participative**

- The democratic leadership style, which is also participative by nature, is popular among the leader? Because it is people-centred.
- The participative leader establishes trust; hence, close supervision of the staff is not necessary.
- The democratic leadership style produces the most positive results in terms of such things as productivity, loyalty, enthusiasm, flexibility, people development, and freedom of expression.
- However, the leader makes it clear that if the staff cannot come to a decision, he retains the right to do so.
- Under this style of leadership, the staffs are always well-informed about what is taking place at the workplace.

- Both delegation and genuine teamwork are practised in order to achieve results together.

Importance

Importance of democratic leadership style is as follows:

i) **Increases Acceptance of Management's Ideas**

The leader works with his staff and they reach decisions by either agreement or consensus. Thus, it increases acceptance of management's ideas and the cooperation between management and employees.

ii) **Effective Utilization of Follower's Knowledge**

People's abilities, knowledge and skills are effectively and efficiently utilized. Where this style is used, team spirit is observed and all members are committed to the work they perform. Trust is built, communication flows smoothly and the working atmosphere is relaxed.

iii) **Increase Follower's Commitment**

Followers gain ownership and commitment for decisions and activities. This is because the leader solicits thinking and open discussion on issues by all members. The leader only makes decision after getting relevant input from the group. It increases the morale of the employees.

iv) **Fosters Professional Competence**

This type of leadership style fosters professional competence. Supervision is minimal as individuals take the responsibility for their behaviour. The democratic leadership style encourages employee participation and professional growth.

v) **Reduction of Friction and Office Politics**

When leaders listen to their subordinates and use their ideas inspite of blatantly ignoring their ideas they are able to reduce organizational threats like tension, conflict, and back-stabbing.

vi) **Reduced Employee Turnover**

When employees feel empowered through leadership development, a company will experience lower rates of employee turnover. Which has numerous benefits. A company that invests in leadership development for its employees, is investing in their future, and this is appreciated by a large majority of the workforce.

vii) **High Quality Work**

The democratic leadership style produces high quality and high quantity work for long periods of time. This is because the workers like the trust they receive from the leader and they respond with cooperation, team spirit, and high morale. It improves the attitude of employees' towards their jobs and the organization.

Advantages

The advantages of participative or democratic style are as follows,

- This type of leadership allow the subordinates to enjoy working in the organization.
- It creates positive environment.
- It provides creativity, participation from the subordinates and thus, gives rise to learning and development of subordinates.

Disadvantages

The disadvantages of participative or democratic style are as follows,

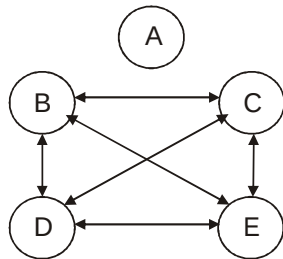
- This style might involve fraud participation.
- It might decrease the productivity level.
- Decisions-making may be delayed.

3) **Free Rein (or) Laissez Faire Leadership Style**

A free-rein leader does not lead, but leaves the group entirely to itself.

- He is represented by the chairman of the board who does not manage, but leaves all responsibility for most of the work to his subordinates. The free-rein leader avoids power.

- He depends largely upon the group to establish its own goals and work out its own problems. Group members work themselves and provide their own motivation.
- The leader exists as a contact person with outsiders to bring for his group the information and resources it needs to accomplish its job.



(c) Free Rein

- Free-rein leadership ignores the manager's contribution approximately in the same way as the autocratic leadership ignores that of the group. It fails to give the group the advantages of leader's inspired motivation.
- The leader completely hand over his leadership position, gives all responsibility and most of the work entrusted to him to the group which he is supposed to lead, limiting his authority to maintain the contact of the group with persons outside the group.
- This is also known as permissive style of leadership, where there is least intervention by the leader, handing over the authority and letting the group to operate entirely on its own.
- This mode of direction can produce good and quick results if the subordinates are highly educated and brilliant people who have a sincere desire to go ahead and perform their responsibilities.

Importance

Importance of laissez faire leadership style is:

i) Provides Freedom of Direction

When employees are motivated to drive towards success, a laissez faire leadership style

can provide them with the flexibility they need to succeed (there is no interference from the leader).

ii) Reduces Work for Leader

With all responsibility deferred to the group there is less work for the leader to perform interacting with the group, and they can thus spend their time adding value to the organization.

iii) Motivates Team

As the leader believes in faith and trust, individuals become more responsible. They are motivated to work and have maximum freedom of activity. It is non-interference in the affairs of others style of leadership. This style is used when workers are able to analyze the situation and determine what needs to be done and how to do it.

Advantages

Some of the advantages of delegating or free-rein style of leadership are,

- It provides opportunity to the subordinates to develop their own personality.
- A sense of responsibility is created in subordinates.
- It promotes healthy industrial relations.
- It prevents competition and encourages co-operation among employees.

Disadvantages

The disadvantages of delegating or free-rein style of leadership are as follows,

- Leadership style lacks in control and discipline.
- The followers will not get the benefit of experience and guidance by the leader.
- This leadership style succeeds only when followers are matured, competent and self motivated.
- Lack of coordination in this style leads to chaos and confusion in the organization.

3.4 THEORIES OF LEADERSHIP

Q13. Explain about various Leadership Theories ?

Ans :

To understand leadership as it is viewed and practiced today, it is important to recognize that the concept of leadership has changed over time. Leadership is a complicated notion and a number of theories have been produced to explain it. Leadership theories typically have evolved as norms, attitudes and understanding in the larger world have changed. These theories have developed over the years and explore a number of different facets of leadership and leadership behaviour.

In many ways they complement one another and together they help to gain a comprehensive understanding of what the process of leadership is about. Various theories of leadership are as follows :

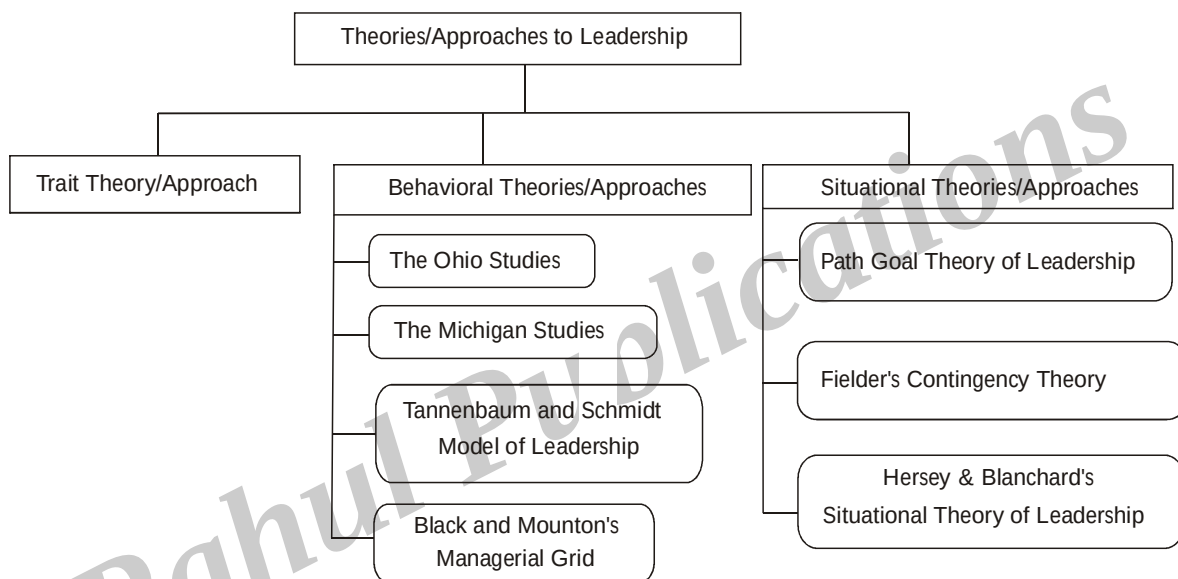


Fig. : Theories of Leadership

3.4.1 Traits Theory

Q14. Write about Trait Theories of Leader ship ?

Ans :

The trait approach to leadership is also known as Great man's theory. This theory explain how traits influence leadership. Traits are the natural/inborn personal characteristics of any person. Generally great leaders like Mahatma Gandhi, Abraham Lincoln etc., possess traits like integrity, loyalty, high energy, self-confidence, internal locus of control etc.

The working of this approach is quite different from other leadership approaches, as it focuses only on the leaders traits, such as loyalty, trust worthiness, bravery, compassion etc. It clearly explains about the traits that are required to be a successful leader and identify leaders who possess these traits.

There is a long list of leadership traits given by different professionals researchers. But, the four main characteristics that a leader should posses are identified by Devis.

1. Intelligence

It is an intellectual ability associated with leadership. Leaders usually have higher intelligence when compared to non-leaders.

2. Inner Motivation and Achievement Drives

Leaders don't depend on others to motivate them, they have inner motivation. Leaders have drives to achieve goals. After achieving one goal, they look for another goal to achieve.

3. Social Maturity and Breadth

Leaders have range of interests and they are emotionally mature. They are associated with social club.

4. Human Relations Attitude

Leaders have a great flexibility in dealing and working with others. They have a good idea that understanding the people's point of view is very important to achieve a task.

Apart from the above traits, the various other noteworthy traits are,

(a) Physical Traits

Leaders tend to have god gifted traits such as intelligence, height, appearance, ability etc.

(b) Personality Traits

Leaders possess personality traits like enthusiasm, adaptability, self-confidence and aggressiveness.

3.4.2 Behavioural Model (Managerial Grid)**Q15. Explain about Managerial Grid/Behavioural Model of Leadership ?**

(OR)

Discuss any two theories of Leadership.

Ans :

(Imp.)

The various behavioral approaches to leadership are,

1. The Ohio studies
2. The Michigan studies
3. Tannenbaum and Schmidt model of leader ship
4. Blake and Moun-ton's managerial grid.

1. The Ohio Studies

Researchers carried out a number of studies at Ohio State University for determining certain aspects of leadership behaviours. About 1800 specific examples of leadership behaviour was identified in these studies which was later reduced to 150 examples of definite leader behaviour. While carrying out these studies, researchers developed Leader Behaviour Description Questionnaire (LBDQ). According to this study, a leader's behaviour can be defined into two categories,

- (a) Consideration
- (b) Initiating structure.

- (a) **Consideration:** Consideration is the concern which a leader has towards his subordinates and developing interpersonal relationships with them. A leader does personal favours for the subordinates and supports them. The leaders who have high consideration are trustful, act in a friendly and supportive manner, obtain respect and develop friendly relationship with group members.
- (b) **Initiating Structure:** Initiating structure describes task-oriented leaders. Here, a leader provides guidance and direction to their subordinates, so that they can carry out their work activities in an effective manner and achieve their goals. The following figure depicts ohio state university leadership model,

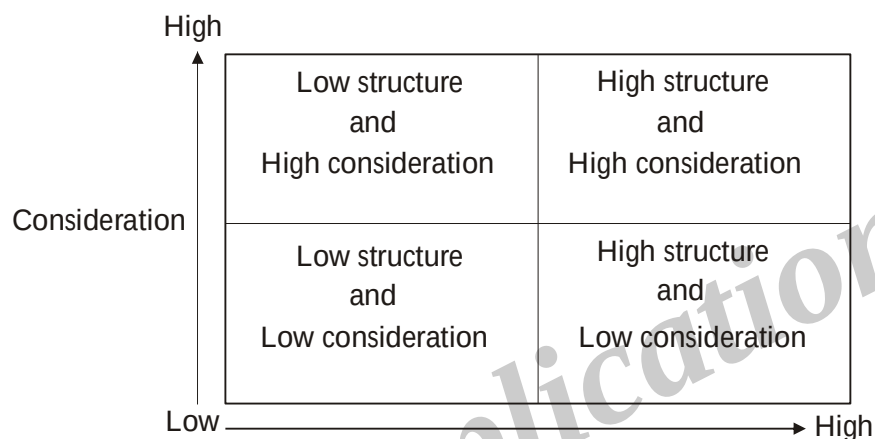


Fig.: Structure

In the above figure, one can see that a leader can be high or low on structure or consideration. The leader with high structure and low consideration does not make decisions and make use of one way communication. The decisions here are taken by the managers. The leaders with high consideration and low structure share decision making and make use of two-way communication in the organization and vice versa.

2. The Michigan Studies

Researchers carried out a number of studies at Michigan University for determining the effectiveness of leadership. While carrying out these studies, the researchers developed a questionnaire known as "survey of organizations" which helped them to gather the information relating to leadership styles. The main aim of the researchers for carrying out these studies was to compare the behaviours of effective supervisors and ineffective supervisors and to find out the reasons for effective leadership.

Michigan researchers determined two types of leadership behaviours,

- (a) Job centered leadership style and
- (b) Employee centered leadership style.

(a) Job Centered Leadership Style

In this leadership style, the leader focuses on technical and production aspects of a job. The job-centered leadership behaviour concentrates on achievement of goal and work facilitation. Here a leader guides and directs the subordinates in setting the performance goals and efficiency. This Behaviour is very similar to the initiating structure identified at the Ohio State studies.

(b) Employee Centered Leadership Style

In this leadership style, leaders concentrate on fulfilling the human needs of their subordinates. Leaders support and help their subordinates, they try to understand their problems and give special attention to their personal needs. The leaders also recognize and reward their subordinates for their contributions and accomplishments. Thus, this behaviour is very similar to the “consideration” behaviour identified at the Ohio State studies.

3. Tannenbaum and Schmidt Model of Leadership

The leadership continuum was developed by Robert Tannenbaum and Warren H Schmidt in 1973. Leadership continuum explains that a leader exhibits more authority beginning from left to right of the continuum. It explains about the different leadership styles. The style may be totally boss centric (autocratic leadership style) or totally employee centric (free-rein leadership style) or combination of both in different proportion (democratic leadership or participative leadership). The Tannenbaum and Schmidt continuum is a type of leadership theory which implies the use of a specific degree of authority for a specific degree of freedom. It is a positive approach which helps managers to enhance their leadership skills and build strong interpersonal relationships with sub-ordinates. The following figure shows, the diagrammatic representation of leadership continuum.

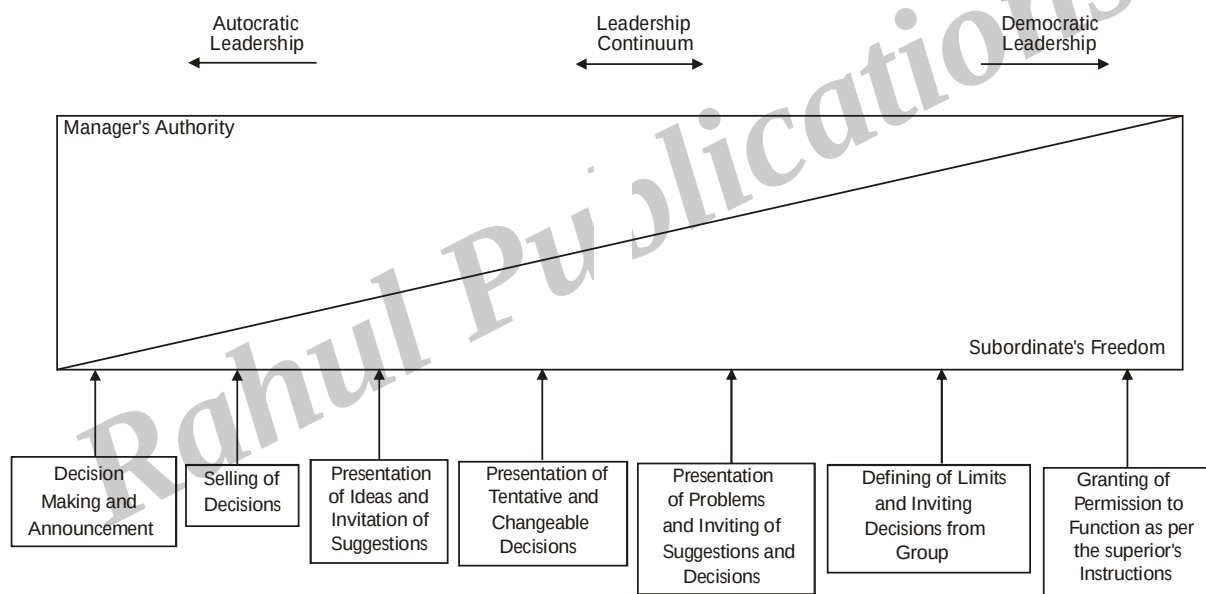


Fig.: Continuum of Leadership Behaviour

The above figure explains the degree of control which a manager maintains while performing different functions. For each type of action or function, a particular degree of control is maintained by the manager over his sub-ordinates. The following points explain the continuum of leadership.

1. Each function of a manager explains the extent of manager's authority over his subordinates and extent of freedom enjoyed by his subordinates.
2. The left side of continuum represents maximum authority of manager.
3. The right side of continuum represents maximum freedom to subordinates.
4. The authority of manager and freedom of subordinate do not exist in extreme level.
5. Both manager's authority and subordinate's freedom have certain limitations.

4. Blake and Mouton's Managerial Grid

Managerial grid was refined and renamed by Blake and Mouton in 1964 as 'Leadership Grid'. Leadership grid style relies mainly on the degree to which an individual has concern for production and people. The leader's concern for accomplishing the organizational tasks is considered as 'concern for production' which includes high quality, performance, profit etc. The leader's concern towards the organizational members who are trying to accomplish goals is considered as 'concern for people' and includes supporting group members, providing good working conditions etc.

Q16. Explain the theory of managerial grid approach to Leadership.

Ans :

(Imp.)

Managerial grid was refined and renamed by Blake and Mouton in 1964 as 'Leadership Grid'. Leadership grid style relies mainly on the degree to which an individual has concern for production and people. The leader's concern for accomplishing the organizational tasks is considered as 'concern for production'. It mainly includes high quality, performance, profit etc., and is taken on the horizontal axis of the grid. The leader's concern towards the organizational members who are trying to accomplish goals is considered as 'concern for people'. It mainly includes supporting group members, providing good working conditions etc., and is taken on the vertical axis of the grid.

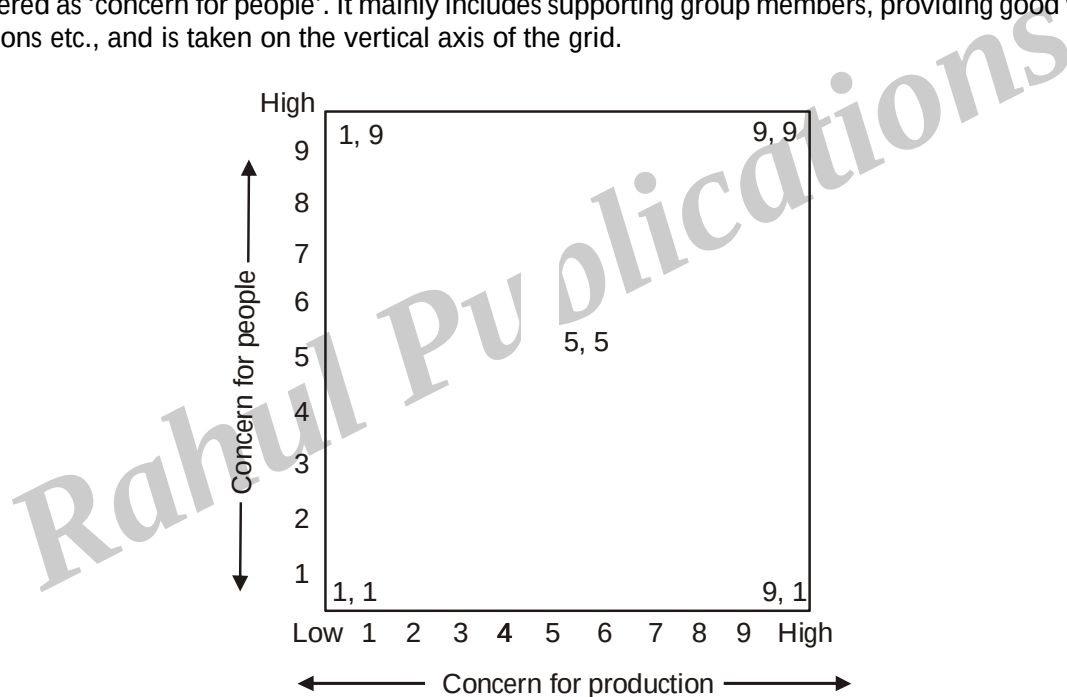


Fig.: Leadership Grid

In the above figure, one can see that leadership grid have five leadership styles which are given as follows,

1. (1,1)- Impoverished Leader

In the figure, (1,1) style represents that a leader does not have concern for production and people. This type of leaders only do minimum work needed for being a member of the organization.

2. (9, 1) - Authority Compliance Leader

The (9,1) style of leadership grid represents that a leader has high concern for production and minimum concern for people. Such type of leaders make use of power and authority and concentrate mainly on completing the task.

3. (1,9)- Country-club Leader

The (1,9) style represents that a leader has less concern for production and high concern for people. Here, the leaders give more importance to people and their feelings and opinions to achieve better results.

4. (5, 5) - Middle of the Road Leader

The (5, 5) style represents that the leader balances the concern for production and concern for people. Such type of leaders aim for satisfactory organizational performance and team spirit.

5. (9, 9) - Team Leader

The (9, 9) style represents that a leader has maximum concern for production and people. Such type of leaders aim for top most performance and employee's satisfaction.

Thus, leadership grid is a practical leadership model which helps in developing the organizations.

3.4.3 Contingency Theories (or) Situational Theories.**Q17. "Leadership is situational". Explain.**

Ans :

Leadership is situational. A leader has to change his/her style depending on the type of situation they face. One particular style is not appropriate for all situations. Before adopting any style of leadership, the leader must carefully analyze the nature of the situation and should adopt the style which is most appropriate for that particular situation.

Situational theory is also called as contingency theory. The theory focuses on the situation in which leadership is exercised. There are various factors that affect the effectiveness of leadership. Some factors are linked with the situation (situational factors) in which the leadership is being exercised and few factors are linked with the behaviour of the leader. Therefore, a leader who is effective in one situation may not be effective in others.

I. Situational Factor

The situational factors are divided into four categories. They are,

1. Characteristics of Subordinate

It includes attitude, motivation, interest, personality characteristics, physical features and physical characteristics (like age and sex) of subordinates.

2. Situation of the Leader

The situation of the leader can be determined by the below variables,

(a) Position Power of Leader: A leader can influence his/her subordinates through his power of position. If a leader holds high position power, it becomes easy for him/ her to influence others. Similarly, the leader finds it difficult to influence others if he/she holds low position.

(b) Leader's Subordinate Relation: This is based on classical exchange theory. According to this theory, there exists two-way influence in a social relationship. A leader can perform effectively if he/she has good subordinates who maintain good relationship with him/her.

3. Organizational Factors

The effectiveness of leadership is also affected by factors such as culture and climate of the organization. The leader will be more effective if these factors are favourable.

4. Group Factors

There are different group factors which affect the performance and effectiveness of leadership. These factors include group norms, task design, group composition, peer group relationship etc. The leader will be effective if these factors are favourable.

II. Behaviour of the Leader

The two factors which affect the behaviour of the leader are,

1. Characteristics of Leader

The behaviour of leader is affected by his/her characteristics such as intelligence, interest, motivation, age, sex, ability, and physical features.

2. Hierarchical Position of Leader

The hierarchical position of the leader plays an important role in influencing the leader's behaviour. Because, people at different levels face different types of problems which affects their ability to solve the problems.

Situational Theories of Leadership,

Situational theories of leadership includes,

1. Robert House's Path Goal Theory of Leadership.
2. Hersey and Blanchard's Situational Theory of Leadership.
3. Fiedler's Contingency Theory.

3.4.3.1 Fiedler's Theory

Q18. Explain about fielder's Model / Leadership Effectiveness Model.

(OR)

Write a critical analysis on the Fielder model of Leadership.

Ans :

(Imp.)

The first comprehensive contingency model for leadership was developed by Fred Fiedler. The Fiedler contingency model proposes that effective group performance depends on the proper match between the leader's style and the degree to which the situation gives control to the leader. Taking clues from the situational approach of leadership that any one of the single style cannot be considered suitable for all situations and for all kinds of subordinates, Fiedler developed a contingency model of leadership assuming that the effectiveness of the leadership is based on his ability to act in terms of situational requirements. Fiedler's contingency theory consists of three elements:

(a) Leadership Style

Fiedler has identified leadership styles on two dimensions:

(i) Task-Directed Style/Hard-Nosed Style

It is primarily concerned with the achievement of task performance. the leader derives satisfaction out of the task performance.

(ii) Human Relations Style/Lenient Style

It is concerned with achieving good inter personal relations and achieving a position of personal prominence.

Fiedler used two types of score to measure the style adopted by a leader:

(iii) Scores on Least Preferred Co-worker (LPC)

Rating on LPC was based on an individual's liking (or) disliking of working with other individuals in the group and measured on sixteen items such as pleasant-unpleasant, friendly-unfriendly and so on.

(iv) Scores on Assumed Similarity (AS) between Opposites

Rating on AS was based on the degree to which leaders perceived group members to be like themselves.

The scores on two ratings had very high positive correlation.

(b) Situational Variables

Fiedler has identified three critical dimensions of situation which affect a leader's most effective style:

(i) Leader's Position Power

Position power refers to the power and influence that go with the job. A manager has more position power if the manager is able to hire fire and maintain discipline. Position power is analogous to coercive, reward and legitimate power.

(ii) Task Structure

Task structure is the degree to which the job tasks are structured. For example, assembly line jobs are more structured than managerial occupations.

(iii) Leader-Member Relations

Leader member relations refer to the degree that others trust and respect the leader, and to the leader's congeniality.

(c) Relation between Leadership Style and Situational Variable

Fiedler feels that the effectiveness of leadership style depends on the situation. Appropriateness of leadership styles in different situations has been presented below :

- (i) Task directed leadership style tends to be better in group situations that are either very favourable or very unfavourable to the leader.
- (ii) Human relations-oriented leadership style tends to be in group situations that are intermediate in favourableness.

Situations are favourable if all the three dimensions are high, if the leader is generally accepted followers, if the task is very structured, and if a great deal of authority is formally attributed to the leader's position. If the opposite exists, the situation is very unfavourable to the leader. Fiedler concluded through his research that the favourableness of the situation in combination with the leadership style determines effectiveness. Fiedler identifies the relationship between leadership style and favourableness of situations as shown in figure.

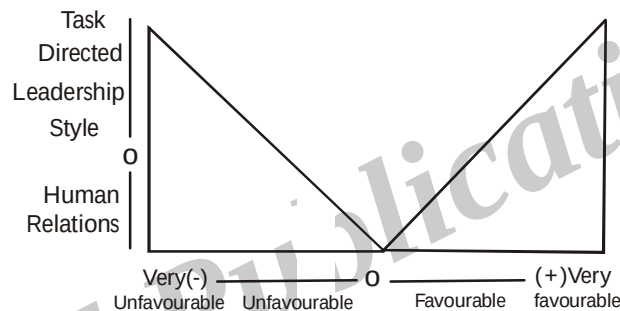


Fig. : Fiedler's Model of Leadership

Fiedler was able to discover that under very favourable and very unfavourable situations, the task-directed, or hard-nosed and authoritarian, type of leader was most effective. However, when the situation was only moderately favourable or unfavourable (the intermediate range of favourableness), the human-oriented or democratic type of leader was most effective.

3.5 LEARNING ORGANIZATION

3.5.1 Characteristics

Q19. Define Learning Organization. Explain the characteristics of Learning Organization.

Ans ;

Meaning

A learning organization is the term given to an organization which facilitates the learning of its employees so that the organization can continuously transform itself. Learning organization develops as a result of the pressures which are being faced by the organizations these days for enabling them to remain competitive in the present day business environment. The learning organization concept was coined through the work and research of Peter Senge and his colleagues. The learning organization encourages to a more interconnected way of thinking. Such organization becomes more like a community for which employees feel a commitment to. Employees work harder for the organization since they are committed to it.

The dimension that distinguishes a learning organization from more traditional organizations is the mastery of certain basic disciplines or 'component technologies'.

The five main characteristics that Peter Senge had identified are said to be converging to innovate a learning organization.

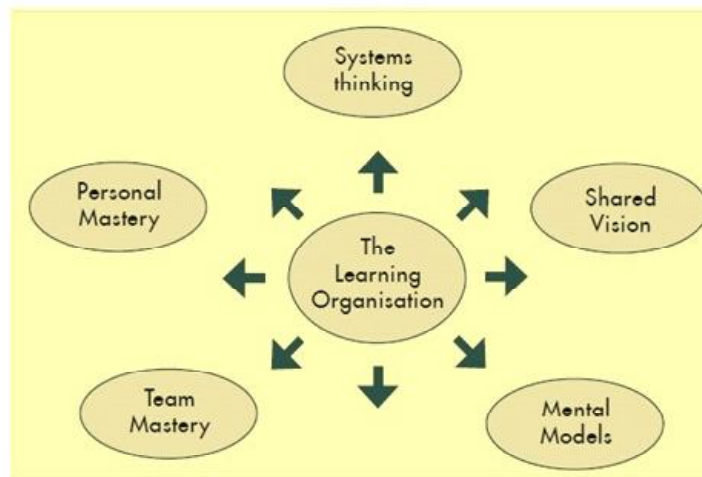


Fig.1: Five characteristics of a learning organization

1. Systems thinking

The idea of the learning organization developed from a body of work called systems thinking. This is a conceptual framework that allows people to study businesses as bounded objects. Learning organization uses this method of thinking when assessing the organization and has information systems that measure the performance of the organization as a whole and of its various components. Systems – thinking states that all the characteristics must be apparent at once in an organization for it to be a learning organization. If some of these characteristics are missing then the organization falls short of its goal. However some believes that the characteristics of a learning organization are factors that are gradually acquired, rather than developed simultaneously. Systems thinking is the conceptual cornerstone of a learning organization. It is the discipline that integrates all the employees of the organization, fusing them into a coherent body of theory and practice. Systems thinking ability to comprehend and address the whole and to examine the interrelationship between the parts provides for both the incentive and the means to integrate various disciplines in the organization.

2. Personal mastery

Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs. Personal mastery is the discipline of continually clarifying and deepening employee's personal vision, of focusing their energies, of developing patience, and of seeing reality objectively. It goes beyond competence and skills, although it involves them.

The commitment by an individual to the process of learning is known as personal mastery. There is a competitive advantage for the organization over other competing organizations if the employees of the organization can learn more quickly. Individual learning is acquired through employee's training, development and continuous self-improvement, however learning cannot be forced upon an individual who is not receptive to learning. Research shows that most learning in the workplace is incidental, rather than the product of formal training. Therefore it is important to develop a

culture in the organization where personal mastery is practiced in daily life. A learning organization has been described as the sum of individual learning, but there must be mechanisms for individual learning to be transferred into organizational learning.

3. Mental models

Mental models are 'deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand the world and how we take action'.

The assumptions held by individuals and organizations are called mental models. To become a learning organization, these models must be challenged. Individuals tend to espouse theories, which are what they intend to follow, and theories-in-use, which are what they actually do. Similarly, organizations tend to have 'memories' which preserve certain behaviours, norms and values. In creating a learning environment it is important to replace confrontational attitudes with an open culture that promotes inquiry and trust. To achieve this, the learning organization needs mechanisms for locating and assessing organizational theories of action. Unwanted values need to be discarded by the process called 'unlearning'.

4. Building shared vision

If any one idea about leadership that has inspired organizations for thousands of years, is the capacity to hold a share picture of the future the organizations seek to create. Such a vision has the power to be uplifting – and to encourage experimentation and innovation. Crucially, it is argued, it can also foster a sense of the long-term vision, something that is fundamental

The development of a shared vision is important in motivating the employees to learn, as it creates a common identity that provides focus and energy for learning. The most successful visions normally build on the individual visions of the employees at all levels of the organization. The creation of a shared vision can be hindered by traditional structures where the organizational vision is

imposed from above. Therefore, a learning organization tends to have flat, decentralized organizational structure. The shared vision is often to succeed against a competitor for which there can be transitory goals. However there should also be long term goals that are intrinsic within the organization.

5. Team learning

The accumulation of individual learning constitutes team learning. The benefit of team or shared learning is that the employees grow more quickly and the problem solving capacity of the organization is improved through better access to knowledge and expertise. A learning organization has structures that facilitate team learning with features such as boundary crossing and openness. Team learning requires individuals to engage in dialogue and discussion. Therefore team members must develop open communication, shared meaning, and shared understanding. A learning organization typically has excellent knowledge management structures, allowing creation, acquisition, dissemination, and implementation of this knowledge in the organization.

3.5.2 Role of Leader in Learning Organizations

Q20. Explain the role of leader in learning organization.

Ans ;

1. Inspire a Shared Vision

Every organization is looking for dynamic visionary leaders for its sustained growth and for a competitive advantage over others. A leader should have the ability to inspire his team to share the vision of the organization along with one's own vision and motivate the team to work towards it.

2. Motivate the Team

Understanding ones needs and expectations is very important for the motivation of the team and an individual. Expectations will vary from person to person. Interests can be as varied as wanting a path for technical growth

or attaining powerful positions in the organization or recognition through financial rewards etc. The leaders should be able to influence and motivate the team to take the organization to the peak of success.

3. Innovation

Innovation is the key to carve a good, successful and sustained growth for an organization and of an individual. In a challenging environment, creativity and innovation are the major factors in excelling over the competitors. Individuals with new ideas and the ability to convert them to tangible success stories form the core of every organization that eyes the path of success.

4. Celebrating Team's Achievements

Celebration of achievement motivates a team to achieve more. It also ensures the correctness of the process followed by the team in achieving the goals. Successful completion of each milestone by the team should be treated as stepping stones for the final goal.

5. Challenging One's Own Status

In any system growth comes to end when it reaches a saturation level. However, there is no end to learning. Learning is an infinite activity. True leaders never get saturated with their thinking. They are always exploring different options to perform better and better.

6. Setting an Example

Leaders set examples for others. If a leader wants others to follow a vision, he starts by taking the first step. The team members should not only hear what they are expected to do but also see it in the leader. Leading by example also brings and registers a past successful event in the mind of individuals..

7. Communicative Ability

Communication is the intangible channel that connects the leader and his team. The ability of verbal as well as non-verbal communication is a major trait of a leader. A leader should be able to express his thoughts clearly. Communication should not be restricted only

to exchange of information but also include building trust and confidence level of the team. A leader should also be a good listener. This heightens the ability of inter personal communication.

8. Succession Planning

Leaders should be able to fore see the future and take steps to ensure the stability of the organization even in the event of non-availability of resources. Building co-leaders, who can take the place of a leader effectively, is very important for the future of the organization. This also provides a growth path for team members.

3.5.3 Managing Diversity – Benefits- Strategies

Q21. Define diversity Management. State its benefits.

Ans ;

Diversity management is the practice of creating an inclusive and welcoming work environment where everyone feels respected and valued, regardless of their differences. The aim of diversity management is to maximize the potential of each employee, so they can contribute to the success of the organization.

Benefits of Diversity Management

The benefits of diversity management are numerous and can positively impact both the organization and its employees. Here are some of the key benefits:

Increased creativity and innovation

Diverse teams bring together a wide range of experiences, perspectives, and ideas, which can lead to more creative and innovative solutions to problems. This is because people from different backgrounds have unique ways of looking at things, which can lead to new insights and breakthroughs.

Better decisionmaking

Diverse teams can also make better decisions. This is because they are more likely to consider a wider range of perspectives, which can help them identify potential blind spots and make more informed decisions.

Improved customer relations

Diversity management can also help improve customer relations. This is because customers come from all walks of life, and having a diverse workforce can help organizations better understand and cater to the needs of their customers.

Increased employee engagement

Employees who feel valued and respected are more likely to be engaged and committed to their work. Diversity management can help create an environment where all employees feel valued, which can lead to increased engagement and productivity.

Enhanced reputation

Organizations that prioritize diversity management often have a better reputation in the community. This can help attract top talent and customers who value diversity and inclusion.

Q22. State the characteristics of diversity management.

Ans ;

Characteristics of Diversity Management

- **Inclusive Environment:** Diversity management creates an inclusive environment where all employees are welcomed, valued and respected regardless of their race, gender, age, religion, disability or any other characteristic.
- **Awareness of Differences:** Diversity management recognizes and appreciates differences in employees' backgrounds, experiences, perspectives, and identities.
- **Open Communication:** Diversity management encourages open communication among employees, to promote mutual understanding and respect.
- **Inclusively in Policies and Practices:** Diversity management involves integrating diversity and inclusion into policies and practices, such as recruitment and hiring, training and development, performance management, and promotions.

- **Diversity Training:** Diversity management includes providing training to employees to help them understand and appreciate differences and promote inclusive behavior.
- **Leadership Commitment:** Diversity management requires strong leadership commitment to promote diversity and inclusion throughout the organization.

Q23. Explain the challenges of diversity management.

Ans ;

While diversity management has many benefits, there are also some challenges that organizations may face. Here are some of the key challenges:

Resistance to change

Some employees may be resistant to change, especially if they are used to working in a homogenous environment. It can take time and effort to convince them of the benefits of diversity management.

Communication barriers

In diverse teams, communication barriers can arise due to language differences, cultural norms, and other factors. Organizations need to develop strategies to overcome these barriers and ensure effective communication.

Bias and discrimination

Even in diverse teams, bias and discrimination can still occur. Organizations need to be vigilant in identifying and addressing these issues to ensure a fair and inclusive work environment for all employees.

Difficulty in managing diverse teams

Managing diverse teams can be challenging, as managers need to understand and navigate different cultural norms, work styles, and communication styles. Organizations need to provide training and support to managers to help them manage diverse teams effectively.

3.6 WORK-LIFE BALANCE

3.6.1 Significance

Q24. What is Work-life Balance? Explain the significance of work-life balance.

Ans ;

Work life balance is a method which helps employees of an organization to balance their personal and professional lives. Work life balance encourages employees to divide their time on the basis on priorities and maintain a balance by devoting time to family, health, vacations etc. along with making a career, business travel etc.

Significance

- Working on a job for a company and making a career can be an extremely time consuming duty for any employee.
- Employees are busy at their offices throughout the day and sometimes even on weekends. This gives them very little time to interact with their family.
- Because of high pressure of work, often family members get neglected. Also, stressful jobs cause the health of employees to deteriorate.
- Work life balance concept allows an employee to maintain a fine balance in the time he or she gives to work as well as to personal matters. By having a good balance, people can have a quality of work life.
- This helps to increase productivity at workplace as the employee is relaxed about his personal commitments.
- It also allows the employee to give quality time with family to spend vacations, leisure time, work on his/her health etc.
- Hence work life balance is extremely important for employees and increases their motivation to work for the company.

3.6.2 Steps

Q25. Explain the process of Work-life Balance.

Ans ;

The process of work life balance:

1. Creating a work leisure plan

Where an individual has to schedule his tasks, and divide time appropriately so that he has allocated appropriate time to his work and his career development goals and at the same time allotted time for leisure and personal development. Employees also use a compressed work week plan to build a balance.

2. Leaving out activities that waste time and energy

Individual should judiciously avoid wasteful activities which demand large time and energy and in return not produce output for either the work life or the leisure life. Effective time management can help an employee be less stressed.

3. Outsourcing and Delegating work

Delegate or outsource time consuming work to other individuals. It serves two purposes, first the work gets done and the other is person can focus on other things which may align more with skills and knowledge and may be less stressful. It also helps grooming the other employees.

4. Set enough time for relaxation

Relaxation provides better work life balance, and tends to improve productivity on the professional or the work front along with providing ample scope to develop the life part of the balance.

5. Prioritizing work

Often employees do not give priority to work and end up doing a lot of work at the last minute. Better planning can help employees save unnecessary time delays, which can be utilized by employees for personal work.

Q26. State the benefits of Work-life Balance.**Ans :**

There are several advantages of work life balance. Some of them are listed below:

1. Work life balance increases the motivation of employees and helps them perform better at job
2. It helps people to relieve their stress as they can spend leisure time with their near and dear ones
3. Companies can maximise productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee
4. Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc.
5. Employees who are highly motivated can help the business grow as they are more attached to their job and careers

3.7 STRESS MANAGEMENT

Q27. What do you mean by stress and stress management? What are the causes and consequences of stress?**(OR)**

What do you understand by stress management? Discuss various causes of stress.

Ans :**(Imp.)****i) Stress****Definition of Stress**

According to Robbins, Stress is “a condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important”.

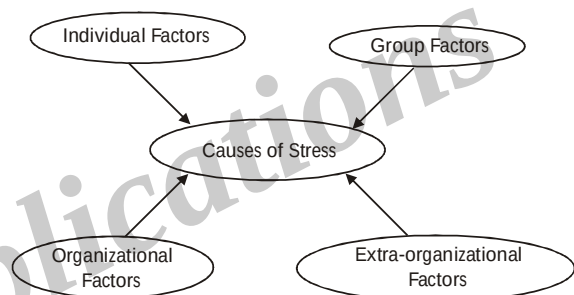
Stress may be referred to as a tension experienced by individuals facing extraordinary demands, constraints or opportunities. It forces people to emphasise mainly on the problem and come out with a solution.

ii) Stress Management**Definition**

A very high level of stress has a direct input on the individuals, their personal life and also on the organization in which they work. So, for overcoming the negative impact of high stress, it is very essential for the firm to manage stress. This process of managing the stress is called as stress management.

Causes

There are numerous factors that cause stress. They all are grouped into four categories as depicted in the figure below,

**Fig. : Causes of Stress****1. Individual Factors**

There are many factors at the individual level that causes stress. They are as follows,

(a) Changes in Life and Career

Any changes in life of an individual, disturbs his equilibrium and he experiences stress. Changes in the career such as promotion, demotion, transfer, separation etc. impose greater stress on the individual.

(b) Personality Type

The personality characteristics specific to an individual form one of the factor for individual stress. The personality characteristic include authoritarianism, rigidity, masculinity, femininity, extroversion, supportiveness, spontaneity, emotionality, tolerance for ambiguity, locus of control, anxiety and need for achievement etc.

(c) Role Characteristics

An individual faces role related stress because of role conflict or role ambiguity. Role conflict arises due to incompatibility of two or more roles, job tasks, resources, rules, policies etc; role ambiguity arises when people are not clear about the actual expectations from a role, non-availability of adequate information about role etc.

2. Group Factors

Group interaction also causes stress on an individual. The group factors that cause stress are,

(a) Lack of Group Cohesiveness

Group cohesiveness is the major binding force of a group. It is the essential factor for interaction among group members. In its absence, people feel stressed due to lack of coordination among group members.

(b) Lack of Social Support

To participate actively in a group, group members need social support from other group members. In its absence, they become stressed.

(c) Conflict

Any conflict among group members causes stress on the individual.

3. Organizational Factors

Organizational factors that cause stress are as follows,

(a) Organizational Policies

Unfavourable and ambiguous policies affect the individual performance and may cause stress. Factors such as unfair performance evaluation, unrealistic job description, frequent reallocation of activities, rotating work shifts, ambiguous procedures, rigid rules etc., causes stress.

(b) Organization Structure

Ineffective organization structure does not facilitate in achieving the stated goals. It disturbs the communication, co-ordination and work commitment.

(c) Organizational Processes

Faulty organizational processes such as poor communication, inadequate feedback, ambiguous and conflicting roles, unfair control system etc., put stress on individuals.

(d) Physical Conditions

Ineffective work environment and unsound physical conditions affect the performance standards of employees by causing them stress.

4. Extra-organizational Factors

In addition to intra organizational factors, many factors outside the organization causes stress to an employee. Factors such as social and technical changes, economic and financial conditions, community conditions etc. cause stress.

Consequences/Effects of Stress

There are various effects or consequences of stress. They are as follows,

1. Physiological Effects

Stress is found to primarily disturb the physiological system of individual. Person suffering from stress initially faces health disorders such as high blood pressure, increase in heart beat, inconsistent breathing rates, headaches, respiratory illness and so on. Researchers also studied that coronary heart diseases and heart-attacks can also takes place due to high levels of stress.

2. Psychological Effects

Psychologically, stress results in effects such as tension, boredom, negative feeling, emotional hurt, anxiety etc. As a result, these symptoms finally result in job dissatisfaction. Individuals work better under certain stress levels but stress above that can lead to irritability and mental disturbance. In an organizational context, the more the stress, the more will be job dissatisfaction.

3. Behavioural Effects

Researchers studied that stress has significant impact on behaviour of employees. Stress has close relationship with performance. Higher stress levels lead to low performance levels, increased absenteeism, smoking, consumption of alcohol, uneasy sleeping and so on.

3.7.1 Factors Affecting Stress Management**Q28. Explain factors effecting Stress Management.**

Ans ;

(Imp.)

i) The Drive for Success

Modern society is driven by 'work', personal adequacy equates with professional success, we crave status and abhor failure.

Our culture demands monetary success / professional status.

ii) Changing work Patterns

Many people feel lucky to have a job.

Unemployment, redundancy, shorter working weeks, new technology affect emotional and physical security. No more jobs for life, more short - term contracts.

Financial and emotional burnout is increasing among all levels.

iii) Uncertainty

About the individuals work role - objectives, responsibilities, and expectations, and a lack of communication and feedback can result in confusion, helplessness, and stress.

iv) Conflict

Stress can arise from work the individual does not want to do or that conflicts with their personal, social and family values.

v) Responsibility

The greater the level of responsibility the greater the potential level of stress.

vi) Relationship at work

Good relationships with colleagues are crucial. Open discussion is essential to encourage positive relation ships.

Computer the Modern age addiction

- The usage of computer has become a large-scale occupation
- Most business firms & institutions totally rely on Computers

- Has becoming as an essential commodity in personal, professional, social development and excellence of human life.

- Individual computer use has skyrocketed now and the internet has become so popular.

3.7.2 Virtual Organizations**Q29. What is Virtual Organizations? Explain the benefits of Virtual Organizations.**

Ans ;

Meaning

A virtual organization is an operation where all members of the company work in different geographic locations while appearing as a single unit. It uses computers, software, phones and other technology to work together and converse in real-time, despite any physical distance. It's important for virtual organizations to establish detailed procedures that ensure consistency in employee performance and provide employees with the ample resources and support they need to conduct their responsibilities in a remote work environment.

Benefits**1. Lower overhead costs**

Virtual organizations often have lower overhead costs because they don't need to pay monthly fees for renting office spaces. Companies also save money by not having to pay supplemental fees involved with renting a space, like utilities and maintenance costs. Some organizations also ask employees to use their own equipment, such as personal computers and web cameras, reducing equipment costs.

2. Improved employee satisfaction

Many virtual organizations have higher levels of employee satisfaction, presumably from the increased freedom employees have to work in their own space. Some employees feel less stressed, and the flexibility of working remotely often reduces absences. This helps improve overall company morale and can encourage individuals to present quality work on behalf of their employer.

3. Improved efficiency

Virtual organizations don't have the same distractions as traditional office settings, such as the urge to chat with people surrounding you. With fewer distractions, efficiency may improve, resulting in higher levels of productivity and better-quality work. Employees can establish their own work environment, allowing them to determine what helps them best achieve more work in less time.

4. Larger hiring market

Virtual organizations can hire employees from anywhere in the world. This removes geographic restrictions, expanding the talent pool for hiring and allowing companies to hire individuals with varying backgrounds and perspectives. This allows organizations to find, recruit and hire the best talent without physical locations getting in the way.

5. Flexible hours

Virtual organizations often have flexible hours, with many employers allow employees to determine their own schedules within certain parameters. For example, some companies establish core hours, such as 10 a.m. to 2 p.m. within a specific time zone each day, and allow employees to work whenever they want outside of those hours. This level of flexibility often allows organizations to accommodate a variety of different employees and their lifestyles.

6. Improved employee retention

Many virtual organizations have happy employees. Satisfied employees are often more engaged at work and less likely to leave the company. This is especially true if the organization also offers excellent benefits and competitive salaries besides their virtual organization setup.

7. Access to new markets

Virtual organizations often have access to a wide range of markets. These organizations do not have geographic restrictions, allowing them to work with customers who may have

been inaccessible. This is especially appealing for remote sales professionals who can access consumer markets from all corners of the world without physical distance or travel costs getting in the way.

Q30. Explain the challenges of Virtual Organizations.

Ans ;

Challenges

Here are some challenges you may experience while working for a virtual organization, along with tips for overcoming them:

i) Lack of camaraderie

Virtual organizations may experience a lack of camaraderie among teams. Employees work isolated from each other, and they rarely meet face-to-face. There are few opportunities for casual conversations to help build relationships.

ii) Difficulty developing company culture

Virtual organizations may struggle to develop and implement a company culture. There may be a lack of cohesiveness among the team, as flexible schedules can lead to employees feeling disconnected from each other.

iii) Increased importance of communication

Working in a virtual organization enhances the importance of good communication. Employees cannot share information in passing like they would in a normal office setting. It may be difficult for employees to meet from varied schedules.

iv) Potential compliance and security issues

Virtual organizations may present some compliance or security issues. These organizations require employees to transport a lot of data across multiple networks, some of which may involve connections that are not secure. While this may be a risk for an organization, this may be a higher risk for companies dealing with sensitive information in industries like healthcare and finance.

3.8 COMMUNICATION

Q31. Define Communication. Explain communication process and the barriers to communication.

OR

Describe the communication process and discuss the barriers to communication.

OR

Define communication. Elaborate the process of communication in corporate context.

Ans ;

Definition of Communication

According to Keith Davis, “Communication is the process of passing information and understanding from one person to another”.

According to Newstrom and Davis, “Communication is the transfer of information from one person to another person. It is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values”.

Communication Process

The communication process involves eight basic elements: Sender, encoding, message, channel, receiver, decoding, feedback and noise.

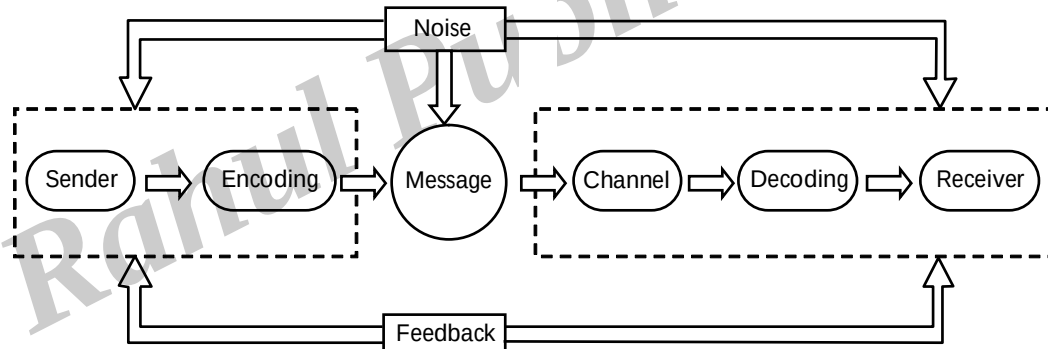


Fig.: Communication Process

1. Sender

The sender or source of information initiates the communication process. Sender is a person who conveys an idea/concept or seeks information or expresses a thought or emotion. In organizational context, sender may be a superior, a subordinate, a peer or any other person.

2. Encoding

Encoding takes place when the sender translates the content/idea to be transmitted into a series of symbols. The sender encodes the message by the use of appropriate verbal and non-verbal symbols. Organization members rely on gestures, words and symbols to encode the information.

3. Message

Message is the heart of communication. It is the subject-matter or content conveyed by the sender in order to create an understanding in the mind of receiver. A message can be in the form of an idea, opinion, feelings, views, suggestions etc.

4. Channel

Channel is the medium through which the message reaches the receiver. A channel is also called as communication carrier as it carries the message, the sender aimed at conveying. It can be in air face-to-face talk, telephone, a written report, computer, radio etc.

5. Decoding

Decoding is the process of conversion of the message received by a receiver into his understandable language. Decoding is the vital part of communication process, as the meaning of the message sent by the sender may change here resulting to ineffective communication.

6. Receiver

Receiver is a person to whom the message is conveyed. A receiver can be a superior, subordinate, peer, etc.

Feedback

Feedback is the response of the receiver to sender's message. It is essential to ensure that receiver has received the message and interpreted it correctly.

Noise

Noise is the unwanted content that travels with the original message. It arises with communication channel. Noise can be in the form of negative attitude misperception, a loud radio, a person's accent, illegible print or pictures, jargon, poor eye sight etc. Sometimes excessive noise leads to ineffective communication.

Thus, a communication process tends to be effective if all the elements or steps go correctly.

Barriers to Communication

Some of the barriers or flow of breakdowns in the communication as follows,

1. Faulty Translations

Managers receive various types of messages from superiors, peers, subordinates and he must translate this information into language suitable to everyone. Hence, the message has to be put into words appropriate to the framework in which the receiver operates. Inappropriate understanding of words and the consequent faulty translations leads to impaired efficiency and heavy costs.

2. Badly Expressed Message

Incomplete words and phrases, careless omission, bad organization of ideas, wrong sentence formation, wrong vocabulary jargon, unclarity and precision in message makes the message badly expressed.

3. Unclear Assumptions

Even though, message seems to be specific. Sometimes its assumptions might be unclear to the receiver.

4. Inattention

The preoccupied mind of a receiver and inattentive listening are the major psychological barriers. It is a common phenomenon the people simply fail to react to bulletins, notices, minutes and reports.

5. Loss by Transmission and Poor Retention

Message passes through various levels in the organization, successive transmissions of the same message leads to decreased accuracy. Poor retention of the information is again a barrier.

6. Distrust of Communicator

Frequent withdrawal or illogical decisions of the original communication by the communicator leads to distrust.

7. Failure to Communicate

Usually, managers fail to communicate the required message to the receiver. The reasons may be laziness or wrong assumption that receiver is already aware of that information.

3.9 CHANGE

Q32. Define change and write about management of change. Why employees resist change? Discuss the measures to reduce resistance to change.

Ans ;

Definition

Change is defined as a process which involves shifting from the present situation to the desired situation to respond to the dynamic internal and external factors.

Change is an unavoidable characteristic and reality of life which is managed by the individuals, groups and organizations regularly so as to survive.

Definition of Management of Change

According to Fincham and Rhodes, management of change or the change management is defined as, "the leadership and direction of the process of organizational transformation, especially with respect to human aspects and overcoming resistance to change".

Reasons/Causes for Resistance to Change

The following are some of the common reasons, why people resist change in the organization.

1. Loss of Status and Power

Employees do not want to lose their power and position, so they resist change.

2. Uncertainty

Employees are uncertain about the future. They don't want to take any kind of risk. So they resist change in the organization.

3. Lack of Confidence about Change

Lack of confidence that change will become successful, creates resistance to change.

4. Belief that Change is not Needed

Individuals mostly resist change if they feel that the current ways of doing things have been successful in the past and there is no need for a change in the future.

5. Lack of Trust

Employees mostly resist change if they feel that there are some hidden motives which the management is not disclosing. On the basis of trust only, change can be implemented successfully in the organization.

6. Economic Threats

Individuals resist change as it causes loss of income, benefits and security. Downsizing and lay-offs create personal threats to the employees and increases their resistance towards new strategies.

Measures/Approaches/Ways to Deal with Resistance to Change

There are six methods to overcome the resistance to change,

1. Education and Communication

Educating people about the need for change and communicating with them regarding the change can help them in overcoming resistance to change.

2. Participation and involvement

When the people involved are motivated, they help in designing and implementing the change by revealing their ideas and obligations. Further, participation of people enhances understanding, improves the feeling of control, decreases uncertainty and fosters the feeling of ownership.

3. Facilitation and Support

When the people who are affected by change are encouraged, supported, trained, counselled and provided with resources, they can easily adapt themselves to the new environment.

4. Negotiation and Agreement

When people agree to change, bargaining can be done to offer incentives and this technique is very essential in case of powerful resistant like bargaining units.

5. Manipulation and Co-optation

Manipulation is the act of formulating and using selective information and providing incentives to increase the acceptance of the people. Co-optation involves motivating the resistant parties to support the change. For this purpose, they are provided with their desired benefits.

6. Explicit and Implicit Coercion

Managers may sometimes utilize their authority to force the people to accept the change by threatening them with negative incentives and if the people do not accept to the changes, management may decide to shut down the organization, reduce salaries or remove people from their jobs.

Rahul Publications

Short Question and Answers

1. Define Leadership.

Ans :

Meaning

Leadership is the factor that helps individuals and groups to achieve the goal. It is the process of influencing and supporting employees or others to work enthusiastically toward achieving the objectives.

Definitions

The term 'leadership' has been defined by many authors as under :

- i) **According to Mooney & Reiley**, "Leadership is regarded as the form which the authority assumes when it enters into process".
- ii) **According to Chester I. Koontz & O'Donnell**, "Leadership may be defined as the influence, the art or the process of influencing people so that they will strive willingly towards the achievement of group goals".
- iii) **According to R.T. Livingston**, "Leadership is the ability to awaken in others the desire to follow a goal or objective".

2. Explain about Leadership Skills in Organization ?

Ans :

i) Technical Skills

Employees at operational and professional levels should have certain technical skills, which will help them perform their jobs well. However, as employees are promoted to higher managerial positions in the hierarchy, the relevance of these skills decreases.

ii) Human Skills

Human skills such as co-operating with members of the organization, developing positive interpersonal relationships, and working effectively in teams are essential for employees at all levels in the hierarchy. However, human skills are more important to people in leadership positions.

iii) Conceptual Skills

With the help of conceptual skills, an individual can analyze complex situations, rationally process and interpret available information, and accordingly design a suitable solution to a problem. Also conceptual skills help the individual to foresee what the consequences of his actions will be. Therefore, conceptual skills are very important for managers who are constantly exposed to complex and difficult business situations and are also involved in the construction of long-term plans and goals of organization.

3. Qualities of Leader

Ans :

i) Ability to Motivate

Leadership means motivating the followers to follow the leader. It shows that it is important to have the ability to motivate in order to make the meaning of leadership meaningful or purposeful. The leader should know the different methods of motivation so that the employees can be motivated according to their nature.

ii) Ability to Communicate

The chief function of a leader is to have communication with the employees and other individuals regarding various information, orders, thoughts, etc. This job should be performed in a simple language keeping in view the ability of the person receiving communication so that the receiver takes the communication in the same spirit in which it is conveyed. The effect and its quickness will depend on the amount of communication skill of the person concerned.

iii) Quick Decision-making Power

A leader has to face many new difficulties. In order to handle these problems successfully, he should have substantial decision-making power. If the decisions are taken quickly, the leadership gets an extra shine. Quick decision-making power presents no hurdle in any work and makes the right work possible at the right time. In its absence the leader and the entire organization look weak, works get delayed unnecessarily, the consumers get dissatisfied and finally, the reputation of the enterprise suffers.

iv) Integrity

It is important that a leader should be a man of integrity. It means that the style of his functioning should depend on goodwill, truth, morality and be free from deceit. A leader is a link between the owner and the employees. Therefore, he should be faithful to both. For example, the owner should be informed before hand about any possible loss and the employees should not be fed on false promises.

4. Define Management

Ans :

Meaning

Management is the art of getting things done through and with the people in formally organized group. Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

Definitions

- i) According to William Spriegel** Management is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives.
- ii) According to Louis A. Allen** Management is the planning, organizing command, coordination and control of the technical, financial security and accounting activities.
- iii) According to Joseph Messie** Management is the process by which a cooperative group directs action towards a common goal.

5. Nature of Management.

Ans :

i) Multi-disciplinary

Management drawn freely ideas and concepts from disciplines as psychology, sociology, anthropology, economics, ecology, statics, history etc. Management integrates the ideas and concepts taken from these discipline and presents newer concepts which can be put into practice for managing the organization.

ii) Dynamic Nature of Principles

Principle being a fundamental truth which establishes cause and effect relationships of a function. The principles framed by the management are flexible in nature and change with the environment in which an organization exists.

iii) Relative, not Absolute Principles

Management principles being relative not absolute, should be applied according to the needs of the organization in the light of prevailing conditions. Thereby giving allowance for different changing environment.

6. Controlling

Ans :

Controlling consists of making the results tally with targets or achieving close correspondence between plans and performance. The process of measuring the current performance of the employees and assess whether the ,given objectives are achieved or not.,

The various steps in controlling includes,

- a) Establishment of standard works.
- b) Assessment of actual work.
- c) Determination of deviation.
- d) Corrective action.

Controlling brings results nearer to the targets.

7. Decision-making

Ans :

Decision-making is the most comprehensive and all embracing function of management. The modern trend is to include the detailed functions of planning and organizing in this one single function or to treat these various functions, different aspects of this same single function called decision-making. Decision-making means selecting one alternative out of two or more alternative solutions. It can be easily shown how decision-making covers all the earlier discussed functions.

8. Importance of autocratic leadership style:

Ans :

i) Facilitates Fast Decision-Making

It can be used where there is pressure of time. In times of crises or emergencies, decision-making is faster when only one person is involved in the process. In situations like these, there is limited time to consult people and call for their participation to make decisions.

ii) Increased Productivity

The “leader is watching” style motivates managers to work hard as the oversight that an autocratic manager exerts over a team improves their working speed and makes them less likely to slack. This is ideal for poorly motivated employees who have little concern or interest in the quality or speed of work performed.

iii) Reduces Stress

In autocratic style, as the leader has significant responsibility for every task, managers will feel comforted, reduce their stress levels to know that leaders have control over their fate.

iv) Helpful in Training New Employees

Autocratic leadership style is appropriate when the leader is training others who are new and untrained at the job to make decisions. New or untrained workers usually do not know which procedure to follow. The leader is a coach. He is competent and the employees are motivated to learn new skills. The leader closely supervises the new employees, leading through detailed orders and instructions.

9. Define Learning Organization.

Ans :

A learning organization is the term given to an organization which facilitates the learning of its employees so that the organization can continuously transform itself. Learning organization develops as a result of the pressures which are being faced by the organizations these days for enabling them to remain competitive in the present day business environment. The learning organization concept was coined through the work and research of Peter Senge and his colleagues. The learning organization encourages to a more interconnected way of thinking. Such organization becomes more like a community for which employees feel a commitment to. Employees work harder for the organization since they are committed to it.

10. Functions of a leader

Ans :

i) To Define Organizational Goals

The first function of leadership is to explain the objectives of the organization. The leader himself gets acquainted with the objectives and places them in simple language before the employees. The works required for the accomplishment of objectives are given priority. The works which happen to be the prominent ones are placed on the top in a definite sequence so that they can be specially taken care of in their performance.

ii) To divide the Work as per Capability

After having determined the works required for the achievement of the objectives of the organization, they are divided among the employees according to their capabilities. The more difficult and important works are assigned to educated and trained employees.

iii) To Guide the Activities

The leader gives his subordinates the necessary guidance in their efficient work performance. They are told how a work can be accomplished with the help of some method in the minimum time.

iv) To Maintain Discipline

The fourth major function of leadership is to maintain discipline. A leader can inspire his subordinates to observe the prescribed rules only through discipline. It is especially important to note that the type of discipline which a leader expects from his followers has to be first made applicable to his own self. That is why it is said, "Discipline after self administration," meaning thereby that one has to make rules applicable to one's own self before talking about discipline.

11. Definition of Communication

Ans :

According to Keith Davis, "Communication is the process of passing information and understanding from one person to another".

According to Newstrom and Davis, "Communication is the transfer of information from one person to another person. It is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values".

12. Define change

Ans ;

Change is defined as a process which involves shifting from the present situation to the desired situation to respond to the dynamic internal and external factors.

Change is an unavoidable characteristic and reality of life which is managed by the individuals, groups and organizations regularly so as to survive.

Choose the Correct Answer

1. A person knowledge and ability to make effective use is called _____ [a]
(a) Technical skill (b) Human skill
(c) Management (d) None
2. _____ Should be provided with best quality at a reasonable price [a]
(a) Consumer (b) Seller
(c) Manufacturer (d) None
3. New ideas are developed by management and implemented in the organization is called as [a]
(a) Innovation (b) Stability
(c) Degradation (d) None
4. _____ Consists of making the result tally with targets are achieving [a]
(a) Controlling (b) Consulting
(c) Constructing (d) None
5. _____ Normally focuses on work and task's [a]
(a) Management (b) Managers
(c) Subordinates (d) None
6. Fielder contingency was proposed by [a]
(a) Fred fielder (b) Elton mayo
(c) Taylor (d) None
7. _____ Changes involves unexpected or sudden changes in organizational strategy [a]
(a) Reductionary (b) Operational
(c) Fundamental (d) None
8. OD stands for [a]
(a) Organizational development (b) ODD development
(c) Both a & b (d) None
9. _____ is last stage of communication [a]
(a) Feedback (b) Response
(c) Development (d) None
10. _____ is the activity of influencing people to strive willingly for mutual objectives [a]
(a) Leadership (b) Attitude
(c) Acceptance (d) None

Fill in the blanks

1. _____ is the factor that helps individuals and groups to achieve the goal.
2. Employees at _____ and _____ levels should have certain technical skills, which will help them perform their jobs well.
3. _____ is an inspiring medicine which motivates the employees for the accomplishment of the predetermined objectives of the organization.
4. A _____ is selected by the organization.
5. _____ leader is one of who perform according to the wishes of his followers.
6. An _____ leader is one who dominates and drives his followers through coercion.
7. _____ is the art of getting things done through and with the people in formally organized group.
8. _____ is outlining what, how, where, when and by whom, a task is to be achieved.
9. _____ involves identification of activities required for the achievement of objectives of the firm and implementation of plans.
10. _____ means achieving team spirit and unity of action among the subordinates for achieving the common business objectives.

ANSWERS

1. Leadership
2. Operational, professional
3. Leadership
4. Formal leader
5. Democratic
6. Autocratic
7. Management
8. Planning
9. Organizing
10. Coordinating

UNIT IV

HUMAN RESOURCE MANAGEMENT AND PLANNING:

Human Resource Management (HRM): Concepts – Significance – Objectives – Scope – Functions - Changing role of Human Resource Manager HRM Policies Human Resource Development (HRD): Concept - Scope - Objectives- Job Design - Approaches - Job Analysis: Objectives - Components (Job Description and Job Specification) - Methods of Job Analysis Human Resource Planning: Concept - Objectives - Factors affecting HR planning - Process of HR Planning. Recruitment: Objectives - Sources of recruitment – Selection: Selection - Procedure – Tests and Interview - Placement - Induction - Promotion – Transfer.

4.1 HUMAN RESOURCES MANAGEMENT (HRM)

4.1.1 Concepts

Q1. Define Human Resource Management (HRM). Explain the nature of HRM.

Ans : (Imp)

Meaning

Human Resource Management is a process of bringing people and organizations together so that the goals each are met. It is that part of the management process which is concerned with the management of human-resources in an organization. It tries to secure the best from people by winning their whole hearted co-operation. In short, it may be defined as the art of procuring, developing and maintaining competent work force to achieve the goals of an organization in an effective and efficient manner.

Human Resource Management may be defined as the art of procuring, developing and maintaining competent workforce to achieve organizational goals efficiently.

Human Resource Management (HRM) is the utilization of individuals to achieve organizational objectives. Consequently, managers at every level must concern themselves with HRM. Basically, all managers get things done through the efforts of others, this requires effective HRM.

Definitions

- (i) **According to Invancevich and Glueck**, “HRM is concerned with the most effective use of people to achieve organizational and individual goals”.
- (ii) **According to Byars and Rue**, “HRM encompasses those activities that are designed to provide for and coordinate the human resource of an organization”.
- (iii) **According to Milkovich and Boudreau**, “Human resource management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives”.
- (iv) **According to Flippo**, “Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished”.
- (v) **According to Leon C. Megginson**, “The term human resources can be defined as the process of total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitudes and beliefs of the individuals involved”.

(vi) **According to National Institute of Personnel Management of India**, "Human resource management is that part of management concerned with people at work and with their relationships within the organization. It seeks to bring together men and women who make up an enterprise, enabling each to make his/her own best contribution to its success both as an individual and as a member of a working group".

Human Resource Management could thus be viewed as a dynamic process which needs to be kept aligned with the changing realities in the environment.

Nature

1. Pervasive Force

HRM is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organization.

2. Action Oriented

HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees at work are solved through rational policies.

3. Individual-Oriented

It tries to help employees develop their potential fully. It encourages them to give out their best to the organization. It motivates employees through a systematic process of recruitment, selection, training and development coupled with fair wage policies.

4. People Oriented

HRM is all about people at work, both as individuals and groups. It tries to put people on assigned jobs in order to produce good results. The resultant gains are used to reward people and motivate them toward further improvements in productivity.

5. Development Oriented

HRM intends to develop the full potential of employees. The reward structure is tuned to the needs of employees. Training is offered to sharpen and improve their skills. Employees are rotated on various jobs so that

they gain experience and exposure. Every attempt is made to use their talents fully in the service of organizational goals.

6. Integrating Mechanism

HRM tries to build and maintain cordial relations between people working at various levels in the organization. In short, it tries to integrate human assets in the best possible manner in the service of an organization.

7. Challenging Function

Managing 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.

8. Auxiliary Service

HR departments exist to assist and advise the line or operating managers to do their personnel work more effectively. HR manager is a specialist advisor. It is a staff function.

9. Inter-Disciplinary Function

HRM is a multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, sociology, anthropology, economics, etc. To unravel the mystery surrounding the human brain, managers need to understand and appreciate the contributions of all such 'soft' disciplines.

10. Continuous Function

According to Terry, HRM is not a one shot deal. It cannot be practiced only one hour each day or one day a week. It requires a constant alertness and awareness of human relation and their importance in every day operations.

Q2. Explain the need for Human Resource Management.

Ans :

It assists employees in attaining individual and organizational goals. This approach has been gaining the attention of management professionals in the last decade or so.

1. For Good Industrial Relations

There is large spread unrest, labor-management disputes, lack of trust in each other, increasing expectations of workers, growing of militancy in trade unions etc. These factors have generated a gap among workers and managements. Both sides are blaming of exploitation by the other side. In the absence of cordiality in an organization, the performance of workers is adversely affected.

HRM approach is needed to bring proper understanding among workers and management. The workers are trained and developed to meet their individual and organizational objectives. The workers are made to understand that various managerial actions will assist them in achieving their aspirations and organization's goal.

2. Create Organizational Commitment

There is a humanization of work environment in industrially advanced countries like Japan, U.S.A., and Germany etc. Globalization of economy has exposed Indian industries to international competition. An improvement in efficiency and quality of work can come only when workers develop organizational commitment. HRM approach helps in creating a sense of pride for the organization among the employees.

3. Meeting with Changing Environment

The business environment is changing rapidly. Technological improvements have revolutionized production processes. Automation has been introduced in office operations. Good communication methods have revolutionized important areas of business.

Therefore, there is a need to cope with new and changing situation. The operational efficiency of workers must cope up with a revolutionary change in the technology which necessitates a new approach to manpower.

4. Change in Political Philosophy

Political philosophy has also undergone a substantial change all over the world. The new

approach is to develop human resources properly for making their better use. In India, Central Government has created a separate ministry as Human Resource Development and put it under a Senior Cabinet Minister.

This shows the importance given to human resources in India, which opened up a door for a fresh approach to human resource development in the industrial sector too.

5. Enhanced Pressure On Employees

The technological innovations have made possible the use of sophisticated machines. The installation, monitoring of machines, maintenance and controlling of operations etc., require large number of trained and skillful personnel.

Technicians, repairers and service people are also necessary. The more the technical development and automation, the more would be the dependence on human beings. There should, therefore, be greater need for humane approach to manpower.

Similarly, use of more capital intensive methods would result in greater productivity of men necessitating greater motivating and greater human resources approach to management.

6. Meeting Research and Development Requirements

Fresh initiatives and emphasis on research and development in the realm of industry also led to a new policy of human resource development to cope with the increasing demand for technically capable people. As a result of this, a need arose for a new approach to human resources.

Q3. Elucidate the evolution of Human Resource Management.

Ans :

The field of HRM as it currently exists represents a crystallization of a variety of historical and contemporary factors:

1. The Industrial Revolution

During this period machines were brought in; technology made rapid progress; jobs were more fragmented where the worker did only a small portion of the total job; and specialization increased speed and efficiency but left workers with dull, boring and monotonous jobs. Workers were treated like 'glorified machine tools'. Employers were keen to meet production targets rather than satisfy workers' demands. Government did very little to protect the interests of workers.

2. Scientific Management

To improve efficiency and speed F.W. Taylor advocated scientific management. Scientific management is nothing but a systematic analysis and breakdown of work into its smallest mechanical elements and rearranging them into their most efficient combination. In addition to the scientific study of the task itself, Taylor argued that individuals selected to perform the tasks should be as perfectly matched, physically and mentally, to the requirements of the task as possible and that overqualified individuals should be excluded.

Employees should also be trained carefully by supervisors to ensure that they performed the task exactly as specified by prior scientific analysis. A differential piece rate system was also advocated by Taylor to provide an incentive for employees to follow the detailed procedures specified by supervisors.

3. Trade Unionism

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

4. Human Relations Movement

The famous Hawthorne experiments conducted by Elton Mayo and his Harvard colleagues during 1930s and 1940s

demonstrated that employee productivity was affected not only by the way the job was designed and the manner in which employees were rewarded economically, but by certain social and psychological factor as well.

The human relations movement led to the wide scale implementation of behavioral science techniques in industry for the first time which included supervisory training programs, emphasizing support and concern for workers, programs to strengthen the bonds between labor and management and counseling programs whereby employees were encouraged to discuss both work and personal problems with trained counselors.

The movement was also influenced by the growing strength of unions during the late 1930s and 1940s. The rise of unionism during this period was due to the passage of the Wagner Act which gave workers the legal right to bargain collectively with employers over matters concerning, wages, job security, benefits and many other conditions of work.

5. Human Resources Approach

However, during early 1960s the 'pet milk theory', (advocating that happy workers are productive workers or happy cows give more milk) of human religionists had been largely rejected. Recognizing the fact that workers are unique in their own way - having individual needs.

It was recognized that each employee is a unique and highly complex individual with different wants, needs and values. What motivates one employee may not motivate another and being happy or feeling good may have little or no impact on the productivity of certain employees. Slowly but steadily, the trend towards treating employees as resources or assets emerged.

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

- (i) People do not inherently dislike work if they have helped establish objectives they want to achieve them.
- (ii) Most people can exercise a great deal more self-direction, self-control and creativity than are required in their current jobs (Theory Y).
- (iii) The managers' basic job is to use the untapped human potential in the service of the organization.
- (iv) The manager should create a healthy environment wherein all subordinates can contribute to the best of their capacities. The environment should provide a healthy, safe, comfortable and convenient place to work.
- (v) The manager should provide for self-direction by the subordinates and they must be encouraged to participate fully in all important matters.
- (vi) Expanding subordinates' influence, self-direction and self-control will lead to direct improvements in operating efficiency.
- (vii) Work satisfaction may improve as a 'by-product' of subordinates making full use of their potential.

The contribution of behavioral science to management practice consists primarily of producing new insights rather than new techniques. It has developed or expanded a useful way of thinking, about the role of the manager, the nature of organizations and the behavior of an individual within an organization.

4.1.2 Significance

Q4. Explain the significance of Human Resource Management.

(OR)

What is the significance of HRM in the over changing business environment?

Ans : (Imp.)

1. It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.
2. It supplies skilled workers through scientific selection process.
3. It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
4. It prepares workers according to the changing needs of industry and environment.
5. It motivates workers and upgrades them so as to enable them to accomplish the organization goals.
6. Through innovation and experimentation in the fields of personnel, it helps in reducing costs and helps in increasing productivity.
7. It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.
8. It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

4.1.3 Objectives

Q5. What are the objectives of Human Resource Management.

Ans :

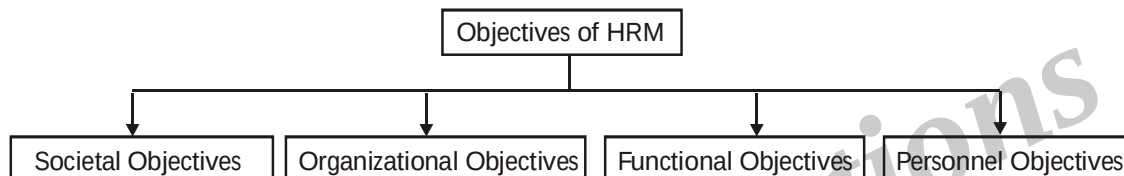
(Imp.)

1. Societal Objectives

It seeks to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.

2. Organizational Objectives

It recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a stand-alone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.



3. Functional Objectives

It is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.

4. Personnel Objectives

It is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

4.1.4 Scope

Q6. Explain the scope of Human Resource Management in an Organization.

Ans :

(Imp.)

The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

The scope of HRM is really vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves it comes under the purview of HRM. American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

(a) Human Resource Planning

The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource.

Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

(b) Design of Organization and Job

This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by job description. Another important step is Job specification.

Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

(c) Selection and Staffing

This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

(d) Training and Development

This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.

(e) Organizational Development

This is an important aspect whereby Synergetic effect is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

(f) Compensation and Benefits

This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness

and equity criteria. In addition labour welfare measures are involved which include benefits and services.

(g) Employee Assistance

Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems everyday. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happy.

(h) Union-Labour Relations

Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

(i) Personnel Research and Information System

Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour. Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee.

Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation.

4.1.5 Functions**Q7. Explain the various functions of HRM.****(OR)**

Discuss the functions performed by HR Manager.

Ans : **(Imp.)**

The main functions of human resource management are classified into two categories:

(a) Managerial Functions and

(b) Operative Functions

(a) Managerial Functions

Following are the managerial functions of Human Resources Management.

1. Planning

The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways and means to motivate them.

2. Organization

Under organization, the human resource manager has to organize the operative functions by designing structure of relationship among jobs, personnel and physical factors in such a way so as to have maximum contribution towards organizational objectives. In this way a personnel manager performs following functions :

- (a) preparation of task force
- (b) allocation of work to individuals
- (c) integration of the efforts of the task force
- (d) coordination of work of individual with that of the department.

3. Directing

Directing is concerned with initiation of organized action and stimulating the people to work. The personnel manager directs the activities of people of the organization to get its function performed properly. A personnel manager guides and motivates the staff of the organization to follow the path laid down in advance.

4. Controlling

It provides basic data for establishing standards, makes job analysis and performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(b) Operative Functions

The following are the Operative Functions of Human Resource Management

1. Procurement of Personnel

It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organization goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.

2. Development of Personnel

Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.

3. Compensation to Personnel

Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organization objectives. To determine the monetary compensation for various jobs is one of the most difficult and important function of the personnel management.

A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, incentive and premium plans, bonus policy and co-partnership, etc. It also assists the organization for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation

Human Resource Management covers a wide field. It is intended to reduce strifes, promote industrial peace, provide fair deal to workers and establish industrial democracy. If the personnel manager is unable to make harmonious relations between management and labour industrial unrest will take place and millions of man-days will be lost.

If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an organization vis-a-vis a nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping

In record-keeping the personnel manager collects and maintains information concerned with the staff of the organization. It is essential for every organization because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation

Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organization and its practices, personnel audit, morale, survey and performance appraisal, etc.

4.1.6 Changing role of Human Resource Manager

Q8. "Human Resource Manager performs more challenging roles in the changing scenario." Explain.

Ans : (Imp.)

During the last decade of the 20th century, business management practices witnessed tremendous change. Even the HR manager's role has undergone some changes for achieving objectives of the firm. Responsibilities of HR manager have also increased after this revolutionary changes.

The major role played by HR manager in the post liberalization era, is as followed,

1. Globalization of Economy

HR managers in the present era of globalization, are required to possess knowledge of beliefs and values prevailing in the host countries where managerial operations are being performed. Besides this, the HR managers must also perform various functions which are related with taxation, salaries and more involvement in employee's personal life.

2. Corporate Restructuring

Corporate restructuring helps in increasing the growth rate at a faster pace. Restructuring may be in the form of mergers, acquisitions and divestment of weak business. In the process of restructuring, HR managers must take care of all problems related to employees, such as stress, fear of loss of jobs, adjustment in new culture, etc. HR manager must adopt appropriate strategies to integrate individuals and organizations. Lack of integration may lead to failure of corporate restructuring.

3. Newer Organizational Designs

After liberalization, many companies are going for virtual organization. Virtual organization is a temporary network of independent companies, suppliers, customers, who are all connected with the help of information technology for sharing talents, expenditure and to use one another's market. The HR manager needs to work for development of company and adjust themselves in new organizational pattern.

4. Emphasis on Total Quality Management

After globalization, the concept of total quality management is being adapted by most of the Indian corporate sectors. The HR manager needs to understand TQM, as it focuses upon the quality of both goods and services. HR manager must identify the customers, provide them goods at the least possible cost and maintain quality of products.

5. Emphasis on Kaizen (Continuous Improvement)

Kaizen is continuous improvement and involves customer orientation, quality control and improvement etc. HR managers need to be efficient and their role is of utmost importance. Training must be provided to employees, so that they can participate in Kaizen process.

6. Changing Job Profile

As time passes, the nature of job is also changing, due to the evolution of advanced technology which completes the job better and faster than employees.

Hence, only skilled and expert personnel is required to perform the work. The HR manager needs to be good enough to design and formulate the job descriptions, human resource planning etc.

HR manager must be an expert in recruitment and selection process, so that he can select the right candidate for the right job. Changing job profile poses to be a great challenge to the HR manager.

7. **Changing Workforce Profile**

Changing job profile will lead to changes in workforce profile. In the present era, people are highly skilled, talented, young and educated with high expectations.

So, there is a greater chance of job hopping, wherein young employees try to shift from one job to another in order to fulfill their expectations. HR manager needs to provide good quality of work-life and design appropriate retention strategies.

8. **Increasing Role of Woman Employees**

Role of woman employees is increasing in both managerial and non-managerial groups. Woman employees are facing many problems, like balancing the career with family, sexual harassment, prejudices etc. If an organization wishes to recruit woman employees, it is the duty of HR manager to solve the problems of women by providing a convenient and suitable organizational climate and culture. Hence, the role of HR department in this aspect is very crucial.

9. **Emphasis on Knowledge Management**

Many companies are shifting their focus from human resource management to knowledge management. Intellectual capital is treated as the managed asset in the knowledge based management and it makes use of tools such as organizational dynamics, process engineering and technology. The HR manager needs to develop reactive strategies and work as a facilitator and enabler.

Q9. Explain the challenges of HRM in the present business scenario ?

Ans :

In the present scenario, HRM faces many challenges that result from various organizational, cultural and environmental changes. Fluctuating social and political trends and the recent economic development around the world facilitated the growing importance of HRM in an organization and at the same time posed some challenges. The challenges faced by HRM are,

1. Growth in Employee Education and Expectation

The workforce or employees today are better educated with high motivations, aspirations about participation and have more expectations about equality and fair dealings at work. A higher educated workforce wants a more meaningful work and a say in decision making, particularly regarding their working conditions and careers.

Thus, HR Managers and organizations must develop flexible approaches to all aspects of HRM.

2. Changing Demographics and Life-styles of Workforce

The other challenge HRM is facing today is the changing nature of the workforce. The demographic changes in the workforce are,

- (i) Dual career couples-couples where both partners are actively pursuing professional careers.
- (ii) Growth of women employees
- (iii) Increasing number of young employees.
- (iv) Increasing number of working mothers
- (v) Decline of blue-collar workers who are giving way to white-collar employees
- (vi) Increasing level of education.

Life-style considerations too play a significant role in an organization's ability to recruit or transfer people. Willingness of the people as to where to live and work are dependent on the factors like personal

convenience and preferences, family commitments etc. All these have their own implications for the HR manager.

3. **Organizational Restructuring/Corporate Reorganization**

The next challenge that HRM is facing today, is the reorganization resulting from acquisition, merger, divestiture or a takeover threat. In such circumstances, employees of the organization are affected, because decision making is difficult and delayed. Individuals in the firms undergoing acquisition, merging are facing difficulties like,

- Changes in jobs including new roles and assignments.
- Loss of job
- Transfers to new places
- Changes in compensations and benefits
- Possibilities of changes in career
- Changes in corporate culture etc.

4. **Economic Conditions and Competition**

The changing economic situation and the threat of competition has posed a great challenge to HRM. In the recent years, the Indian economy has undergone a process of liberalization and had been subjected to structural adjustments. Globalization and Privatization in the recent years increased the competition to a large extent. In such situations, HR managers should develop flexible approaches and strategies so that their firm is not threatened.

5. **Quality of Work Life (QWL)**

In the current scenario, many employees and managers are greatly concerned about the Quality of Work Life (QWL). It is a concept which contains the total range of organizational life, particularly as it is reflected in HRM. These considerations have a great impact on HRM.

6. **Technological Changes**

Technology is changing with innovations and improvements like automation, robotics and

computerization. To meet the requirements, the organizations need to train their human resources accordingly.

7. **Achieving Competitive Advantage**

Modern HRM practices and policies have to be formulated to achieve a competitive advantage : unique benefits that an enterprise offers to its'Customers. The organization in this scenario of high competition should try to be unique in the factors like quality, special features like after-sales service, free gifts, coupons etc., to attract a stream of customers towards its products.

8. **Globalization**

With the spread of globalization, many foreign firms are entering into the Indian market and are challenging the domestic firms. The internet is adding fuel to globalization and most of the MNCs are entering into joint ventures with local firms or setting up green field projects.

These alliances of MNCs with local firms, benefit the local firms who increase their sales, expand their markets, share the new technology and professionalism of management. Every organization to survive and meet the threat of competition, is willing to make an alliance with a foreign collaborator. In this situation it is a great Challenge for HRM to meet these requirements.

9. **Outsourcing of HR Activities**

In the current scenario, many organizations are outsourcing HR activities like recruiting, training and development etc.

Example: Proctor & Gamble has signed a 10-year deal with IBM to handle employee services.

This trend of outsourcing resulted from the several operational and strategic motives. In such situations, HR departments are focussing more on strategic roles. At the strategic level, outsourcing reduces bureaucracy and encourages a new culture with the introduction of external market forces into the firm. At the operational level, outsourcing saves money.

Outsourcing has a negative impact also. Outsourcing carried to its logical end, creates a downfall of HR department in an organization i.e., in outsourcing, an organization can work without HR department. Therefore, it is a big challenge to a HR manager to prove the importance of his department.

10. The Bottom Line

Another challenge for HRM today is the necessity of cost-effective HR programs, approaches and policies. Though the HRM activities have their impact on profits its importance has not yet been identified. For thier, the HR department must be able to demonstrate that, what it does is of great importance to the success of the organization.

Q10. Explain Recent trends in HRM.

Ans :

Human resource management creates the relationship between people and organizations to meet the goals of each other. The role of HR manager is adoption from one position to another like protector to planner, Personnel directors are new persons to corporate. Personnel relations are in order, it is not possible to show a good financial or operating report.

From many years, the jobs are depends on high skills and knowledge based. And the low skilled jobs are decreasing. This is for developing the organization through proper HRM initiatives.

Indian organizations are also focusing on a change in systems, management culture and there is a lack of proper associate to the global of Indian organizations.

Some of the recent trends observed are as follows,

1. The ISO 9001 and ISO 9004 of recent quality management of 2000 focus more on people coming from specific organizations. Now-a-days organizations themselves need to prepare, in order to discourse people particular problems and HR problems with commitment from the top management, more particularly on training.

2. Charles Handey also recommended future organizational models like Shamrock, Federal and Triple I. These models also focus on people specific issues and call for redefining HR professionals future role.
3. Organizations have introduced six-sigma practices, and it followed analytical tools with leadership from top management and develops a method for continuous improvement. These six-sigma practices improve organizational values and helps in creating adequacy product or services at minimum cost.
4. Human resource outsourcing is a new phenomena that makes traditional HR department in an organization unnecessary. The international pioneer in HR BPO already roped in Bank Of America, international players BP Amoco and over the years plan to spread their business to most of the Fortune 500 companies.
5. With the increase of recruiting competent people is also increasingly becoming difficult, especially in India. Organizations are also need to work out a retention strategy by creating an enabling culture, for the existing skilled manpower.

4.2 HRM POLICIES

Q11. Define HRM Policy. State the characteristics of HRM Policy.

Ans :

Definition

According to Brewster and Richbell defined HRM policies as, "a set of proposals and actions that act as a reference point for managers in their dealings with employees". "HR policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organization's values, philosophy, concepts and principles". HR policies guide the course of action intended to accomplish personnel objectives.

Developing the HR Policies

HR policies provide an organization with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies must be framed in a manner that the companies vision & the human resource helping the company to archive it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

Characteristics

While developing sound personnel policies management should pay attention to the following things :

1. Related to Objectives

Policies must be capable of relating objectives functions, physical factors and company personnel.

2. Easy to Understand

Policies should be stated in define, positive, clear and understandable language.

3. Precise

Policies should be sufficiently comprehensive and prescribe limits and yardsticks for future action.

4. Stable as well as Flexible

Personnel policies should be stable enough assure people that there will not be drastic overnight changes. They should be flexible enough to keep the organization in tune with the times.

5. Based on Facts

Personnel policies should be built on the basis of facts and sound judgment and not in personal feelings or opportunistic decision.

6. Appropriate Number

There should be as many personnel policies as necessary to cover conditions that can be anticipated, but not so many policies as to become confusing or meaningless.

7. Just, Fair and Equitable

Personnel policies should be just, fair and equitable to internal as well as external groups.

For example, a policy of recruitment from within may limit opportunities to bright candidates from outside: and a policy of a recruitment from outside only would limit promotional avenue to promising internal candidates. To ensure justice, it is necessary to pursue both the policies scrupulously and apply them carefully.

8. Reasonable

Personnel policies must be reasonable and capable of being accomplished. To gain acceptance and commitment from employees, the policy should be conditioned by the suggestions and reactions of those who are affected by the policy.

9. Review

Periodic review of personnel policies is essential to keep in tune with changing times, and to avoid organizational complacency or managerial stagnation.

Q12. State the various Factors Affecting HR Policies.

Ans :

The following factors will influence in determining the personnel policies of an organization :

1. Laws of the Country

The various law and labor legislation govern the different aspects of personnel matters. Policies should be in conformity with the laws of the country.

2. Social Values and Customs

These are the codes of behavior of any community which should be taken into account in framing the policies.

3. Management Philosophy and Values

Management does not work, together for any length of the time without clear broad philosophy and set of values which influence their actions on matters concerning the workforce.

4. Stages of Development

All changes such as size of operations, scale of technology, innovations, fluctuations in the composition of workforce, decentralization of authority and change in financial structure influence the adoption of personnel policies.

5. Financial Position of the Organization

The personnel policies cost money which will be reflected in the price of the product. Because of this, prices set an absolute limit to organization's personnel policies.

6. Union Objectives and Practices

How well the employees are organized? What is their bargaining capacity? What are their pressure techniques? All these factors are responsible for personnel policies.

7. Type of Workforce

The assessment characteristics of workforce and what is acceptable to them is the responsibility of the effective personnel staff. A policy which is not appropriate is hardly worth implementation.

Q13. Outline the Process of Human Resource Policies.

Ans :

The development of HR policies depends upon the day-to-day problems arising in an organization and their solutions. The main purpose of formulating the HR policy is to assist the top executives in reaching the decision in a given situation.

The process of policy formulation involves the following steps :

1. Identifying the Need

If an organization does not already have an appropriate personnel policy, the personnel manager should feel its needs. He should also convince the chief executive of the need of a personnel policy. Policies are required in various areas of personnel management such as hiring, training, compensation, industrial relations, etc.

A staff expert, a first-line supervisor, a union leader or a rank-and-file employee may voice the need for revision of an existing policy.

2. Gathering Information

Once the need for a policy has been accepted, the next step is to collect necessary facts for its formulation. A committee or a specialist may be assigned the task of collecting the required information from inside and outside the organization. Facts may be gathered from any of the following sources:

- (i) Past practice in the organization.
- (ii) Prevailing practice among the companies in the community and throughout the nation in the same industry.
- (iii) The attitudes and philosophy of the top management.
- (iv) The attitudes and philosophy of middle and lower management.
- (v) The knowledge and experience gained from handling countless problems on a day-to-day basis.

The HR department should study existing documents, survey industry and community practices and interview people within the organization to collect appropriate information. Special attention should be paid to attitudes and philosophy of top management, social customs and values, aspirations of employees, labor legislation, etc. Widespread consultations and discussions at this stage prove helpful later on when it comes to applying the policies.

3. Examining Policy Alternatives

On the basis of data collected, alternatives are appraised in terms of their contributions to organizational objectives. It is necessary to secure active participation of those who are to use and live with the policies.

4. Putting the Policy in Writing

After the necessary information has been gathered and the alternatives examined, the

HR department can begin the actual work of formulating the written expressions of the company's HR policy. While writing the policy, emotional phrases should be avoided.

5. Getting Approval

The HR department should send the policy draft to the top management for its approval. It is the top management which has the final authority to decide whether a policy adequately represents the organization's objectives or not.

6. Communicating the Policy

After getting the approval of the top management, the policy should be communicated throughout the organization. A real education program should be set up to teach people how to handle various personnel problems in the light of this newly formulated policy.

7. Evaluating the Policy

From time to time the policy should be evaluated in terms of experience of those who use it and of those who are affected by it. There may be situations when an organization is not getting the expected results. This requires modifications in the policies.

Any serious difficulty with a policy along with suggestions should be reported to the top management. Such knowledge will enable the management to decide whether there is a need to restate or re-formulate the policy.

4.3 HUMAN RESOURCE DEVELOPMENT (HRD)

4.3.1 Concept

Q14. Define Human Resource Development (HRD)?

(OR)

What is meant by Human Resource Development (HRD)?

Ans :

(Imp.)

Meaning

Organizations perform effectively and efficiently when the available resources such as tools, machinery and equipments or human resources function adequately, in an effective manner. Mostly the organizations change or replace their machineries and equipment normally, after a certain period, in order to use modern techniques for gaining a competitive advantage against its competitors.

Similarly, human resources such as, employees should also continuously enhance their skills and abilities to perform their jobs effectively which inturn result in the efficient functioning of an organizations.

Thus, there is a need for human resource development continuously at different levels of the organization, wherein training and development is provided to the employees or further education is provided to them which result in building up their confidence and enhancing their skills and abilities. In other words, HRD helps the human-resources or employees to develop their technical, behavioral and managerial skills at all levels of the organization.

Definitions of HRD

1. **According to Subba Rao**, "HRD from the organizational point of view, is a process, in which the employees of an organization are helped/ motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs and attitudes necessary to perform present and future role by realizing the highest human potential with a view to contribute positively to the organizational, group, individual and social goals".
2. **According to Leonard Nadler defined HRD** as, "those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change".
3. **According to T.Venkateswara Rao**, "HRD is a process by which the employees of an organization are helped in a continuous, planned way to,

- | | |
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| <ul style="list-style-type: none"> (a) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles. (b) Develop their general capabilities as individuals, discover and exploit their own inner potentials for their own and/or organizational development purposes. (c) Develop an organizational culture in which superior-subordinate relationship, teamwork and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees. | <ul style="list-style-type: none"> (e) Provides effective training to the employees to develop new, innovative technical skills and knowledge. (f) Developing the employees in terms of managerial and behavioural knowledge and skills. (g) Forecasting and planning about the employee's career and implementing training and developmental programmes. (h) Forecasting and planning towards the successful achievement of organizational objectives, and developing the employees. (i) Organizational development paves the way for changing the employee's behaviour and attitude. (j) Team work, group discussions, group dynamics, intra and inter-team interaction helps the employee to develop their skills and knowledge, which in turn builds confidence to perform the job or (job- satisfaction). (k) Social and religious interactions and programmes lead to training and developing employees knowledge and skills. (l) Job rotation, job enrichment and empowerment help the employees to learn new skills. (m) Different schemes of workers participation in the management, quality circles inculcate the employee to learn and develop skills and abilities. |
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4.3.2 Scope

Q15. Explain the scope and need of HRD in present scenario.

Ans :

(Imp.)

Scope

The scope of HRD is very wide, as it is mainly concerned with people or human resources. It is a people-oriented concept which basically deals with the efficient development and management of human resources to achieve organizational goals. As HRD constitutes a component of HRM, it includes all the functions of HRM. The scope of HRD can be studied as follows,

- (a) Recruitment of employees basically within the scope and possibilities for developing human resources.
- (b) Selection of only those employees who possess the capabilities to develop their skills and abilities and to fulfill the present as well as future organizational needs.
- (c) Examining, appraising and enhancing employee's performances individually or as a member of a group to develop by determining the gaps in skills and knowledge.
- (d) Enables the employees to grasp the knowledge from their superiors through performance consultations, performance counselling and performance interviews.

Need

In today's modern, competitive world tough competition exists among different organizations due to privatization, liberalization and globalization. This resulted in the need for changes and modifications of technology and equipments which need continuous development and updating of technology. This in turn leads to the production of innovative/attractive products or services in the market.

For this purpose there is a need for developing human resources continuously. The following points help us to know the need for HRD:

(i) Changes in Economic Policies

Economic policies have been significantly changed in most of the countries from a communist pattern to a capitalist pattern or from socialist pattern to capitalist pattern. Even India has liberalized its policies in 1991.

Thus, privatization, liberalization and globalization acted as a threat to the small or week firms and provided opportunities to large firms. In short, capitalistic economic policies and their effective implementation, requires the development of human resources in the country.

(ii) Modification of Job Requirements

Dynamic Organization keeps on changing the organizational setup/design and job design which in turn leads to the changes in job description and job specification. These modifications and alterations demands for human resource development.

(iii) Need for Multi-skilled Human Resources

With the changing industrialization trends and globalization, of business it had become very essential for the employees to possess multi-skills and talents for facing any situation. Organizations in general, prefer only those employees/ candidates / individuals who can produce the best output with multiple skills and knowledge by performing his job effectively. HRD activities are needed as they help employees in developing multi-skills and abilities.

(iv) Organizational Viability and Transformation Process

Organizational viability plays the vital role in the functioning of an organization which is continuously affected by the environmental threats. Thus, the organization should formulate and implement strategies, for dealing with the changes in the environmental factors, other-wise it may loose its share value in the market, which in turn affects the reputation

of the organization. For adopting these changes, the organization must firstly develop its human resources.

(v) Technology Advancement

In today's rapidly changing business environments, it is very essential for the firms to make use of innovative and latest technology for gaining competitive advantage over their rivals.

But, acquiring latest technology is not enough, it should also be utilized effectively for obtaining the best output. This can be done effectively if the employees knows how to operate and perform tasks, which again demands for the need for human resource development.

(vi) Organizational Complexity

Due to increased mechanization, automation and industrialization, it has become very difficult to manage the processes of organization's. The organizational complexity can be effectively managed with the help of HRD.

(vii) Human Relations

Almost all the organizations are preferring and adopting human relations approach which intum requires HRD.

Conclusion

Hence, overall, HRD is the people-oriented concept, which is required in each and every aspect of the organization due to globalization and continuous changes in technology.

Q16. Explain the nature of HRD.

Ans :

(Imp.)

HRD is process by which the employees of an organization are helped to help themselves and develop the organization. It has the following features :

(i) HRD is a system

It is a system having several interdependent parts or subsystems such as procurement, appraisal, development, etc. Change in any one subsystem leads to changes in other parts.

For example, if there is a change in the promotion policy where seniority is replaced with merit, the chain reactions on affected individuals, unions shall have to be assessed - keeping the difficulties in framing acceptable guidelines regarding 'merit' in mind.

(ii) HRD is a planned process

It is a planned and systematic way of developing people. Further, it is undertaken on a continuous basis. Learning, as we all know, is a lifelong process and goes on and on.

(iii) HRD involves development of competencies

Basically it tries to develop competencies at four levels. At the individual level, employees are made to realize the importance of playing their roles in tune with overall goals and expectations of other people (regarding such roles). By enriching and redesigning jobs, the roles of employees are made more meaningful and interesting.

At the interpersonal level, more stress is laid on developing relationships based on trust, confidence and help. At the group level, task forces, cross functional teams are created to cement inter-group relations. At the organizational level, the organization is made to nurture a 'development climate', where every effort is made to harness human potential while meeting organizational goals.

(iv) HRD is an inter-disciplinary concept

HRD is an amalgamation of various ideas, concepts, principles and practices drawn from a number of soft sciences such as sociology, psychology, anthropology, economics, etc.

(v) HRD improves quality of life

HRD enables the employee discover and utilize his capabilities in service of organizational goals. He finds a new meaning in work, when managers support such initiatives through incentive plans and challenging work assignments. The whole effort of HRD, thus, is focussed on improving the quality of life of employees working at various levels in an organization.

4.3.3 Objectives

Q17. State the objectives of HRD.

(OR)

List out the objectives of HRD.

Ans :

(Imp.)

The different objectives of HRD are as follows:

- To make sure that the employees handle any situation associated with his job either at present or in future.
- To improve the skills and knowledge of the employees as per their requirements.
- To enhance the creativity of the employees in the form of talents and abilities.
- To train the employees and make them ready for superior level jobs.
- To share fundamental HRD skills and knowledge with the new employees.
- To enhance the capabilities and efficiencies of the employees to perform the next level job.

- To provide assistance towards total quality management.
 - To encourage individual and collective morale and sense of responsibility among employees, cooperative attitudes and effective relationships.
 - To widen the minds of the senior-level management, by providing them different ways to interchange the experiences faced by them within and outside the firm.
 - To make sure that the organization is carried out smoothly and effectively.
 - To create a comprehensive and strategic framework for HRD.
 - To improve the organizational capabilities.
 - To help each and every individual to recognize his skills/capabilities and develop the same to the maximum extent in order to attain both individual and organizational goals.
 - To perform performance appraisal of an employee and makes easy in providing training and development if required.
 - To perform career planning and development of an employee for the successful achievement of organizational goals.
 - To assist in organizational change and organizational development from global point of view.
 - To help the employees to involve and interact themselves in social and religions interactions, quality circles, and worker's participation in management.
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Q18. Explain the significance of HRD.**Ans :****(Imp.)**

The significance HRM assumes, with respect to the fast changing organization environment and the need for technological changes for responding to the environmental changes. Some of factors affecting the environmental changes are:

- Unpredictable increase in the competition within and outside the country resulting from the formulation and implementation of economic liberalization policies which demand human resource development continuously.
- Most of the countries following the trends towards market economy consist of former communist countries, which resulted in tough competition among the businesses globally as well as among the organizations within the same country. This lead to the withdrawal of weak firms from the market and only the industries who were strong enough to face any situation, were able to survive in the market.

Thus, the overall performance of human resources depends on the development of an employee at different levels. Organizations should possess competent human-resources for becoming dynamic and fast-growing.

Overall, the organization can compete effectively, when it possesses competent and dynamic human resources. Thus, HRD plays a very prominent role in developing human resources and making them excellent, competitive, strong and effective.

Q19. Distinguish between HRM and HRD.**Ans :****(Imp.)**

S.No.	Nature	HRM	HRD
1.	Definition and full form	The full form of HRM is Human Resource Management. It refers to how the principles of management can be applied to manage the employees working in an organization effectively.	The full form of HRD is Human Resource Development. It refers to continuous development functions that are implemented for improving the performance of those working in an organization.
2.	Nature	HRM is a management function.	HRD is a sub-function of HRM.
3.	Function	The functions of HRM are reactive and are usually applied to gaining holistic organizational goals.	The functions of HRD are proactive and have to be applied consistently to enhance the productivity of employees.
4.	Objective or Goal	The objective of HRM is related to improving the overall performance of employees.	HRD goals are usually connected with skill development, knowledge enhancement, and increasing the competency of employees.
5.	Process	Most HRM processes are routine and have to be carried out as and when the need arises.	HRD processes are on going and not occasional.
6.	Dependency	HRM is an independent entity in itself. It comprises of different sections inclusive of recruitment and retention, HRD, compensation, performance, appraisal management, etc.	HRD is a subsystem of HRM and draws many functions, attributes, and processes from HRM.
7.	Concerned with	HRM deals with and has concerns for people only. It handles recruitment, rewards, etc.	HRD is concerned with the development of all aspects and people within an organization and manages its skill development processes.
8.	Levels of formality	HRM functions are generally formal and are applied via classroom/laboratory training, etc.	HRD functions may be informal as in mentorships, employees receive coaching from superiors, usually managers.

4.4 JOB ANALYSIS**Q20. Define Job Analysis. Explain the nature of Job Analysis.****Ans :****Meaning**

Job analysis is a formal and detailed examination of jobs. It is a process of gathering information about a job. It tries to “reduce to words the things that people do in human work.”

Job-analysis is a detailed and systematic study of jobs to know the nature and characteristics of the people to be employed on various jobs. It involves collection of necessary facts regarding jobs and their analysis. Some of the definitions of job-analysis are given here under to understand the meaning of the term more clearly.

Definitions

- (i) **According to Edwin B. Flippo**, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of specific job".
- (ii) **According to Michael J. Jucius**, "Job analysis refers to the process of gathering information about the operations, duties and organizational aspect of jobs in order to write-up specifications or as they are called by some job descriptions".
- (iii) **According to Donald**, "Job analysis is a method of scientifically dissecting a job in order to determine the component elements and their influence upon the length of learning period of the worker, production and labor turnover".
- (iv) **According to Dale Yoder**, "Job analysis is the procedure by which the facts with respect to each job are systematically, discovered and noted. It is sometimes called 'Job study' suggesting the care with which tasks, processes, responsibilities and personnel requirements are investigated".

Nature of Job Analysis**1. Systematic Way of Gathering and Analyzing Information about a Job**

The most basic building block of HR management is job analysis which is a systematic way of gathering and analyzing information about the content, context, and human requirement of jobs.

Using job analysis to document HR activities is important because the legal defensibility of an employer's recruiting and selection procedures, performance appraisal system, employee disciplinary actions, and pay practices rests in part on the foundation of job analysis.

2. Develop Jobs

Job design attempts to develop jobs that fit effectively into the flow of the organizational work that needs to be done. The narrow focus of job analysis centers on using a formal

system to gather data about what people do in their jobs. This data is used to generate job descriptions and job specifications.

3. Identifies Job Factors and Duties

Various methods and sources of data can be used to conduct job analyses. The real value of job analysis begins as the information is compiled into job descriptions and job specifications for Use in virtually all HR activities. To justify HR actions as job related accurate details on job requirements are needed.

4. Redesigns Jobs

Job analysis involves collecting information on the characteristics of a job that differentiate it from other jobs. The information generated by job analysis may be useful in redesigning jobs, but its primary purpose is to capture a clear understanding of what is done on a job and what capabilities are needed to do it as designed.

Q21. Explain the purpose of job analysis.

Ans :

1. Human Resource Planning

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

2. Recruitment

Job analysis is used to find out how and when to hire people for future job openings. An understanding of the skills needed and the positions that are vacant in future helps managers to plan and hire people in a systematic way.

3. Selection

Without a proper understanding of what is to be done on a job, it is not possible to select a right person.

For example, if a Super bazaar manager has not clearly identified what a clerk is to do, it is difficult to find if the person selected must be able to position stores items, run a cash register, or keep the account books.

4. Placement and Orientation

After selecting people, we have to place them on jobs best suited to their interests, activities and aptitude. If we are not sure about what needs to be done on a job, it is not possible to identify the right person suited for the job.

Similarly, effective job orientation cannot be achieved without a proper understanding of the needs of each job. To teach a new employee how to handle a job, we have to clearly define the job.

5. Training

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

6. Counseling

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

7. Employee Safety

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

8. Performance Appraisal

By comparing what an employee is supposed to be doing (based on job analysis) to what the individual has actually done, the worth

of that person can be assessed. Ultimately, every organization has to pay a fair remuneration to people based on their performance. To achieve this, it is necessary to compare what individuals should do (as per performance standards) with what they have, actually done (as per job analysis).

9. Job Design and Redesign

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

10. Job Evaluation

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

11. Discipline

Job analysis studies the failure of the workers to meet the required standard of performance. Corrective measures may be taken in time to avoid untoward situations. In this way, it helps in maintaining discipline in the organization.

12. Labor Relations

Job analysis will be helpful in improving labor management relations. It can also be used to resolve disputes and grievances relating to work load, work procedures, etc.

13. Compensation and Benefits

In the area of compensation, it is helpful to know the relative value of a particular job to the company before a dollar value is placed on it. From an internal perspective, the more significant its duties and responsibilities, the more the job is worth. Jobs that require greater knowledge, skills, and abilities should be worth more to the firm.

14. Legal Considerations

A proper prepared job analysis is particularly important for supporting the legality of employment practices. In fact, the importance of job analysis is well documented in the Uniform Guidelines on Employee Selection Procedures. Job analysis data are needed to defend decisions involving promotion, transfers, and demotions, e.g., job analysis provides the basis for tying the functional areas together and the foundation for developing a sound human resource program.

15. Job Analysis for Teams

Historically, companies have established permanent jobs and filled these jobs with people who best fit the job description. The jobs then continued in effect for years to come.

4.4.1 Objectives**Q22. Explain the objectives of Job Analysis.**

Ans :

1. Work simplification

Job analysis provides the information related to job and this data can be used to make process or job simple. Work simplification means dividing the job into small parts i.e. different operations in a product line or process which can improve the production or job performance.

2. Setting up of Standards

Standard means minimum acceptable qualities or results or performance or rewards regarding a particular job. Job analysis provides the information about the job and standard of each can be established using this information

3. Support to Personnel Activities

Job analysis provides support to various personnel activities like recruitment, selection, training and development, wage administration, performance appraisal etc.

4.4.2 Components**4.4.2.1 Job Description****Q23. Define job description ? What are the contents are characteristics of good job description ?**

Ans :

Job description is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the work. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards. In other words, it tells us what is to be done and how it is to be done and why. It is a standard of function, in that it defines the appropriate and authorised contents of a job.

Job description helps top executives, especially when they jointly discuss one another's responsibilities. Overlapping or confusion can then be pointed out questions can be raised about the major thrust of each position, and problems of structure can be identified. A job description becomes a vehicle for organisational change and improvement.

A job description contains the following:

1. Job identification

Job identification, which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly. The department division, etc. indicate the name of the department where it is situated-whether it is the maintenance department, mechanical shop etc. The location gives the name of the place.

2. Job Summary

Job Summary serves two important purposes. First it provides a short definition which is useful as an additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader toward an understanding of detailed information which follows. It gives the reader a quick capsule explanation of the content of a job usually in one or two sentences.

3. Job duties

Job duties give us a comprehensive listing of the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job.

4. Relation to other jobs

This helps us to locate the job in the organization by indicating the job immediately below or above it in the job hierarchy. It also gives us an idea of the vertical relationships of work flow and procedures.

5. Supervision

Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.

6. Working conditions

Working conditions usually give us information about the environment in which a job holder must work. These include cold, heat, dust, wetness, moisture, fumes, odour, oily conditions, etc. obtaining inside the organization.

Information about jobs can be had from :

- (i) Observation of employees while on work;
- (ii) Study of specially maintained diaries;
- (iii) A review of Critical incidents; and,
- (iv) Discussions with departmental heads and outside experts or consultants.

Characteristics

- Job description should indicate the scope and nature of the work including all important relationships.
- It should be clear regarding the work, duties etc.
- More sportive words should be selected to show (a) Kind of work (b) degree of complexity (c) degree of skill required (d) extent to which problems are standardized (e) the extent of workers responsibility for each phase of the work (f) degree and type of accountability
- Supervisory responsibility should be shown to the incumbents. Brief and accurate statement should be used in order to accomplish the purpose.
- Utility of the description in meeting the basic requirements should be checked from the extent of understanding the job by reading the job description by a new employee.

Q24. What is the role played by job description?

Ans :

Job description plays a crucial role in the recruitment and selection process of an organization. The following points highlights the role and importance of job description in the recruitment and selection process,

1. Facilitates the Availability of Information Required for Specification of Selection Criteria

The job description serves as the basis for the effective selection and recruitment. It determines the person specifications required for the recruitment and selection criteria. The selection criteria should be in accordance with the nature of work.

Job description clearly states the requirements for the job which serves as a basis for the selection criteria.

2. Informing the Applicants About the Nature of the Job

The applicants come to know about the nature of the job by referring the job descriptions published in the newspapers or the internet. The job description is accurate and provides the details of the job, the organization, location of the job and the salary level. In order to grab the attention of the employees the job description give a brief detail of the jobs.

The job descriptions give an invitations to the applicants eligible for the job, by specifying the basic job requirements. The Individual can decide whether to apply for job or not based on job description

3. Primary Purpose and Major Functions of the Job Holds in the Organizations Structure

The job descriptions serve as a guide for newly selected employees. It states the major objectives of the selected employees and the much needed information. The new staff completely understands their basic purpose for the existence in the organization.

4.4.2.2 Job Specification

Q25. Define the term job specification ? Explain its contents.

Ans :

Meaning

Job specification is a written statement of qualifications, traits, and mental characteristics that all individual must possess to perform the job duties and discharge responsibilities effectively.

A job specification is “a statement of minimum acceptable human qualities necessary to perform a job properly. In contrast to the job description it is a standard of personnel and designates the qualities required for acceptable performance.

Content

The job specification contains :

➤ **Physical specification**

Height, weight, vision, hearing, ability to lift weight, health, age, capacity to operate machines, tools and equipments.

➤ **Mental specifications**

Ability to perform, to interpret data, to read electrical circuits, drawings, reading abilities, judgement, memory, general intelligence etc.

➤ **Emotional and social specification**

Emotional stabilities, flexibility, social adaptability, personal appearance, dress, posture, features, voice required by the job.

➤ **Behavior specification**

Judgment, creativity, research, teaching ability, maturity.

Q26. Explain the difference between the job description and job specifications.

Ans :

(Imp.)

The following are the differences between job description and job specifications,

SNo.	Job Description	SNo.	Job Specification
1.	Job description is an organized statement containing the facts about the duties and responsibilities of a specific job.	1.	Job specification is a statement consisting of the minimum level of qualifications, skills, talents, physical abilities experience etc., required for performing a job properly.
2.	Job description focuses on job characteristics	2.	Job specification focuses on individual characteristics.
3.	Job description measures the duties and responsibilities.	3.	Job specification measures the responsibilities performed by a person.
4.	Job description assists the candidate to understand the requirements of the job which are to be fulfilled. by him/her	4.	Job specification assists the management in finding an appropriate candidate for the job.
5.	Job description statement consists of, (i) Job identification (ii) Job summary (iii) Materials used (iv) Machines, tools and equipments	5.	Job specification consists of the following human qualifications required for performing the job, (i) Education (ii) Experience (iii) Training (iv) Judgement (v) Initiative (vi) Creativity
6.	Job description helps in, (i) Job grading and classification. (ii) Employee orientation and placement (iii) Promotions and transfers	6.	Job specification helps in, (i) Personal planning (ii) Performance appraisal (iii) Hiring (iv) Training and development

4.4.3 Methods of Job Analysis

Q27. Explain different methods of collecting information about job analysis.

(OR)

Describe various methods of job analysis.

Ans :

(May-15)

Job analysis is dependent on job data. Earlier job-related data was collected by the methods of observation and by interviews. In recent years questionnaires, checklists, diaries, critical incident method, personnel records, technical conferences etc., are used for collecting job-related data.

Each method is described below.

1. Observation

- Under this method, the data is collected through directly observing the employee while at work the task per-formed, speed of performing activities, working conditions, the dangers involved, etc.
- The information thus obtained is documented in a standard format. This is the most suitable method for getting firsthand information related to the job.
- This method best fits for jobs consisting of primarily observable physical ability, short job cycle activities like draftsman, mechanic, spinner, weaver, etc.
- The criticisms on the part of this method are that this method is time consuming and is not suitable for jobs that involve unobservable mental activities.

2. Interviews

- In this method the job analyst collects the job related information through personal interviews. Job related information can be obtained by conducting two types of interviews (i) with job holder(s) doing the same job (ii) with supervisors having thorough knowledge about the job.
- The data is collected and compared using a standard format wherein the interviewer asks job related questions.
- This method (interviewing) is suitable for the jobs where data can't be collected through direct observation. However, interview is used as a supplement to observation method.
- The drawbacks of this method are-it is time-consuming and costly and there are less chances of getting accurate information if the rapport between the analyst and employee is not good.

3. Questionnaire (or) Survey Method

- In this method job-related data is obtained by giving questionnaire to the employees. The questionnaire may

relate to task or behaviour with dimensions like frequency, significance, difficulty and relationship with overall performance.

- The data thus obtained is sorted out and the relevant conclusions are drawn. Some standard questionnaires used for the purpose of job analysis are FJA (Functional Job Analysis), PAQ (Position Analysis Question- naire), JAIF (Job Analysis Information Format).
- This method (questionnaire) provides comprehensive information about a job and enables to cover large number of job holders in the shortest time.
- But getting answers may consume lot of time and it is costly to frame standardized questions. This method is also criticized on the grounds that when questionnaire is supplied, direct rapport between analyst and employee is not possible which may result in lack of cooperation and motivation.

4. Checklists

- The checklist method of collecting job related data is similar to that of questionnaire but the difference being, it contains few subjective questions in the form of 'Yes' or 'No'.
- Checklist is prepared on the basis of the information obtained from different sources such as supervisors, subordinates, industrial engineers and other people who are familiar to the job.
- The checklist consists of-list of the tasks performed, amount of time spent on each task, type of training and experience required to do the task. The data thus obtained is tabulated to obtain job related data.
- Like questionnaire, this method is suitable for large organizations consisting of number of workers performing similar kind of activity and may lack it's importance in small organizations in the matters of cost.

5. Diaries/Log Records

- In this method each individual employee is given a diary and asked to maintain the activities done by him each day. If judicious information is provided by employee, accurate and comprehensive information about job is obtained.
- This method is time consuming, as recording of activities may spread over several days.
- One more disadvantage is that it does not give any information about superior-subordinate relationship, equipments/ machinery used, prevailing working conditions.

6. Critical Incident Method

- This method is used for the purpose of gathering data for assisting recruitment and selection decisions.
- This method is based on the employees past experience, from where both successful and unsuccessful job behaviours are collected and the data thus collected is analyzed and classified accordingly, which gives a clear picture of actual job requirements.
- This method is especially useful for the purpose of scientific analysis and selection research.
- However, this method is time-consuming and analyst requires a high skill to analyze the data.

7. Technical Conference

- In this method, a conference is arranged for the supervisors possessing considerable knowledge about the job.
- They discuss on various aspects of the job and the job analyst gather the required information.
- This method consumes less time but suffers with a drawback that it lacks accuracy and authenticity as the actual employee is not involved.

- From the above methods, it is observed that no single method is complete and perfect. Therefore, the best data related to a job is obtained by a combination of all the methods.

4.5 HUMAN RESOURCE PLANNING**4.5.1 Concept**

Q28. Define Human Resource Planning. Explain the importance of HRP.

Ans : **(Imp.)**

Meaning

HRP is the process of forecasting an organizations future demand for and supply of the right people in the right members. It is only after HRP is done, that the company can initiate and plan the recruitment and selection process.

Definitions

HRP is a process of translates organizational objectives and plans into the member of workers needed to meet those objectives.

(i) According to Coleman has defined human resource planning as “the process of determining manpower requirements and the means for meeting those requirements in order to carry an integrated plan at the organization”.

(ii) According to Stainer defines manpower planning as “strategy for the acquisition, utilization, improvement and preservation of an enterprise’s human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing resources of manpower”.

Importance

Importance of HRP is shown in figure aside:

1. Forecasting Human Resource Requirements

Human resource planning is essential to determine the future human resource needs

in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

2. **Effective Management of Change**

Proper planning is required to cope with changes in market conditions, technology products, and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills and in the absence of planning there might be under-utilization of human resource.

3. **Realizing Organizational Goals**

In order to meet the needs of expansion programs and growth strategies of the organizations planning is essential.

4. **Promoting Employees**

The database available provides a comprehensive skill repertoire, which facilitates for decision making as to the promotional opportunities to be made available for the organization.

5. **Effective Utilization of Human Resource**

This database is also useful for identifying surplus and unutilized human resource and resources. In times of downsizing or in estimating the cost-benefit analysis of human resources would add value to the process.

6. **Facilitates Economic Development**

At the national level, manpower planning is essential for economic development. It is particularly helpful in the generation of employment in educational reforms and in geographical mobility of talent.

7. **Helps Fill the Gap**

Manpower planning identifies the gaps in existing manpower so that suitable training programs may be developed for building specific skills, required in future.

4.5.2 Objectives

Q29. Explain the objectives of human resource planning.

Ans :

Following are the Objectives of human resource planning.

- (i) To forecast future human resource requirements.
- (ii) To ensure optimal utilization of existing manpower.
- (iii) To provide regulatory measures to ensure the availability of adequate manpower.
- (iv) To link manpower planning with corporate planning.
- (v) To assess the surplus and shortage of manpower because both over staffing and under staffing may be highly demotivating in the organization.
- (vi) To anticipate the impact of technology on man-power and the job.
- (vii) To determine the extent of recruitment and training.
- (viii) To identify the cost to be incurred in maintaining manpower.
- (ix) To serve as a basis for management development programmes.
- (x) To guide the productivity bargaining.

4.5.3 Factors Affecting HR Planning

Q30. Explain the various factors influencing HR planning.

Ans :

HRP is influenced by several considerations. The most important of them are

(i) **Type and Strategy of Organization**

The type of organization is an important consideration because it determines the production processes involved, number and type of staff needed, and the supervisory and managerial personnel required. Manufacturing organizations are more complex in this respect than those that render services.

The strategic plan of the organization defines the organization's HR needs. For example, a strategy of organic growth means that additional employees must be hired. Acquisitions or mergers, on the other hand, probably mean that the organization will need to plan for layoffs, since mergers tend to

create, duplicate or overlapping positions that can be handled more efficiently with fewer employees.

(ii) Organizational Growth Cycles and Planning

The stage of an organization's growth can have considerable influence on HRP. Small organizations in the embryonic stage may not have personnel planning.

(iii) Environmental Uncertainties

HR managers rarely have the privilege of operating in a stable and predictable environment. Political, social and economic changes affect all organizations. Personnel planners deal with environmental uncertainties by carefully formulating recruitment, selection, and training and development policies and programmes. Balancing mechanisms are built into the HRM programme through succession planning, promotion channels, layoffs, flexitime, job sharing, retirement, VRS and other personnel related arrangements.

(iv) Time Horizons

Yet another major factor affecting personnel planning is the time horizon. On one hand, there are short-term plans spanning six months to one year. On the other hand, there are long-term plans which spread over three to twenty years.

The exact time span, however, depends on the degree of uncertainty prevailing in an organization's environment. Plans for companies operating in an unstable environment, computers for example, must be for a short period. Plans for others where environment is fairly stable, for example a university plan, may be long-term. In general, the greater the uncertainty, the shorter the plan's time horizon and vice versa.

(v) Type and Quality of Information

The information used to forecast personnel needs originates from a multitude of sources. A major issue in personnel planning is the type of information which should be used in making forecasts. Table illustrates the type and levels of forecasting information useful to

personnel planners. Closely related to the type of information is the quality of data used.

(vi) Labour Market

Labour market comprises people with skills and abilities that can be tapped as and when the need arises. Thanks to the mushrooming of educational, professional and technical institutions adequately trained human resource is always available on the market. Nevertheless, shortages do occur.

For example, the Confederation of Indian Industry (CII) estimates that by 2015, India will be requiring 30 million additional skilled workers in sectors such as health care, banking and financial services, retail, auto and construction. It is doubtful whether so many skilled workers would be available in the country.

When one talks about labour supply, the following deserve due consideration:

- The size, age, sex and educational composition of the population
- The demand for goods and services in the country
- The nature of production technology
- Employability of the people

(vii) Outsourcing

Several organizations outsource part of their work to outside parties either in the form of sub-contracting or ancillarisation. Outsourcing is a regular feature both in the public sector as well as in the private sector. Most organizations have surplus labour and they do not want to worsen the problem by hiring more people. Hence, the need for off-loading.

Some organizations are known to carry the concept of off-loading to ridiculous lengths. One of the Bangalore based public sector undertakings outsources major part of its work, and in the process, the regular employees sit idle. Kickbacks from owners of ancillary units are the cause for such ancillarisation. HRP is rarely required in such circumstances.

Q31. Classify the different types of human resource planning.**Ans :** (Imp.)

There are two main types of manpower planning, on the basis of time span, i.e., short-term manpower planning and long term manpower planning.

1. Short Term Manpower Planning

Short term planning as the name suggests is made for a short time, i.e., for a period of not more than two years. Short term plans are more concerned with specific projects and programs and the existing personnel must be adjusted, to match the requirements of that project and program.

In the short run, it may not be possible, either to change the personnel, to suit the jobs or eliminate jobs, to suit the personnel. So the basic problem in the short run is to match the individuals with jobs, as best as possible. Thus, the problems which are faced in the short run are:

(i) Weak Incumbent

The first and the most difficult problem in short-term planning is experienced, when an existing personnel is not according to the specifications of the job. In such circumstances, there are four approaches, for matching jobs and individuals:

(a) Changing of the Man: The first approach in this regard is the changing of the present incumbent by improving his ability, through education, training and counseling.

(b) Change in the Contents of the Job: The next approach can be, to change the job contents, to make them suitable to the individual. This can be done by:

- Withdrawing a duty from one position and assigning it to some other related position,

- Adjusting the degree of decentralization,
- Providing the additional assistance when a person is weak.

(c) Changing the Job and the Man: Another approach may be a combination of the above two approaches, i.e., both man and the job can be adjusted according to each other, by:

- Improving the ability of the man through training and counseling, and
- Shifting a duty from one position to another.

(d) Removal of the Incumbent: The fourth approach may be the removal of the present incumbent. But this step should be taken only when:

- It is not possible to change the job to make it suitable to the individual, or
- The individual cannot be improved even after proper training and counseling.

(ii) Strong Incumbent

Some people in the organization may have greater ability than their present job requires. In such a case, again there is a problem of matching jobs with the man, because a portion of an individual's ability remains unutilized.

For the proper utilization of the ability, the following approaches may be tried out:

(a) Assigning Additional Duties: A man may be assigned some additional but related duties beyond his assigned sphere. He may give advice to others who are poor in their job performance.

(b) **Assigning Some Special Problems:** Sometimes, some special problems arise in the organization. The help of the capable man can be taken, to solve the problem.

(c) **Advice:** Advice of the capable man can be sought, for any problem, for which he is supposed to be having special knowledge or any activity can be made part of his regular duty, which requires repeated advice of the capable man.

(d) **Change in Job:** The ability of a man can be better utilized, by changing the job that suits his abilities and capabilities. Any activity, which is not being managed properly, may be assigned to the capable man.

(iii) Unexpected Vacancy

The next problem, which the management has to face in the short run, is the filling up of posts, falling vacant, due to some unexpected reasons, such as death, resignation or some other social reason. As these unexpected factors are not known in advance, so again the problem of matching jobs and individuals arises.

No one in the organization may match the vacant position. Much can be achieved, by changing the job reorganization or by changing the next person in the position, through training and for the mean time; some temporary arrangements can be made.

2. Long Term Manpower Planning

Long term manpower planning is concerned with all jobs and persons at once - with matching total available personnel in the organization to total job requirements. It is concerned with fulfilling future vacancies, rather than matching the present incumbents to present jobs. The long-term manpower planning has the following elements:

(i) Projecting Manpower Requirements

The first essential step in projecting the manpower requirements is to forecast the organization structure. The organization operates in a changing environment and therefore, it is bound to change in future. In matching the change with the present job structure, the management must predict the manpower requirements in future. The following factors should be analyzed to forecast the manpower requirements:

(a) **Rate of Loss:** The rate of loss, due to known (e.g., retirement and transfer, etc.) and unknown (e.g., resignation, discharge, leave, etc.) factors may be guessed. An accurate forecast can be done for known factors but for unknown factors, only past records may help which may be adjusted, on the basis of present known circumstances.

(b) **Change in Organization's Size:** The manpower requirement in future will depend upon the expansion or contraction in the size of the organization. The size of the organization can be predicted on the basis of the past rate of growth, by projecting the trend in the size of sales, capital requirements or manpower stock.

(c) **Job Analysis:** A job analysis should also help in long-term planning. A prediction of what capabilities will be required in the people, to perform the job effectively.

Such prediction is more important in case of managerial personnel, because it takes more time to develop managerial skill. Again, the development of other personnel also depends upon the management abilities.

(ii) Taking Stock of Existing Manpower

Having projected the manpower requirements, the next step in manpower planning is to take stock of existing manpower and to find out how far the present stock of manpower would fulfill the qualifications of the anticipated jobs or how far they would be developed, through training.

For this purpose, a list of present employees should be prepared, stating the present abilities of different persons. The list should also state the persons who can be developed within a period of five or ten years, either through experience or training, to suit the anticipated job requirements.

(iii) Recruitment and Selection

Once the requirement of manpower is known, the process of recruitment and selection starts to identify the prospective candidates and to stimulate them, to apply for jobs.

The recruiting activity may be selective or pre-selective, through choosing among various sources of supply and by the decision, as to which candidate should be permitted, to go through subsequent screening procedures.

(iv) Manpower Development

Manpower development includes the development of individuals, through training, to fill up the prospective vacancies, so that they can meet the challenges with their full capabilities.

It develops the man, according to the requirements of the job and thus, co-ordinates the man and the job. Having predicted the future needs of personnel, the existing personnel are trained, if possible and are appointed as and when necessary, to the suitable higher job.

4.5.4 Process

Q32. Outline the process of Human Resource planning.

(OR)

Explain the process of HR Planning.

(OR)

Discuss the process of HR planning.

(OR)

Describe the process of HR planning.

Ans : (Imp)

Human resource planning refers to a process by which companies ensure that they have the right number and kinds of people at the right place, at the right time; capable of performing different jobs efficiently. Planning the use of human resources is an important function in every organization.

1. Analysis of Organizational Plans and Objectives

Human resource planning is a part of overall plan of organization. Plans concerning technology, production, marketing, finance, expansion and diversification give an idea about the volume of future work activity. Each plan can further be analyzed into sub-plans and detailed programmes.

It is also necessary to decide the time horizon for which human resource plans are to be prepared. The future organization structure and job design should be made clear and changes in the organization structure should be examined so as to anticipate its manpower requirements.

2. Forecasting Demand for Human Resources

Human resource planning starts with the estimation of the number and type of personnel required at different levels and in different departments. The main steps involved in HRP process are

- (a) to determine and to identify present and prospective needs of human resource.

- (b) to discover and recruit the required number of persons.
- (c) to select the right number and type from the available people.
- (d) to hire and place in the positions for which they are qualified.
- (e) to provide information to the selected people about the nature of work assigned to them.
- (f) to Promote or to transfer as per the needs and the performance of employees.
- (g) to denote if the employees are disinterested or their performance is not upto the mark.
- (h) to terminate if they are not needed or their performance is below standard and shows no hopes of improvement.

3. Forecasting Supply of Human Resources

One of the important areas of human resources planning is to deal with allocation of persons to different departments depending upon the work-load and requirements of the departments. While allocating manpower to different departments, care has to be taken to consider appointments based on promotions and transfers. Allocation of human resource should be so planned that available manpower is put to full use to ensure smooth functioning of all departments.

4. Estimating Manpower Gaps

Net human resource requirements or manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficit or surplus of human resources in future. Deficits suggest the number of persons to be recruited from outside whereas surplus implies redundant to be redeployed or terminated. Similarly, gaps may occur in terms of knowledge, skills and aptitudes.

5. Matching Demand and Supply

It is one of the objectives of human resource planning to assess the demand for and supply

of human resources and match both to know shortages and surpluses on both the side in kind and in number.

This will enable the human resource department to know overstaffing or understaffing. Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment in consultation, with the trade unions. People may be persuaded to quit through voluntarily retirement. Deficit can be met through recruitment, selection, transfer, promotion, and training plans.

Q33. Explain advantages of human resource planning?

Ans :

1. Meeting manpower needs

Every Organization needs adequate and properly qualified staff for the conduct of regular business activities. Imaginative HRP is needed in order to meet the growing and changing human resource needs of an organization.

2. Replacement of manpower

The existing manpower in an Organization is affected due to various reasons such as retirement and removal of employees and labour turnover. HRP is needed to estimate the shortfall in the manpower requirement and also for making suitable arrangements for the recruitment and appointment of new staff.

3. Meeting growing manpower needs

The expansion or modernization programme may be undertaken by the enterprise. Manpower planning is needed in order to forecast and meet additional manpower requirement due to expansion and growth needs through recruitment and suitable training programmes.

4. Meeting challenges of technological environment

HRP is helpful in effective use of technological progress. To meet the challenge of new

technology existing employees need to be retrained and new employees may be recruited.

5. Coping with change

HRP enables an enterprise to cope with changes in competitive forces, markets, products, and technology and government regulations. Such changes generate changes in job content, skill, number and type of personals.

6. Increasing investment in HR

An employee who picks up skills and abilities becomes a valuable resource because an organization makes investments in its manpower either through direct training or job assignments.

7. Adjusting manpower requirements

A situation may develop in; an organization when there will be surplus staff in one department and shortage of staff in some other department. Transfers and promotions are made for meeting such situations.

8. Recruitment and selection of employees

HRP suggests the type of manpower required in an organization with necessary details. This facilitates recruitment and selection of suitable personnel for jobs in the Organization. Introduction of appropriate selection tests and procedures is also possible as per the manpower requirements.

9. Placement of manpower

HRP is needed as it facilitates placement of newly selected persons in different departments as per the qualifications and also as per the need of different departments. Surplus or shortage of manpower is avoided and this ensures optimum utilization of available manpower.

10. Training of manpower

HRP is helpful in selection and training activities. It ensures that adequate number of persons are trained to fill up the future vacancies in the Organization.

4.6 RECRUITMENT

Q34. Define the term recruitment ? Explain the purpose of recruitment.

Ans :

Introduction

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification—a technique of job analysis. It is the first stage in selection which makes the vacancies known to a large number of people and the opportunities that the organization offers. In response to this knowledge, potential applicants would write to the organization. The process of attracting people to apply in called recruitment.

Definitions

(i) **According to Dale S. Beach** has defined Recruitment as the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organization can depend when it needs additional employees.

(ii) **According to Edwin B. Flippo :** Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

Purpose

The purpose of recruitment is to provide a pool of potentially qualified job candidates.

- (i) Determine the present and future requirements of the firm in conjunction with HR planning and job analysis.
- (ii) Increase the pool of candidates at minimum cost.
- (iii) To reduce the probability that job applicants once recruited and selected leave the organization at a very short time.
- (iv) To meet the organization's legal and social obligations regarding the composition of its work force.
- (v) Evaluate the effectiveness of various recruitment techniques and sources.

4.6.1 Objectives**Q35. State the various objectives of recruitment.**

Ans :

1. To provide the organization with a pool of potential and skilled human resources.
2. To forecast the human resource requirements of the organization using various statistical and other tools.
3. To increase the number of job applicants at reduced cost.
4. To align the recruitment process with the strategic goals of an organization.
5. To use effective recruitment tools and techniques so that more number of aspirants can be recruited which helps in increasing the efficiency of selection process.
6. To recruit the people from every class/level of the society so as to have a diversified workforce.
7. To reduce the attrition rate by recruiting the right candidate at the right place.
8. To periodically appraise the recruitment process, to keep it upto date and effective as per the organizational requirements.
9. To increase the level of effectiveness (both individual and organizational) in both short run and long run.
10. To prepare and identify the potential job applicants for selecting appropriate candidates.

Q36. What are the factors affecting recruitment ?

Ans :

The recruitment process, is influenced by various internal and external factors. The human resource management should take all these factors into consideration before initiating the recruitment process.

(a) Internal Factors

Internal factors are those factors, which are internal to the organization and the

organization can change them if it desires. The important internal factors, affecting the recruitment process, are as follows,

1. Company's Size

An important internal factor of recruitment is the company's size. In big organizations, we find continuous, recruitment. For example, we find the advertisement of big MNC's every week in newspapers as they exercises recruitment process throughout the year.

2. Company's Goodwill, Reputation and Culture

An organization's name and its, reputation also have an impact on recruitment. This, is because, good companies, set higher standards. Even a large number of job aspirants apply for such companies, who are having good name/fame in the markets.

3. Cost of Recruitment

Recruitment is also influenced by the availability of financial resources of a company. A big organization would like to spend a lot of money on recruitment to get the best possible candidate whereas, a small company may go for "knockout" rounds and concentrate more on getting the cheapest possible employees.

4. Quality of Work Life (QWL) and Career Growth

Quality of work life and career opportunities provided by a company have a very good impact on the recruitment process.

For instance, Self explanation Google incorporation provides gym facilities, Free food, Guest house, Sports and other recreational benefits to its employees, along with excellent career opportunities. In such organizations, even the attraction rate would be very low. Employees, keep looking for better prospects, if they are not satisfied with the career growth.

(b) External Factors

External factors includes all those factors that are unconquerable. It has to change itself as per the changing external factors. A few important external factors, impacting the recruitment process are as follows,

1. Labour Market Conditions

The demand and supply of labour has a direct impact on the recruitment process. For instance, if there is more availability of employees in the market at the time of recruitment, a single informal method such as advertisement may attract many prospective applicants.

However, if there is full employment in the market, the recruitment process becomes lengthy as, there are comparatively less number of candidates available in the employment market. Even the number of applicants that has to be recruited also depends upon the nature of economy. An employer can know the employment status, by studying the reports, published by the national stock exchange, trade journals, employment news and so on.

2. Legal and Political Factors

This is another important factor impacting recruitment. Example, In US, some states, have enacted laws making it a must for companies to hire nationals instead of outsourcing them from the developing countries like India, China and so on.

The government has also regulated recruitments, by passing laws, which prohibits discrimination hiring if it is based on religion, race, sex, caste and so on.

3. Other Factors

Other factors, include the socio-economic conditions, employment rate, literacy rate, Demographic factors etc.

Q37. Explain the process of recruitment.

Ans :

The process of recruitment consists of five steps. Let us discuss about each step in detail.

1. Recruitment Planning

The first step of the recruitment process is, Planning. The H.R department must collect the data about the number and type of vacancies available. Planning involves the setting of specific targets for a specific job, depending upon the number and types of applications to be collected and recruited.

For example, a company may call 100 candidates, to fill two vacant posts by fixing the yield ratio as 50% which states that out of 50 candidates only a single competent and potential employee can be selected.

They must also decide the type of candidate to whom jobs need to be allotted. For example, fresher would be called for entry level jobs whereas, experienced workers would be called for managerial posts.

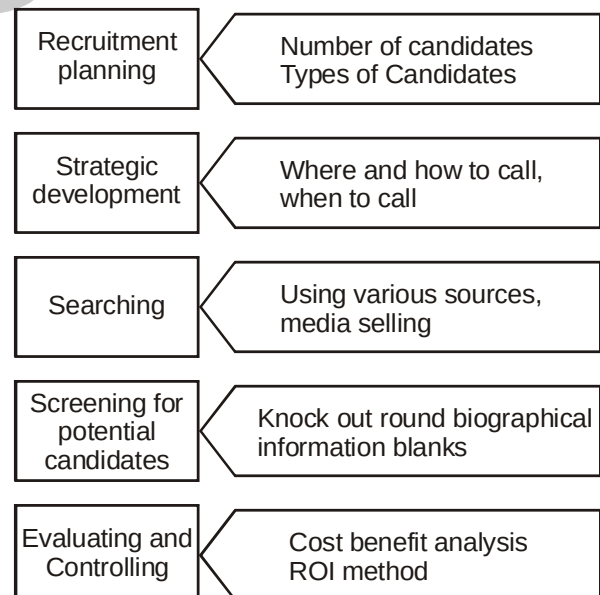


Fig. : Five Step Process of Recruitment

2. Strategic Development

The second step of the recruitment process is, Strategic development. This step provides answer to the following questions,

- Where to look for (campus job fairs etc.)
- How to look for (Internal and external sources)
- When to look for (perfect timing).

The company studies, whether to “make or buy” (i.e.,) is it better to hire and train (make) fresh graduates at a lower pay grade jobs or to select the experienced and trained candidates. Technical advancement have provided many alternatives for the selection of potential candidates.

For example, many companies in the U.S and Europe recruit Indian labours as they are good at English, highly skilled, motivated and are willing to perform their jobs at less salary than the nationals of the country who seek high salary for performing the same job. Lastly, an efficient recruitment strategy suggests the best time for recruitment.

3. Searching

This is the third step of recruitment process. The search for a candidate begins only after the line manager communicates that there is a vacancy or there would be a vacancy in the future.

Searching involves selecting and screening of potential candidates. It is also important to select the right medium of advertisement as it reflects the company's image. Example, a company advertising in a reputed business magazine may be able to build a strong image in the minds of the customers than those advertising in local magazines.

4. Screening for Potential Candidates

Screening is the fourth step in the recruitment process. Some researches considered screening as the first step of selection. Whereas, others argue that the selection process begins only after the candidates are short listed through recruitment.

For screening, recruiters mostly use “multiple hurdle process”. For this they use tools like “Biographical information blank”

and “Knockout round”. In knockout round applicants have to fill on application form consisting of 2-3 key questions if they are found to be capable of performing a task.

5. Evaluating and Controlling

This is the last step in the recruitment process. It involves cutting and controlling costs of recruitment and evaluating the effectiveness of the company's recruitment policy. Recruitment mostly involves, costs like,

- (a) Cost of advertising in newspapers, magazines, on-line agencies. Example: naukri.com, monster.com etc.
- (b) Salaries paid to the recruiters.
- (c) Cost of outsourcing the job till the post is filled.
- (d) Administrative and overhead expenses.

Evaluating is done to modify and make recruitment more effective. Mostly companies use the cost benefit and ROI method of evaluation. Another method is to evaluate time taken to perform a job. If it takes more time, it implies that the method adopted for recruitment was not effective which ultimately leads to loss of productivity.

4.6.2 Sources of Recruitment

Q38. Elaborate in detail about various sources of recruitment.

OR

Summarize the different sources of Recruitment. State its merits and demerits.

Ans :

The various sources of recruitment are classified in to 2 broad categories, namely

- A. Internal sources
- B. External sources

A. Internal Sources

(a) Present Employees

Promotions and transfers form among the present employees can be a good source of

recruitment. Promotion implies upgrading of an employee to a higher position carrying higher status, pay responsibilities. Promotion from among the present employees is advantageous because the employee promoted is well acquainted with the organizational culture they get motivated, and it is cheaper also.

However, the disadvantages is limiting the choice to a fewer people. This may also create dissatisfaction among the employees who are not promoted.

Transfers are shifting an employee from one job to another job with out any change in the present post, status, and responsibilities. This also facilitates job rotation and prepares the employee to under his base and gets ready for higher responsibilities.

(b) Former Employees

Retired, Resigned or retrenched employees may be interested to come back to the company for work. The advantages in this method are recruiting a person whose performance is already known.

(c) Previous Applications

This is considered as internal source in the sense that applications form the potential candidates are already lying with the organizations. These candidates are contacted this telephone or e-mail. This method is useful for recruitment of unskilled/semiskilled labor.

Advantages

- Familiarity with own employees
- Better use of the talent
- Economic Recruitment
- Improves Morale
- A motivator

From the above it can be understood that

- (i) The organization will have more understanding with strength and weakness of its own employees than a strange outsiders

- (ii) It provides an opportunity for better utilization of internal talent.
- (iii) The time, energy, cost in recruitment is negligible and hence more economical.
- (iv) It gives a confidence to the employees that they would be preferred if vacancy arises.
- (v) This serves as a motivator to the employees to the employees to improve their career. This also helps in encouraging and retaining the competent employees of the organization.

Disadvantages

- (a) **Limited Choice:** Due to this we can not tap the talent available in the labor market.
- (b) **Discourages Competition:** Internal candidates are protected from competition. It develops a tendency to take promotion with out showing any achievement.
- (c) **Stagnation of Skills:** With the feeling that internal candidates will surely be promoted, their skill gets stagnant in the long run.
- (d) **Creates Conflicts:** Conflicts and controversies surface among the internal candidates.
- (e) **Biasedness:** The likes and dislikes and the personal biases of the management also play an important role in the selection.
- (f) **Inbreeding:** Leads to inbreeding and discourages fresh blood to enter into the organization. Hence no fresh innovation is possible.

B. External Sources

External sources of recruitment lie outside the organization. The main ones are:

1. Advertisement

It is the best method of recruiting persons for higher and experienced jobs. The advertisements are generally in local/national news papers, radio, television, professional journals.

The requirements are given in the advertisement the prospective candidates evaluates themselves against the requirement before submitting the applications.

2. Employment Exchanges

This is also a good source of recruitment. Unemployed persons get themselves registered with these exchanges which are run by Government. Whenever there are vacancies they have to be notified with these exchanges.

The exchange supplies a list of suitable candidates. Exchanges are generally are suitable source of recruitment for filling unskilled, semi skilled posts. The employees and candidates are brought into contact by the employment exchanges.

3. Employment Agencies

In addition to Government Agencies there are a number of private employment agencies who register candidates for employment and finish a list of suitable candidates from their data bank as and where sought by employers. E.g. ABC consultants, SB Bill moriel, etc are some of the examples.

These agencies select personnel for supervisory and high levels. They invite applications and short list he candidates for the organizations. This method is cheaper than the organization recruiting by itself. There is also considerable time saving. Attempts to influence selection can be avoided as the organizational identity remains unknown to the job seekers.

4. Campus Recruitment

This is another source of recruitment. The employers visit the educational institutions of engineering and Management for recruitment purposes. HAL, L&T Reliance, ICICI, Tata etc go to IIT'S IIMS; and premier institutes to pick up fresh candidates. For this purpose the institutions maintain placement cells.

The advantage with this is that the candidates are available at one place and their respective professors will always help in providing the required information about the

candidate. However this is an expensive process and quite likely the organization when they get better opportunity.

5. Data Banks

The recruiting firms can prepare a data bank about various persons in different fields. The information is normally collected form educational institutions, professional organizations, etc. the details are readily available as and when the firm goes for recruitment.

6. Labor Contractors

It is quite common to engage contractors for the supply of labor. When workers are required for short periods, contractors are best source of getting them. The persons hired are generally unskilled labor.

7. Deputation

Employees of an organization are sent to another organization for a short duration of 2 to 3 years; in the Government Departments and public sector organizations. Deputation provides ready expertise for fulfilling a particular task. In this the initial cost of recruitment, induction and training are eliminated, generally 2 to 3 years is not enough to prove their mettle, and also they may not be loyal to the organization where they have gone on deputation.

8. Competitors

This is also a source of recruitment. Popularly called as poaching or raiding this method involves identifying the right people to rival companies, offering them better terms and living them away. However there are legal and ethical issues involved. This practice is posing a big challenge to HR Managers.

9. Walk in Interviews

This has become very popular method in the recent times. The applicants just walk in with their resumes for interviews. Here it becomes difficult to know how many candidates would turn up. However from the candidates point of view walk in interview are preferable as they are from the hassles associated with other methods of recruitment.

Advantages

- Suitable candidates with skills, talent & knowledge are available.
- Fresh blood can be inducted in the organization.
- Being an open process it attracts more no of candidates.
- The management will be able to fulfill reservation requirements in favour of the disadvantaged sections of the society.
- Scope for resentment, heartburns and jealousy can be avoided by recruiting from outside.
- Possibly of fresh ideas, innovations increase.
- Existing employees broaden their personality.

Disadvantages

- More expensive and time consuming.
- Orientation and training cost increases.
- Of higher level jobs are filled from external sources, motivation and loyalties of existing staff are affected.
- Of the recruitment and selection process is not carried out, the chances of right candidates may be rejected or wrong candidates may be recruited.

Q39. Discuss the various techniques of recruitment.

Ans :

Recruitment methods/techniques serve the purpose of the media which establishes the relationship between the organizational recruiter and the source. Through recruitment method, organizations are able to communicate its ideas, mission and information to various job applicants and make them satisfied to apply for the jobs. Depending on the type and nature of job and also the number of candidates required, a recruiter may use any of the following techniques,

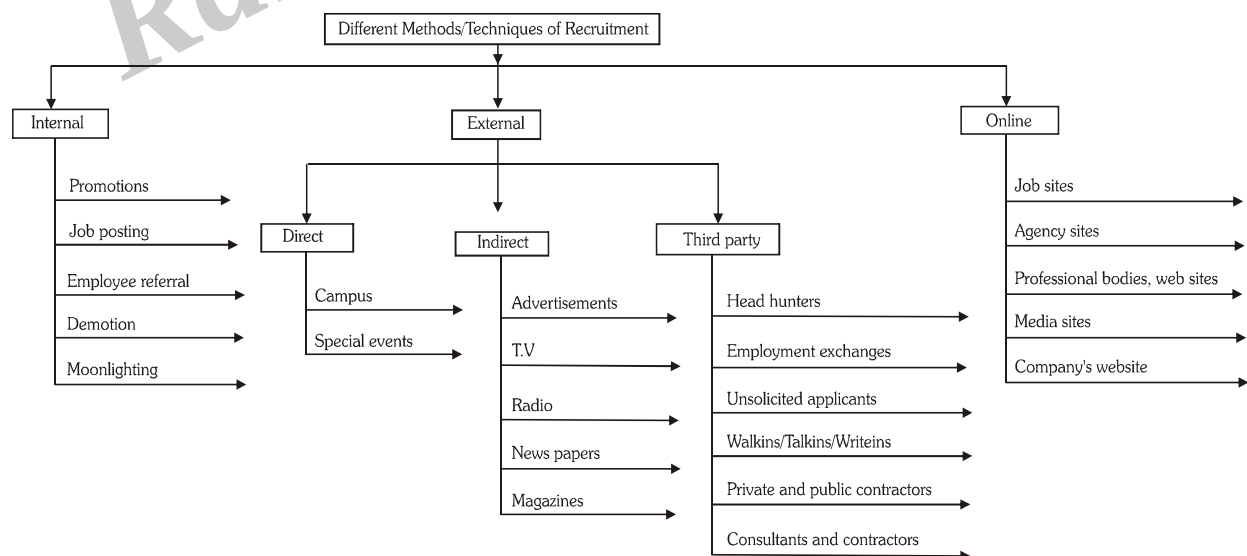


Fig. : Techniques of Recruitment

I. Internal Methods

Internal method implies all techniques and methods. The recruiters use to fill a vacancy by selecting an appropriate candidate among the already employed candidates. The different types of internal techniques include,

- (a) **Promotion:** In promotion method an employee is moved from the existing level to a higher level to fill up the vacant job position.
- (b) **Job Posting:** In this, method an employee is moved from one department to another department within the same organization.
- (c) **Employee Referrals:** Employee referral is an excellent source of recruitment. Employees are encouraged to give reference of their friends/relatives for vacant jobs.

This saves a lot of time, hardwork and money for the organization as the employees are well aware of the company's requirement and would refer candidates accordingly. Infact, recently many companies are offering monetary incentives (₹ 10,000 to 20,000) to a successful referral. In India too IT companies like Wipro, Infosys and so on are following this source of recruitment.

- (d) **Demotion:** In rare cases, a job could be filled by demoting a non-performer to the lower level of the organizational hierarchy.
- (e) **Moonlighting:** Organizations use Moonlighting, when there is a short-term shortage of employees. Moonlighting means making the existing employees work overtime.

II. External Methods

After ensuring that the internal supply of job applicants is exhausted, organizations move

onto the external methods of recruitment for filling the vacant position. External methods of recruitment are of three types,

1. Direct Method

This involves the direct communication of recruiters with the job applicants through campus placement programmes, job fairs, seminars and placement cells.

- (a) Campus recruitment
- (b) Special events (Job Fairs).

2. Indirect Methods

Using these methods, companies contact job applicants indirectly by means of advertisements through newspapers, journals. Important indirect methods include, Advertisement, Television and Radio Ads.

3. Third Party Methods

Third party methods include people, agents, corporates or consultants who act as intermediate agents between recruiting organizations and job seekers. Such firms, possess specialized knowledge about the employee market and are considered as primary source of recruitment.

III. Online Recruitments

In today's highly competitive world, most of the companies are using internet for recruiting talented aspirants. Recruitment for positions from job seekers through internet is called as "on-line recruitment" or "e-recruitment".

In e-recruitment, job seekers post their resumes on job sites such as Monster.com, Naukri.com, click jobs.com etc., whose accession is free for both domestic companies as well as for MNCs. Companies access these sites for recruitment and selection of potential candidates which are as per their requirements.

4.7 SELECTION

Q40. Define Selection. Explain the objectives of selection.

Ans : (Imp.)

Meaning

Selection is “the process of screening the qualified applicants using different tools at every stage”.

The hiring procedure is not single act but it is essentially a series of methods or steps or stages by which additional information is secured about the applicant.

Definitions

(i) **According to Yoder**, “selection is the process by which candidates for employment are divided. Those who will be offered employment and those who will not”.

If candidates get qualified in first round, they go to next round, if they are not eliminated from the list of the applicants.

(ii) **According to Koontz**-selection is the process of choosing from among the candidates from within the organization or from outside, the most suitable person for the current or future position.

The objectives of selection is two fold

1. To predict which job applicant would be successful if hired, and
2. To inform and sell the candidate on the job and the organization.

4.7.1 Procedure

Q41. Explain the various stages in employee selection process.

(OR)

Explain in detail the process of selection.

(OR)

What are the various procedures involved in selection.

(OR)

Explain the process of selection.

Ans : (Imp)

The selection process is a long process which involves the following methods,

1. Application Blanks

This is one of the most common method used for collecting information from the applicants. With the help of the application process the company can know about history, detailed personal activities, skills and accomplishments of the applicant.

The application blank includes the following data,

- (a) **Biographical Information:** It includes name, father's name, age, gender, nationality, marital status, etc.
- (b) **Educational Information:** It covers candidate's academic qualification, courses, percentage, division, technical qualifications, etc.
- (c) **Work Experience:** It includes position of candidate, nature of job, etc.
- (d) **References:** It includes the names of referees who know the character, work and abilities of the candidate.

The information given by candidate should be correct. The information supplied by candidate in the application blank should be verifiable, otherwise it leads to the cancellation of their selection.

2. Interview

After completion of the pooling application forms, the interviewers must select the suitable applicant for a particular job.

The selected applicants have the following types of interviews.

(a) Preliminary Interview

The preliminary stage of interview is called Screening interview. The purpose of the preliminary interview, is to eliminate unqualified candidates from the selection process.

(b) Patterned Interview/Structured Interview

In this kind of interview what is to be asked is already structured is known as structured interview. This type of interview also allows an interviewer to prepare in advance, subject related and job related and complete a standardized evaluation form. The questions should be asked in a logical manner.

(c) Stress Interview

Stress interviews will create tension and pressure in an applicant. The main purpose of stress interview is to determine the stability of the applicant against tension and pressures. It involves the postage of questions one by one without allowing the applicant to complete his answers.

(d) Depth Interview

By conducting an in-depth depth interview, the interviewer can get detail information about the applicant. Based on the in-depth interview understanding of his personality such as education, extra curricular activities, early childhood experiences, etc.

This kind of interview is suited for executive selection than selection of white collar, blue collar employees. It's major advantage is complete and detailed information about an applicant. But it's very costly and a time consuming process.

3. Selection Test

Individual skills, abilities, ideas, mentalities are different in order to select right person for right job. For the comparison of those employees in this situation the test will be conducted. With the selection test we can know the skills, abilities of an applicant. The selected applicant in the selection test will go to another test or further rounds.

The selection test can be defined as, "A test is a systematic procedure for comparing the behaviour of two or more persons".

4. Group Discussion

Most of the companies use Group Discussion as selection technique. It is frequently used technique while selecting employees. Before individuals interviewed, the organization conducts the group discussion for hiring right person. The group discussion includes the range of six to ten candidates.

The group discussion is a time saving process because, the interviewer can observe the six to ten applicants simultaneously. The group discussion process involves six to ten applicants sitting together and the topic is selected by the company and allow the participants to speak for sometime about a chosen topic. Then the interviewer observes the applicants and select right candidates from them.

The group discussion help that can easily select the candidates from group within few time. It's time saving and costless process. With this we can know the skills and abilities of an applicant.

5. Reference Checks

The Reference Check is one of the step in the selection process. This is useful for obtaining and verifying additional information about candidate. The candidate must write two-three names of persons (referees) to whom he know personally.

The referees are those who are working in a particular organization, neighbours, friends, family, members also can act as references. With this references we can know the applicant's performance in previous organization and which form the base for predicting future work behaviour.

- (a) References are normally those who speak well about the candidate
- (b) Referee may give favourable opinion about the candidate.

6. Physical Examination

The last technique of selection process is Physical Examination. The main purpose of conducting medical or physical examination

is to have proper matching of job requirements. This test is must because the employees carrying any infectious diseases which might endanger the health of existing employees.

The organization avoid the possibility of an unhealthy applicant because, protect themselves from employees paying compensation claims for injuries.caused preexisting ailments.

In public sector government jobs like defence and police department physical examination is a must. The organization wants the working environment to be free from diseases. So, the physical checkup has to be done through a specialist.

7. Final Selection

The last, that is after completion of the above all tests the next process is Final Selection. Candidates who have cleared all the above process are finally selected and job offer is issued to them. The job offer contains the pay-scale, allowances and other conditions of the job. When the candidate reports for joining they need to be placed in a particular division.

Q42. Explain the factors affecting selection.

Ans :

Various internal and external environment factors affecting selection are as follows :

1. Internal Environmental Factors: Internal environmental factors which influence selection process include:

(i) Size of the Organization

The size of the organization affects the selection process, where the smaller the organization, the more informal the selection decision.

(ii) Type of the Organization

Organizations with greater complexity requires more sophisticated selection techniques.

(iii) Nature of Social Pressure

The nature of social pressure emerging from, e.g., legislation and trade unions also affects the selection process.

(iv) Applicant Pool

The number of applicants for a particular job can also affect the selection process. The process can be truly selective only if there are several qualified applicants for a particular position. The number of people hired for a particular job compared to the individuals in the applicant pool is often expressed as a selection ratio.

(v) Speed of Decision-Making

The time available to make the selection decision can have a major effect on the selection process. Closely following selection policies and procedures can provide greater protection against legal problems; however, there are times when the pressure of business will dictate that exceptions be made.

2. External Environmental Factors

External environmental factors which influence selection process include:

(i) Nature of the Labour Market

The nature of the labour market affects the selection process, for example, where there are few individuals with the skills required, the selection process would be unsophisticated and short.

(ii) Trade Unions

Trade unions where employees who belong to a trade union, can make certain demands in accordance with the trade union contract.

(iii) Government Regulations

Government regulations where, e.g., legislation may affect the manner in which the selection process is executed.

4.7.2 Test**Q43. Explain the different types of tests involved in selection process.**

Ans :

The simple meaning of test is 'A systematic procedure for sampling human behaviour'. For the selection purpose. Tests are classified into five types. They are :

- (i) Aptitude tests;
- (ii) Achievement tests;
- (iii) Situational tests;
- (iv) Interest tests;
- (v) Personality tests and
- (vi) Multidimensional Testing.
- (vi) Other tests

(i) Aptitude Tests

These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. Aptitudes can be divided into general and mental ability or intelligence and specific aptitudes such as mechanical, clerical, manipulative capacity etc.

(a) Intelligence Tests

These tests in general measure intelligence quotient of a candidate. In detail, these tests measure capacity for comprehension, reasoning, word fluency, verbal comprehension, numbers, memory and space. Other factors comprise of digit spans, both forward and backward, information known, comprehension, vocabulary, picture arrangement and object assembly.

Though these tests are accepted as useful ones, they are criticized against deprived sections of the community. Further, it is also criticized that these tests may prove to be too dull as a selection device.

Intelligence tests include: sample learning, ability, adaptability tests etc.

Intelligence Quotient (IQ)

The scope of the intelligence test is expressed in terms of Intelligence Quotient (IQ). IQ is calculated by using the following formula :

$$IQ = \frac{\text{Mental Age}}{\text{Actual Age}} \times 100$$

Candidates with high level of intelligence quotient can learn the complicated issues easily and fast. Therefore, it would be easy for the company to train such candidates easily for the new jobs and new technology.

Emotional Quotient (EQ)

Most of the organizations realized that emotional involvement and commitment of the employees determine their contribution to the company rather than their intelligence quotient. As such, emotional quotient (EQ) is used as important criteria in the employee selection process. EQ is calculated by using the following formula:

$$EQ = \frac{\text{Emotional Age}}{\text{Actual Age}} \times 100$$

(b) Skill Tests

These tests measure the candidate's ability to do a job perfectly and intelligently. These tests are useful to select the candidates to perform artistic jobs, product design, design of tools, machinery etc. The candidates can be selected for assembly work, testing and inspection also.

(c) Mechanical Aptitude Tests

These tests measure the capacities of spatial visualization, perceptual speed and knowledge of mechanical matter. These tests are useful for selecting apprentices, skilled, mechanical employees, technicians etc.

(d) Psychomotor Tests

These tests measure abilities like manual dexterity, motor ability and eye-hand coordination of candidates. These tests are useful to select semi-skilled workers and workers for repetitive operations like packing and watch assembly.

(e) Clerical Aptitude Tests

Measure specific capacities involved in office work. Items of this test include spelling, computation, comprehension, copying, word measuring etc.

(ii) Achievement Tests

These tests are conducted when applicants claim to know something as these tests are concerned with what one has accomplished. These tests are more useful to measure the value of a specific achievement when an organization wishes to employ experienced candidates. These tests are classified into: (a) Job knowledge test: and (b) Work sample test.

(a) Job Knowledge Test

Under this test, a candidate is tested in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge where he is asked questions about Accountancy Principles, Banking, Law, Business Management etc.

(b) Work Sample Test

Under this test, a portion of the actual work is given to the candidate as a test and the candidate is asked to do it. If a candidate applies for a post of lecturer in Management, he may be asked to deliver a lecture on Management Information System as work sample test.

Thus, the candidate's achievement in his career is tested regarding his knowledge about the job and actual work experience.

(iii) Situational Test

This test evaluates a candidate in a similar real-life situation. In this test, the candidate is asked either to cope with the situation or solve critical situations of the job.

(a) Group Discussion

This test is administered through the group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, co-ordinating and concluding skills.

(b) In Basket

Situational test is administered through in basket. The candidate in this test is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organization, adequate information about the job and organization.

The candidate is asked to take decisions on various items based on the in basket information regarding requirements in the memoranda.

(iv) Interest Tests

These tests are inventories of the likes and dislikes of candidates in relation to work, job occupations, hobbies and recreational activities. The purpose of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/ occupation the candidate is interested.

The assumption of this test is that there is a high correlation between the interest of a candidate in a job and job success. Interest inventories are less faked and they may not fluctuate after the age of 30.

(v) Personality Tests

These tests prove deeply to discover clues to an individual's value system, his notional reactions and maturity and characteristic mood.

They are expressed in such traits like self-confidence, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, imitative, judgement dominance or submission, impulsiveness, sympathy, integrity, stability and self-confidence.

(a) Thematic Apperception Test (TAT)

Candidates are shown a series of pictures and are asked to write a story based on these pictures. This test measured candidates conceptual, imaginative, projective and interpretative skills.

(b) Ink-blot Test

The Rorschach Ink-blot test was first described in 1921. The candidates are asked to see the ink-blot and make meaningful concepts out of them. The examiner keeps a record of the responses, time taken, emotional expressions and other incidental behaviours.

(vi) Multidimensional Testing

However, the need for multi-skills is being felt by most of the companies consequent upon globalization, competitiveness and the consequent customer-centred strategies. Organization have to develop multi dimensional testing in order to find out whether the candidates possess a variety of skills or not, candidate's ability to integrate the multi-skills and potentiality to apply them based on situational and functional requirement.

(vii) Other Tests

(a) Cognitive Ability Tests

These tests measure mathematical and verbal abilities. Popularly known tests of this category include Graduate Record Examination (GRE) and Scholastic Aptitude Test (SAT).

(b) Wechsler Adult Intelligence Scale

This is a comprehensive test including general information, arithmetic, similarities, vocabulary, picture completion, picture arrangement, object assembly and similar items.

(c) Wonderlic Personnel Test

This test includes perceptual, verbal and arithmetic.

(d) Polygraph Tests

The polygraph is an instrument that records changes in breathing, blood pressure, pulse and skin response associated with sweating of palms and plots these reactions on paper. The candidate is asked a series of simple, complicated, related, unrelated and critical questions. This test was used in personnel selection extensively in 1980s, but objections have been raised to the use of this test in personnel selection in 2000s.

(e) Honesty Tests

The two types of pre-employment honesty tests are overt integrity tests and personality-based integrity tests. Overt integrity tests make direct questions to assess dishonest behaviour and gather a history of theft and illegal behaviour. Personality-based integrity tests assess an individual's predisposition towards deviant and disruptive behaviour.

Q44. What are the differences between Recruitment and Selection.

Ans :

(Imp.)

S.No.	Nature	Recruitment	Selection
1.	Meaning	It is an activity of establishing contact between employers and applicants.	It is a process of picking up more competent and suitable employees.
2.	Purpose	Recruitment is called as a positive process with its approach of attracting as many candidates as possible for the vacant jobs.	Selection is called as a negative process with its elimination or rejection of as many candidates as possible for identifying the right candidate for the position.
3.	Process	It is a simple process	It is a both complicated and simple process, when is it as a requirements of selection.
4.	Approach	It is a positive approach	It is a negative approach.
5.	Hurdles	The candidates have not to cross over many hurdles.	Many hurdles have to be crossed
6.	Sequence	They proceed forward to selection	After recruitment, the selection follows them for what next level.
7.	Economy	It is an economical method.	It is an expensive method.
8.	Time Consuming	Some time is required	Need more time is required, for best selection of candidate.

4.8 INTERVIEWS

Q45. Define interview. What are the objectives of interview.

Ans :

Meaning

The interview is a selection technique which enables the employer to view the total individual and directly Appraise him and his behavior. It is a method by which an idea about an applicant's personality (including his intelligence, breadth of interests, and general attitudes towards life) can be obtained by a face-to-face contact.

Definitions

- (i) **According to Scott**, "An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons".
- (ii) In other words, an interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.

Objectives

The following are the objectives of interview;

1. Judgment of Applicant

To get an opportunity to judge an applicants' qualifications and characteristics as a basis for sound selection and placement. On the basis of the information obtained about the family background, training, educational and other qualifications, personality, characteristics, aptitude, interests and skills of an applicant - the interviewer tries to arrive at as impartial a decision as possible. He may decide to hire him, to reject him or to pass him on to another step in the interview if it is not the final one. These types of interviews are referred to as selection or placement interviews.

2. Give Information to the Applicant

To give an applicant essential facts about the job and the company (nature and hours of work, medical requirements, opportunities for advancement, special hazards, employee benefits and services, company policies, etc.) in order to enable him to decide intelligently whether he should or should not accept the employment

3. Developing Mutual Understanding and Confidence

To establish a rapport, or a feeling of mutual understanding and confidence, between the personnel department and the applicant who is to be employed.

4. Promote Goodwill

To promote goodwill towards the company whether the interview culminates in employment or not.

5. Precious Tool

Interviewing is an invaluable tool of disciplinary action, grievance handling and relations with unions.

6. Solve Problems

To solve problems as when counseling a student conferring with a career guidance person or discussing a grievance with a superior.

7. Knowing Reasons

To find out why an employee is leaving the company and seeking job elsewhere. Such interviews are called exit or termination interviews.

Q46. Classify the different types of Interviews.

Ans :

(Imp.)

Various forms of employment interviews are adopted to solicit different kinds of information and to measure the candidate's skills, knowledge etc. at different planes. Employment interviews can be divided into three categories as shown in figure viz., preliminary interview, core interview and decision-making interview.

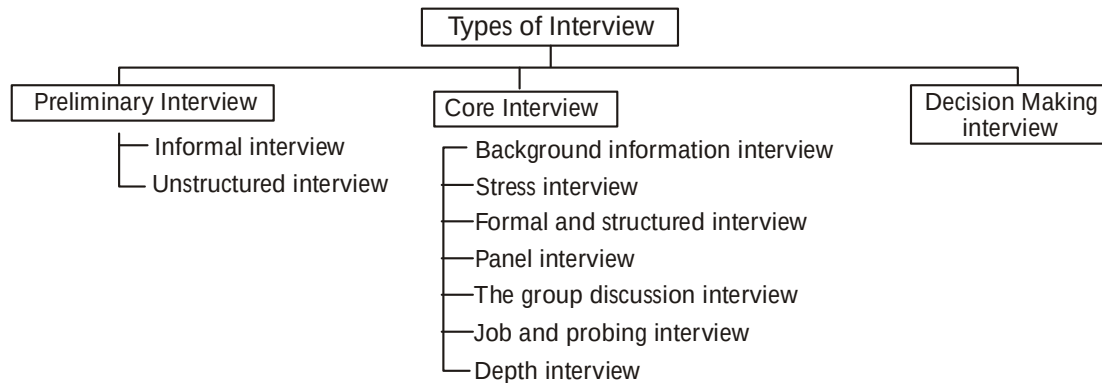


Fig. : Types of Interview

1. Preliminary Interview

it is generally regarded as exchange of basic information between the candidate and the personnel manager about the job and organization, like job nature, salary, working conditions, benefits, etc. It is helpful to the organization to weed out unwanted hands and to the candidate to select or reject the job. Sometimes it may prove to be unsatisfactory, when the exchange of information between the candidate and the organization is not true. This interview may generally be informal and unstructured.

(i) Informal Interview

This is the interview which can be conducted at any place by any person to secure the basic and non-job related information. The interaction between the candidate and the personnel manager when the former meets the latter to enquire about the vacancies or additional particulars in connection with the employment advertisement is an example of informal interview.

(ii) Unstructured Interview

In this interview the candidate is given the freedom to tell about himself by revealing his knowledge on various items/areas, his background, expectations, interests etc. Similarly, the interviewer also provides information on various items required by the candidate.

2. Core Interview

It is normally the interaction between the candidate and the line executive or experts on various areas of job knowledge, skill, talent, etc. This interview may take various forms like:

(i) Background Information Interview

This interview is intended to collect the information which is not available in the application blank and to check that information provided in the application blank regarding education, place of domicile, family, health, interests, hobbies, likes, dislikes, extracurricular activities of the applicant.

(ii) Stress Interview

This interview aims at testing the candidate's job behavior and level of withstanding during the period of stress and strain. Interviewer tests the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinions, asking questions pertaining to unrelated areas, taping silent for unduly long period after he has finished speaking etc. Stress during the middle portion of the interview gives effective results. Stress interview must be handled with at most care and skill.

This type of interview is often invalid, as the interviewee's need for a job, his previous experience in such type of interviews may inhibit his actual behavior under such situations.

(iii) Formal and Structured Interview

In this type of interview, all the formalities, procedures like fixing the value, time, panel of interviewers, opening and closing, intimating the candidates officially etc., are strictly followed in arranging and conducting the interview.

The course of the interview is preplanned and structured, in advance depending on job requirements. The questions/items for discussion are structured and experts are allotted different areas and question to be asked. There will be very little room for the interviewers to deviate from the questions prepared in advance in a sequence.

(iv) Pannel Interview

Interviewing of candidates by one person may not be effective as he cannot judge the candidates in different areas/skills owing to lack of knowledge and competence in multiple disciplines and areas.

Hence most organizations invite a panel of experts, specialized in different areas/fields/disciplines, to interview candidates. A Panel of experts interviews each candidate, judges his performance individually and prepares a consolidated judgment based on each expert's judgment and weight age of each factor.

This type of interview is known as panel interview. This type of interview would be more effective as each candidate is appraised by an in relevant area. Experts should be cautioned against over accuracy, excessive weightage to a particular factor, domination of other experts, etc.

(v) Group Discussion Interview

There are two methods of conducting group discussion interviews viz., Group interview method and discussion interview method. All the candidates are brought into one room i.e., interview room and are interviewed one by one under group interview. This method helps busy executives to save valuable time and gives a fair account of the objectivity of the interview to the candidates.

(vi) Job and Probing Interview

This interview aims at testing the candidate's job knowledge about duties, activities, methods of doing the job, critical/problematic areas, methods of handling those areas etc.

(vii) Depth Interview

In this type of interview, the candidates would be examined extensively in core areas of knowledge and skills of the job. Experts in that particular field examine the candidates by posing relevant questions as to extract critical answers from them initiating discussions regarding critical areas of the job, and by asking the candidates to explain even minute operations of the job performance. Thus the candidate is examined thoroughly in critical/ core areas in their interview.

3. Decision-Making Interview

After the candidates are examined by the experts including the line managers of the organization in the core areas of the job, the head of the department/section concerned interviews the candidates once again, mostly through informal discussion.

The interviewer examines the interest of the candidate in the job, organization, reaction/adaptability to the working conditions, career planning, promotional opportunities, work adjustment and allotment etc.

The Personnel Manager also interviews the candidates with a view to find out his reaction/acceptance regarding salary, allowances, benefits, promotions opportunities etc. The head of the department and the personnel manager exchange the views and then they jointly inform their decision to the chairman of the interview board, which finally makes the decision about the candidate's performance and their ranks in the interview.

Q47. Explain the steps involved in interview process.

Ans :

The various steps involved in the process of interview are as follows :

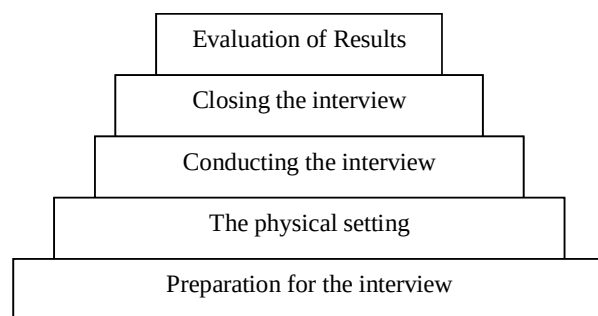
Step 1: Preparation for the interview

Advance preparation by the interviewer is basic to the success of interview.

- Establishing the objectives of interviews
- Review applicants resume and note areas which are vague, which questions to be asked on strengths and weakness.
- Keep ready interview assessment forms.
- Select method of interview
- Choose panel of experts as interviewers

Step 2 : The Physical setting :

Comfortable place of interview, away from noise and interruptions, properly ventilated and lighted, good seating arrangement, 2 door for the room for entry and exit, good reception to the candidates by HR department providing drinking water, tea, newspaper in the waiting room, following punctuality in starting the interview.



Steps in an Employment Interview

Step 3 : Conducting the interview:

This step is most important

- Establish rapport with the candidate
- Try to get complete and accurate information by using clear language, listen to candidate patiently, avoid highly personal questions.
- Write down in brief the observation on the assessment form

Step 4: Closing the interview :

Interview should be closed as happily as it started with out creating any awkward Situation for the candidates. The interview should be closed diplomatically, so that the Candidate leaves with a satisfaction that the interview is fair and he is heard fully. At this stage the applicant should not be given any indication of his prospects.

Step 5: Evaluation of Results :

After the interviews are over the interviewers are required to evaluate a candidate's suitability for the job. The evaluation is based on the observations, impressions, and information collected from application form, test and other steps. Finally a list of selected candidates is prepared.

4.9 PLACEMENT

Q48. Define Placement. Write about the employee placement process.

Ans :

(Imp.)

Meaning

Placement is nothing but assigning jobs to the selected candidates. It is the assignment or re-assignment of an employee to a new or different job. Placement include initial assignment of job to new employee and promotion, demotions or transfer to present employees.

Definitions

- (i) According to 'Pigors and Myers '** "The determination of the job to which an accepted candidate is to be assigned, and his assignment to that job. It is a matching of what

the supervisor has reason to think he can do with the job demands and what he offers in the form of payrolls, companionship with others, promotional possibilities etc”.

Placement involves assigning a specific job to each one of the selected candidates. But the task is not as simple as it looks.

Employee Placement Process

Generally, two stages are involved in the placement of new employees.

Stage 1

Placement of new individuals when the employees have successfully completed the selection process and orientation programme.

Stage 2

Placement of employees in the form of internal mobility such as promotion, demotion, transfer, separation, turnover etc.

Placement Situations

The following are the three conditions in which the placement problem varies.

- (a) If an individual's selection to a job is for a particular position, then he will be placed in that position.

Example: Operations manager in operations department.

- (b) If an employee is selected to perform his responsibilities for a specific position but the position or the department is not specified.

Example: Sales representative.

- (c) If an employee is selected for a job but does not have specific reference about the position or department. Example: Management trainee/Manager/Advisor etc.

These types of problems are common in the organization. To avoid these problems the organization should make use of assessment-classification model for employee placement.

Assessment-classification Model for Employee Placement

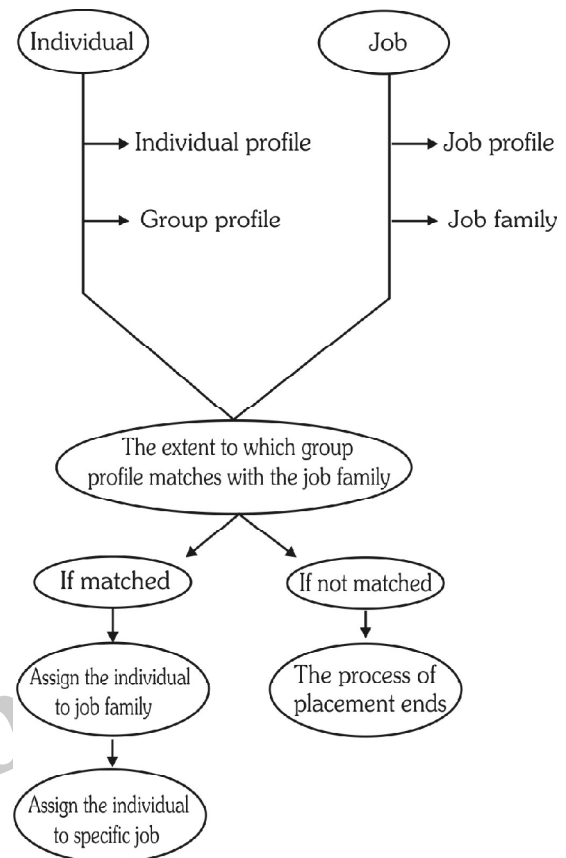


Fig. : Assessment-classification Model for Employee Placement

The following are the two important aspects of this model,

- (a) Individual and
- (b) Job.

(a) Individual

If an individual is selected in an organization, but with no specific job, then the employee's suitability is judged by comparing his profile with the group profile.

(i) Individual Profile

Profile is a brief description of an individual's ability, interest, attitude and values, biographical features and motivation. This profile of employees helps an organization to get an idea of

the person and his potential skills. The abilities of employees outlined in the profile acts as the basis for entering in the organization.

(ii) Group Profile

In an organization, individuals work collectively in 'groups'. Even though two individuals share different profiles, some factors of these individuals match with each other. The common factors prevailing in two individuals provide scope for individuals to work in a group.

(b) Job

A Job consists of several interrelated tasks. The performance of the job relies on the job contents, the environment in which the job is performed and the individual's profile who is performing the job. The preparation of job profile helps in checking the suitability of the job and the individual performing it.

(i) Job Profile

A job profile has the following elements in it,

- (a) Job contents
- (b) Job context and
- (c) The relationship of one job with another job in the organization.

The job contents and job context are the outcome of job analysis and the relationship of one job with the other job is the result of usage of technology while performing the job.

(ii) Job Family

Job Family explains the classification of various jobs based on the nature of the job and the pooling of various jobs of the same nature together.

(iii) Matching Group Profile and Job Family

By matching the Group Profile with Job Family, an individual is placed in a job family. The organization ultimately places the individual in a specific position

by conducting counselling and assessment process to judge the suitability of individual profile with that of group profile and job profile.

Thus, proper placement of employees helps in enhancing the morale of employees by significantly lowering employee turnover, absenteeism, dissatisfaction etc.

Q49. State the various principles of placement.

Ans :

- Selected candidate should be placed on the job according to the requirements of job.
- Job should be offered according to his qualifications.
- Employee should be made conversant with the working conditions prevailing in the industry and things relating to the job.
- Effort should be made to develop a sense of loyalty and cooperation.
- Placement should be ready before the employee joining the industry.
- Initial period of placement is temporary as changes take place after training.

4.10 INDUCTION

Q50. Define the term induction (or) orientation.

Ans :

(Imp.)

Meaning

Orientation is also called 'Induction', it means in simple words 'introduction', introduction of a new person into any group or organization.

Example

If anybody has joined in our organization, he is a new member and has to be about the particular department rules and regulations. And at the same time the department should know about him. This type of introduction is known as 'Induction'.

Definition

According to Michael Armstrong “induction is the process of receiving and welcoming an employee when he first joins a company and giving him basic information he needs to settle down quickly and happily and start work”.

Hence, the induction is nothing but welcoming a new employee to the organization or new member into the family.

When a new member joins an organization, she/he must introduce her/him self and must be introduced to coworkers, workplace and environment. First few days they may feel shy and nervous and worry about how well they will perform on the new job. And they feel inadequate when they compare themselves with the more experienced employees and they are concerned about how well they will behave with their colleagues.

These all can be reduced in a new person by effective orientation programmes by providing information about the organization and job environment and by introducing them to co-workers.

Therefore, an induction programme achieves the following objectives,

- With the orientation programme the new entrant can familiarize with the job, job place, co-workers and the organization.
- When the new member join the organization, they may feel shy, nervous, but the induction programme can reduce the anxiety in all new entrants.
- With the induction, he can know all about the organization and his particular job and he can perform actively in the new organization.

Q51. What are the components of induction programme.

Ans : (Imp.)

The following are the components of induction programme.

1. Informal Induction

The informal induction means totally unplanned induction. It means an introduction to the new entrants about the job and organization. This kind of induction programme is carried out by only medium and small scale sectors. Informal induction programme is of the following two types,

(i) Supervisory System

In supervisory system, the job supervisor conducts the induction programme for the new entrant about the job, department introduces to the co-workers and takes him to sections which are related to his job.

(ii) Buddy (or) Sponsor System

In buddy system, the supervisors acts as guides, i.e., they take the responsibility and introduce the new comer to an old employee.

The old employee act as friend guide and philosopher to the new comer and the old employee introduces the new comer to the job and the organization and his particular job department in that section and also arrange the meeting with other employees and departments. And the old employee gives the relevant literature about rules and regulations of the organization.

2. Formal Induction

Formal Induction is a pre-planned programme, it is held with the intension of induction of the new comer into the organization. This kind of induction is very costly so, this is usually carried out by large scale organization but not small size organization. This induction programme is designed to introduce the new entrant to all about his job, colleagues and organization.

The formal induction programme covers the following content,

- (i) Brief history of the organization.
- (ii) Policies and procedures of the organization.
- (iii) Rules and regulation of the organization.
- (iv) Top management authority.
- (v) Job related, salary, working hours, OT, promotion etc.
- (vi) Frienge benefits like canteen, educational, transport, medical facilities etc.

These are the formal induction programme which are carried out by the HR specialist in period of days to weeks even months.

Q52. What are the phases and benefits of orientation programme? State the measures taken for making induction successful.

Ans :

Phases

A induction programme which is carefully designed consists of following three phases,

1. General Induction

The first phase of the induction programme is General Induction, generally conducted by the HR specialist. The main aim of this phase is to introduce the new employee to the organization by explaining the objectives, history, mission, vision and philosophy of the organization.

The new employee can also know about his job profile, pay, promotion procedure and particular department or section. The main aim of this phase is to create friendly environment to new comer in an organization. The period of induction may take a few days or few weeks.

2. Specific Induction

The second phase of specific induction is given by supervisor's to the new employee. The function of this Specific Induction is to know everything about his new job.

The employee is introduced to his new job, work place and premises around work,

introduced to his co-workers and procedures, customs, rules and regulations regarding his job. The induction may take a period of few days or even months.

3. Follow-up Induction

The third and last phase of induction is Follow-up Induction. The main objective is to check whether the new employee is adjusted himself with the work and organization, or not.

These inductions are given by the supervisors to know while giving training whether they have understood or not and suggestion and feedback from the new entrant. Such feed back is useful to the supervisor while giving training and counselling for the new entrant. The duration of follow-up induction may take some weeks to few months.

These are the induction programmes which provide the following benefits to the new employee as well as to the organization.

- A careful and well planned induction programme objective is to reduce shyness, nervousness, anxiety of the new comer.
- Induction programmes helps new employee to per-form his job actively and in a friendly environment and move closer to old employees.
- And also useful to clear the doubts with old employees and share the feelings.
- The introduction of new employee to the organization as well as organization to new employee is most important thing.

The induction programme has a greater significance in a developing country like India, where the illiteracy percentage is high.

Measures

The following are the measures to be taken to make induction programme successful:

- (i) First, the new employee should be introduced to the people with whom he will work superiors, subordinates, his colleagues etc.
- (ii) Make the new employee clear about the general company rules, policies, working conditions, requirements etc.
- (iii) Orientation should be carried out gradually.
- (iv) Doubts of the new corner about the job and the organization should be clarified.
- (v) Providing on-the-job training and counselling.
- (vi) Developing a cordial relationship between the superior and subordinate and offer help if required.
- (vii) Providing sufficient time to the new comer to get adapted to the new environment and job.

4.11 PROMOTION

Q53. Define promotion. Explain different types of promotion.

Ans :

(Imp.)

Meaning

Promotion means an improvement in pay, prestige, position and responsibilities of an employee within his/ her organization. A mere shifting of an employee to a different job which has better working hours, better location and more pleasant working conditions does not promotion. The new job is a promotion for the employee only when it carries increased responsibilities and enhanced pay.

Definitions

- (i) **According to Dale Yoder** defines promotion as a "movement to a position in which responsibilities and presumably, prestige are increased".
- (ii) **According to In the words of Scott, Clothier, and Spiegel**, "A promotion is the transfer of an employee to a job that pays more money or that enjoys some preferred status".
- (iii) **According to To Edwin Flippo** "a promotion involves a change from one job to another that is better in terms of status and responsibility."

- (iv) **According to Pigors and Myers** consider that "a promotion is the advancement of an employee to a better job - better in terms of greater responsibilities, more prestige or "status", greater skill, and especially. Increased rate of pay or salary."

Types

(i) Vertical Promotion

Under this type of promotion, employee is moved to the next higher level, in the organizational hierarchy with greater responsibility, authority, pay and status.

(ii) Upgradation

Under this type of promotion, the job is upgraded in the organizational hierarchy. Consequently, the employee gets more salary, higher authority and responsibility. For example, the job of medical officer in Railways which was in Group C is upgraded as Group B position.

(iii) Dry Promotion

Under this promotion, the employee is moved to the next higher level in the organizational hierarchy with greater responsibility, authority and status without any increase in salary.

Q54. State the various Principles of Promotion.

Ans :

A sound promotion policy should be based on the following principles:

1. Uniformity

A promotion policy must provide for a uniform distribution of promotional opportunities throughout the organization. The ratio of internal promotions to external recruitment must be the same at various levels in all the departments otherwise morale of employees will be seriously impaired in the department notorious for its low rate of promotions.

2. Consistency

A promotion policy should enjoy consistency i.e., it should be applied irrespective of the persons concerned. Policy should be correlated to career planning so that there should not be a sudden spurt of promotion conferring premature benefits on a number of persons followed by a long period of absence of promotion.

3. Fair and Impartial

Promotion policy should be fair and impartial i.e., management should be able to remove all suspicious of arbitrariness, adhocism to suit particular individuals, nepotism etc.

4. Planned Activity

Promotion should be a planned activity i.e., management should make a correct assessment of the requirements or opportunities of promotion within the organization so that there is no underestimation or overestimation. For this, promotion charts may be prepared.

5. Definite Basis

There should be a definite criterion for promotion. In the absence of a contract to the contrary, the employer has the right to establish any criteria for evaluation of promotability if they are reasonable, pertinent to the job and not applied in a discriminatory manner. The two criteria often used for making promotion decisions are merit and seniority.

6. Sanction

All promotions should be finally sanctioned by the concerned line heads. The personnel department may only propose the names of potential candidates and send their history records to the department making the requisition to fill vacancies. In this way, the staff position of the personnel department does not intrude upon the authority of the department served. In addition subordinates are impressed favourably by their line superior's concern for their progress.

7. Follow up

A sound promotion policy should provide for a suitable system of follow up, counseling and review. Say, month or two after the change, the personnel department should hold a brief interview with the promoted employee and his new superior to determine whether all is going on well.

All promotions should be made for a trial period so that if the promoted employee is not found capable of handling the job he can be reverted to his former post and his former pay scale.

Q55. Explain the Advantages of Promotion.

Ans :

Promotion is one of the sources of recruitment. Promotions offer following advantages.

1. Promotions provide an opportunity to the present employees to move into jobs that provide greater personnel satisfaction and prestige.
2. Promotions offer opportunities to management to provide recognition and incentives to the better employees, to correct initial mistakes in appointments and to freeze in efficient personnel.
3. Promotions generate within an organization beneficial pressures on work performance and desired behaviour of all its members.
4. Promotions serve as an orderly, logical and prompt source of recruitment for management to fill vacancies as they arise.
5. Insiders shall have no problem in handling the new job because they are intimately connected with the organization structure and different problems. Cost of training will be much lesser.
6. A sound policy of promotion will keep the morale of the employees high.

4.12 TRANSFER

Q56. Define transfer. State the objectives of transfer.

Ans :

Meaning

A transfer is a change in the job within the same organization with pay, status, responsibility remaining the same. Transfer may become necessary in the organization due to various reasons like placing the employee to a position more suitable to his interest and attitude, due to change in the organizational culture or to rectify the mistakes in the selection and placement of the employees.

Transfer refers to the shifting of employees from one job to another within the same organization where salary, responsibilities and category of the new job and the previous job are almost same. Transfer of an employee can be done in other department of the same plant or office or to the same department of plant or office located in other region/city.

Objectives

- Transfer can be done on the request of employee due to personal reason like family problem or health problem.
- Due to HR policy which states that one employee can work in department or place for specific time period
- Transfers are common in the organizations where the work load varies timely.
- If an employee is not able to do the work or job assigned effectively he can be transferred to the other job where he can use his skills properly according to his interest and abilities
- Departmental vacancies can be filled with transfer of employees from overstaffed department.
- Employees can be transferred to the position or department with the higher priority workload.

Q57. Explain the Purpose of Transfer.

Ans :

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes;

1. To increase the effectiveness of the organization.
2. To increase versatility and competence of key positions.
3. To deal with fluctuations in work requirements.
4. To correct incompatibilities in employee relations.
5. To correct erroneous placement.
6. To relieve monotony.
7. To adjust workforce.
8. To punish employees.

Short Question and Answers

1. Define Human Resource Management.

Ans :

Meaning

Human Resource Management is a process of bringing people and organizations together so that the goals each are met. It is that part of the management process which is concerned with the management of human-resources in an organization. It tries to secure the best from people by winning their whole hearted co-operation. In short, it may be defined as the art of procuring, developing and maintaining competent work force to achieve the goals of an organization in an effective and efficient manner.

Human Resource Management may be defined as the art of procuring, developing and maintaining competent workforce to achieve organizational goals efficiently.

Human Resource Management (HRM) is the utilization of individuals to achieve organizational objectives. Consequently, managers at every level must concern themselves with HRM. Basically, all managers get things done through the efforts of others, this requires effective HRM.

Definitions

- (i) **According to Lippincott and Glueck**, "HRM is concerned with the most effective use of people to achieve organizational and individual goals".
- (ii) **According to Byars and Rue**, "HRM encompasses those activities that are designed to provide for and coordinate the human resource of an organization".
- (iii) **According to Milkovich and Boudreau**, "Human resource management is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives".

2. Significance of Human Resource Management.

Ans :

- 1. It helps management in the preparation, adoption and continuing evolution of personnel programmes and policies.
- 2. It supplies skilled workers through scientific selection process.
- 3. It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
- 4. It prepares workers according to the changing needs of industry and environment.
- 5. It motivates workers and upgrades them so as to enable them to accomplish the organization goals.
- 6. Through innovation and experimentation in the fields of personnel, it helps in reducing costs and helps in increasing productivity.

3. Define Human Resource Development.

Ans :

Meaning

Organizations perform effectively and efficiently when the available resources such as tools, machinery and equipments or human resources function adequately, in an effective manner. Mostly the organizations change or replace their machineries and equipment normally, after a certain period, in order to use modern techniques for gaining a competitive advantage against its competitors.

Similarly, human resources such as, employees should also continuously enhance their skills and abilities to perform their jobs effectively which in turn result in the efficient functioning of an organization.

Thus, there is a need for human resource development continuously at different levels of the organization, wherein training and development is

provided to the employees or further education is provided to them which result in building up their confidence and enhancing their skills and abilities.

Definitions

- (i) **According to Subba Rao**, "HRD from the organizational point of view, is a process, in which the employees of an organization are helped/ motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs and attitudes necessary to perform present and future role by realizing the highest human potential with a view to contribute positively to the organizational, group, individual and social goals".
- (ii) **According to Leonard Nadler defined HRD** as, "those learning experiences, which are organized for a specific time and designed to bring about the possibility of behavioral change".

4. Significance of HRD.

Ans :

The significance HRM assumes, with respect to the fast changing organization environment and the need for technological changes for responding to the environmental changes. Some of factors affecting the environmental changes are:

- Unpredictable increase in the competition within and outside the country resulting from the formulation and implementation of economic liberalization policies which demand human resource development continuously.
- Most of the countries following the trends towards market economy consist of former communist countries, which resulted in tough competition among the businesses globally as well as among the organizations within the same country. This lead to the withdrawal of weak firms from the market and only the industries who were strong enough to face any situation, were able to survive in the market.

5. Define Job Analysis.

Ans :

Meaning

Job analysis is a formal and detailed examination of jobs. It is a process of gathering information about a job. It tries to "reduce to words the things that people do in human work."

Job-analysis is a detailed and systematic study of jobs to know the nature and characteristics of the people to be employed on various jobs. It involves collection of necessary facts regarding jobs and their analysis. Some of the definitions of job-analysis are given here under to understand the meaning of the term more clearly.

Definitions

- (i) **According to Edwin B. Flippo**, "Job analysis is the process of studying and collecting information relating to the operations and responsibilities of specific job".
- (ii) **According to Michael J. Jucius**, "Job analysis refers to the process of gathering information about the operations, duties and organizational aspect of jobs in order to write-up specifications or as they are called by some job descriptions".
- (iii) **According to Donald**, "Job analysis is a method of scientifically dissecting a job in order to determine the component elements and their influence upon the length of learning period of the worker, production and labor turnover".

6. Job specification.

Ans :

Meaning

Job specification is a written statement of qualifications, traits, and mental characteristics that all individual must possess to perform the job duties and discharge responsibilities effectively.

A job specification is "a statement of minimum acceptable human qualities necessary to perform a job properly. In contrast to the job description it is a standard of personnel and designates the qualities required for acceptable performance.

7. Human Resource Planning.

Ans :

Meaning

HRP is the process of forecasting an organizations future demand for and supply of the right people in the right members. It is only after HRP is done, that the company can initiate and plan the recruitment and selection process.

Definitions

HRP is a process of translates organizational objectives and plans into the member of workers needed to meet those objectives.

- (i) **According to Coleman** has defined human resource planning as “the process of determining manpower requirements and the means for meeting those requirements in order to carry an integrated plan at the organization”.
 - (ii) **According to Stainer** defines manpower planning as “strategy for the acquisition, utilization, improvement and preservation of an enterprise’s human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing resources of manpower”.
-

8. Objectives of human resource planning.

Ans :

Following are the Objectives of human resource planning.

- (i) To forecast future human resource require- ments.
 - (ii) To ensure optimal utilization of existing manpower.
 - (iii) To provide regulatory measures to ensure the availability of adequate manpower.
 - (iv) To link manpower planning with corporate planning.
-

9. Recruitment.

Ans :

Introduction

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification—a technique of job analysis. It is the first stage in selection which makes the vacancies known to a large number of people and the opportunities that the organization offers. In response to this knowledge, potential applicants would write to the organization. The process of attracting people to apply in called recruitment.

Definitions

- (i) **According to Dale S. Beach** has defined Recruitment as the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organization can depend when it needs additional employees.
- (ii) **According to Edwin B. Flippo** : Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

10. Objectives of recruitment.

Ans :

1. To provide the organization with a pool of potential and skilled human resources.
2. To forecast the human resource requirements of the organization using various statistical and other tools.
3. To increase the number of job applicants at reduced cost.
4. To align the recruitment process with the strategic goals of an organization.
5. To use effective recruitment tools and techniques so that more number of aspirants can be recruited which helps in increasing the efficiency of selection process.
6. To recruit the people from every class/level of the society so as to have a diversified workforce.

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Choose the Correct Answer

1. Every Organisation is made up of _____ [b]
(a) Capital (b) People
(c) Goods (d) Services
2. HRM is not a one shot deal it is a _____ function [c]
(a) Challenging (b) Auxiliary
(c) Continuous (d) Inter-disciplinary
3. HRD consists of [b]
(a) Recruitment (b) Management
(c) Placement (d) Selection development
4. Which of the following are the Operative Functions of HRM. [c]
(a) Planning (b) Directing
(c) Employment (d) Controlling
5. _____ function is a process of stimulation of employee ,employee needs, job satisfaction rewards, compensation . [b]
(a) Maintenance (b) Motivation
(c) Acquiring (d) Developing
6. Which one is the managerial functions of HRM. [b]
(a) Employment (b) Directing
(c) HRD (d) Compensation
7. _____ is a method of achieving a planned task including allocation of tasks subordinate establishing departments and channels to communicate [b]
(a) Planning (b) Organising
(c) Director (d) Controlling
8. HRM is primarily concerned with..... [b]
(a) Sales (b) Dimension of people
(c) External Environment (d) Cost discipline
9. The focus of HRM revolves around [d]
(a) Machine (b) Motivation
(c) Money (d) Men
10. Which of the following becomes a creative factor in production [d]
(a) Land (b) Capital
(c) Consumers (d) Human Resources

Fill in the blanks

1. _____ is concerned with the most effective use of people to achieve organizational and individual goals”.
2. _____ is process by which the employees of an organization are helped to help themselves and develop the organization.
3. _____ is the process of studying and collecting information relating to the operations and responsibilities of specific job.
4. Job analysis will be helpful in improving _____ management relations.
5. _____ means minimum acceptable qualities or results or performance or rewards regarding a particular job.
6. _____ is the process of forecasting an organizations future demand for and supply of the right people in the right members.
7. _____ means search of the prospective employee to suit the job requirements as represented by job specification a technique of job analysis.
8. The recruitment process, is influenced by various _____ and _____ factors.
9. _____ and _____ form among the present employees can be a good source of recruitment.
10. _____ is the process of screening the qualified applicants using different tools at every stage.

ANSWERS

1. HRM
2. HRD
3. Job analysis
4. Labor
5. Standard
6. HRP
7. Recruitment
8. Internal, External
9. Promotions, Transfers
10. Selection

UNIT V

DEVELOPING AND MAINTENANCE HUMAN RESOURCE :

Training - Assessing training needs - Methods and Evaluation of Training.
Concept - Performance Appraisal - Concept - Methods of Appraisal – Concepts of Potential Appraisal. Job Evaluation: Methods - Essentials of Sound Wages.
Grievances: Meaning-Procedure-Benefits and Grievance Redressal System.
Collective Bargaining: Types – Essential conditions for the success of Collective Bargaining. Workers' participation in management

5.1 TRAINING

Q1. Define Training.

(OR)

What do you mean by training?

Ans :

Introduction

Training is the important subsystem of human resource development. Training is specialized function and is one of the fundamental operative functions of human resource management.

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel acquire technical knowledge and skills for a definite purpose. It refers to instruction in technical and mechanical operations, like operation of some machine. It is designed primarily for non-managers, it is for a short duration and it is for a specific job-related purpose.

Definitions

- (i) **According to Dale S Beach**, "Training is the organized procedure by which people learn knowledge and for skill for a definite purpose".
- (ii) **According to Planting, Cord and Efferson**, "Training is the continuous, systematic development among all levels of employees of that knowledge and their skills and attitude which contribute to their welfare and that of the company".
- (iii) **According to Edwin B. Flippo**, "Training is the organized procedure by which learn

knowledge and skill of an employee for doing a particular job".

- (iv) **According to Chowdhry D.P.**, "Training is a process which enables the trainees to achieve the goals and objectives of their organizations".

- (v) In other words, training improves changes, moulds the employees knowledge, skill, behavior, aptitude, and towards the requirements of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization, to acquire and apply the knowledge, skills, abilities and attitudes needed by a particular job and organization.

Thus, training bridges the differences between job requirements and employees present specifications.

Q2. What are the objectives of training?

Ans :

1. To develop the potential employees (both old and new), so as to fulfill the present and future requirements of the organization.
2. To make the new recruits to learn basic Knowledge, Skills and Abilities (KSA) of the job that has to be performed by them.
3. To prepare the experienced employees to take up more complex and the challenging tasks.
4. To ensure that the organization has a workforce consisting of competent and

knowledgeable employees who possess the required skills to lead the organization. Such employees are made to acquire responsible positions in an organization.

5. To sharpen the skills and to broaden the area of functioning of middle level and senior level managers by providing them with different tasks so that they can become specialists.
6. To enable employees to become better performers by making them aware about the best techniques, innovative technologies, best practices for performing their tasks efficiently.
7. To make arrangements for the employees to overcome their deficiencies, thus ensuring the smooth and efficient working environment.
8. To promote a sense of responsibility, co-operation and good relationships among its employees.

Thus, it can be said that employee training objectives play a significant role in the success of an organization.

Q3. Explain the benefits of training.

Ans :

- Leads to improved profitability and/or more positive attitudes towards profit orientation
- Improves the job knowledge and skills at all levels of the organization
- Improves the morale of the workforce
- Helps people identify with organizational goals
- Helps create a better corporate image
- Fosters authenticity, openness and trust
- Improves relationship between boss and subordinate
- Aids in organizational development
- Learns from the trainee
- Helps prepare guidelines for work
- Aids in understanding and carrying out organizational policies.
- Provides information for future needs in all areas of the organization

- Organization gets more effective decision-making and problem-solving skills
- Aids in development for promotion from within
- Aids in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display
- Aids in increasing productivity and/or quality of work
- Helps keep costs down in many areas, e.g. production, personnel, administration, etc.
- Develops a sense of responsibility to the organization for being competent and knowledgeable
- Improves labour-management relations
- Reduces outside consulting costs by utilizing competent internal consultation
- Stimulates preventive management as opposed to putting out fires
- Eliminates suboptimal. behaviour (such as hiding tools)
- Creates an appropriate climate for growth, communication
- Aids in improving organizational communication
- Helps employees adjust to change
- Aids in handling conflict, thereby helping to prevent stress and tension.

5.1.1 Assessing Training Needs

Q4. What is Training Needs Assessment (TNA)?

Ans :

“Training Needs Assessment” (TNA) is the method of determining if a training need exists and, if it does, what training is required to fill the gap. TNA seeks to identify accurately the levels of the present situation in the target surveys, interview, observation, secondary data and/or workshop. The gap between the present status and desired status may indicate problems that in turn can be translated into a training need.

Training Needs = Desired Capability – Current Capability of the Participants

Training can reduce, if not eliminate, the gap, by equipping the participants with knowledge and skills and by encouraging them to build and enhance their capabilities. The data on the present status are vital to the evaluation or impact survey in the latter part of the training cycle. These shall serve as the baseline data. The following are some techniques for acquiring such data. These may be applied independently or in combination.

TNA is also the process of collecting information about an expressed or implied organizational need that could be met by conducting training. The need can be a performance that does not meet the current standard. It means that there is a prescribed or best way of doing a task and that variance from it is creating a problem.

Q5. Explain the Need and importance of training.

Ans :

1. Increasing Productivity

Instruction can help employees increase their level of performance on their present job assignment. Increased human performance often directly leads to increased operational productivity and increased company profit. Again, increased performance and productivity, because of training, are most evident on the part of new employees who are not yet fully aware of the most efficient and effective ways of performing their jobs.

2. Improving Quality

Better informed workers are less likely to make operational mistakes. Quality increases may be in relationship to a company product or service, or in reference to the intangible organizational employment atmosphere.

3. Helping a Company Fulfil its Future Personnel Needs

Organizations that have a good internal educational programme will have to make less drastic manpower changes and adjustments in the event of sudden personnel

alternations. When the need arises, organizational vacancies can more easily be staffed from internal sources if a company initiates and maintains an adequate instructional programme for both its non-supervisory and managerial employees.

4. Improving Organizational Climate

An endless chain of positive reactions results from a well-planned training programme. Production and product quality may improve; financial incentives may then be increased, internal promotions become stressed, less supervisory pressures ensue and base pay rate increases result. Increased morale may be due to many factors, but one of the most important of these is the current state of an organization's educational endeavour.

5. Improving Health and Safety

Proper training can help prevent industrial accidents. A safer work environment leads, to more stable mental attitudes on the part of employees. Managerial mental state would also improve if supervisors now that they can better themselves through company-designed development programmes.

6. Obsolescence Prevention

Training and development programmes foster the initiative and creativity of employees and help to prevent manpower obsolescence, which may be due to age, temperament or motivation, or the inability of a person to adapt himself to technological changes.

7. Personal Growth

Employees on a personal basis gain individually from their exposure to educational experiences. Again, Management development programmes seem to give participants a wider awareness, an enlarged skin, an enlightened altruistic philosophy, and make enhanced personal growth possible.

Q6. Why do we need a Training Needs Assessment (TNA)?

Ans : (Imp.)

First, identify dissatisfaction with the current situation and desire for change as similarities among the requests. Each request implies that a gap or discrepancy exists between what is and what could be or should be. A learning or performance gap between the current and desired condition is called a need. TNA aims at the following situations.

- Solving a current problem
- Avoiding a past or current problem
- Creating or taking advantage of a future opportunity
- Providing learning, development or growth

The purpose of TNA is to answer some familiar questions: why, who, how, what, and when. The following are descriptions of the questions and what analysis can be done to answer them.

Q7. Who should participate in Training Needs Assessment (TNA)?

Ans :

Recruited and selected employees don't have knowledge, skill and abilities to perform work. So, every organization should provide the training period to the employees. The employees needs the training for their new jobs.

Identifying training needs is a process that includes establishing areas where employees lack skills, knowledge and ability to perform their job effectively. The training needs help both the employee and the organization. According to McGhee and Thayer's model, the identification of training needs consists of the following three components,

1. Organizational analysis
2. Task analysis
3. Man analysis.

There are briefly discussed under:

1. Organizational Analysis

The organizational analysis involves complete analysis of organizational structure, objectives, culture, decision-making, resource allocation and so on. Such analysis would help in identifying organizational deficiencies and helps in filling these gaps. This analysis, is established for understanding the short-term and long-term goals of the organization. Generally organizational analysis includes the following steps,

(a) Analysis of Objectives

Organizational analysis includes both short-run and long-run goals. Long-run objectives are spread into specific objectives and strategies for each of the department. Short-run objectives are in need adaptation to the changing environment.

(b) Resource Utilization Analysis

Once the organizational objectives are analyzed, the next step includes in identifying training needs to analyze the allocation of human and other physical resources and evaluate their level of utilization.

(c) Environmental Scanning

This analysis involves the determination of environmental, sociocultural, economic and cultural factors affecting the organization. It helps in identifying the controllable and uncontrollable environmental factors by the organization.

(d) Organizational Climate Analysis

It deals with the attitudes of members towards work, supervision, it has its own impact on the organization.

2. Task Analysis/Operational Analysis

This Task Analysis involves information about the various components of jobs and their performance. Task analysis shows that required skills and training are needed to perform the job at the required standard. Almost all jobs have an expected standard performance.

3. Man Analysis

This is the third component in the identification of employee training needs. The main aim of Man Analysis, is to focus on employee, his skills, abilities, knowledge and attitude. Among the three analysis, this is a more complex one because, it includes more difficulties when assigning human contribution. Because the reason is that, available measures to study man are much less objective and suffer from many individual variation. Generally data on production data, meeting deadlines, quality of performance, personal data such as work behaviour, late- coming etc., can be collected through records, observation, meeting with employee and other who work with him.

According to 'Dayat', a detailed study of jobs and skill analysis is absolutely necessary. The training accordingly imparted would help the employee adjust to their job requirements.

Q8. Examine the various steps in analyzing training needs.

Ans :

(Imp.)

The Training need analysis Model is a pictorial representation of the sequential phases followed in conducting a Training Need Analysis (TNA). It consists of four main phases,

1. Trigger
2. Input
3. Process
4. Output

The following figure depicts the TNA Model.

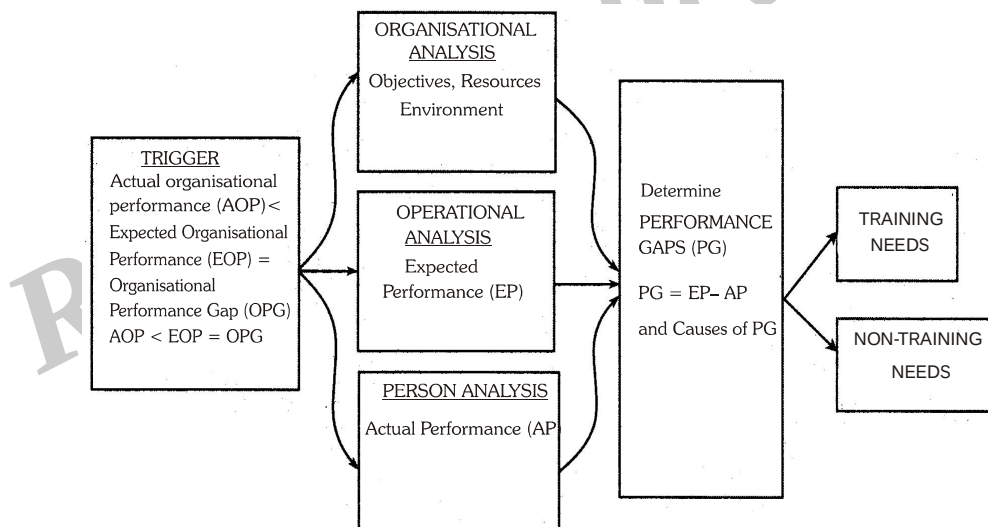


Fig. Framework for Conducting a TNA

1. Trigger

Trigger represents the first phase of TNA model. It acts as a simulation to the entire Training Need Analysis (TNA).

A trigger can be defined as the method of identifying actual or potential performance gaps in an organization. Under trigger phase, it is found that,

$$EP < PP$$

Where,

EP - Expected Performances

< - Less than

PP - Present Performances

This, $EP < PP = PG$

PG - Performance Gap

Thus, $PG = EP < PP$ acts as a trigger to the actual TNA.

2. Input

(i) Organizational Analysis

The organizational analysis involves complete analysis of organizational structure, objectives, culture, decision-making, resource allocation and so on. Such analysis would help in identifying organizational deficiencies and helps in filling the gaps. This analysis is established for understanding the short-term and long-term goals of the organization. Generally organizational analysis includes the following steps,

- (a) **Analysis of Objectives** : Organizational analysis includes both short-run and long-run goals. Long-run objectives are spread into specific objectives and strategies for each of the department. Short-run objectives are in need adaptation to the changing.
- (b) **Resource Utilization Analysis** : Once the organizational objectives are analyzed, the next step is to identify training needs and analyze the allocation of human and other physical resources and evaluate their level of utilization.
- (c) **Environmental Scanning** : This analysis involves the determination of environmental, sociocultural, economic and cultural factors affecting the organization. It helps in identifying the controllable and uncontrollable environmental factors by the organization.
- (d) **Organizational Climate Analysis** : It deals with the attitudes of members towards work supervision. It has its own impact on the organization.

(ii) Task Analysis/Operational Analysis

Task analysis involves information about the various components of jobs and their performance. Task analysis shows that required skills and training are needed to perform the job at the required standard. Almost all jobs have an expected standard performance.

(iii) Man Analysis

This is the third component in the identification of employee training needs. The main aim of man analysis, is to focus on employee, his skills, abilities, knowledge and attitude. Among the three analysis, this is a more complex one because, it includes more difficulties while assigning human contribution. Generally production data, concerning the realization of deadlines, quality of performance etc., can be collected through records, observation, meeting with employee and others who work with him.

3. Process

After gathering all the required information, through input phase, it is put into process phase. This phase includes,

- (i) Identifying the Performance Gaps (PG)
- (ii) Causes of performance Gap

Usually, PG is calculated by

$$PG = EP - AP$$

Where,

PG - Performance Gap

EP - Expected Performance

AP - Actual Performance EP is the performance level expected from an employee in a particular job.

AP is the current performance level of an employee in a particular job.

4. Output

(i) Training Needs

The Performance Gaps (PG) that result from the employee's deficiencies of KSAs and which can be solved by providing training are called Training Needs. For these deficiencies to be filled, the KSAs which are lacking in the employee must be identified and specified clearly. The KSA's thus identified helps in developing the training objectives.

(ii) Non-training Needs

Non-training needs are those which are not characterized as KSA deficiency and those which are characterized as deficiency but cannot be solved or filled by training. In other words, they are the deficiencies that affect the PP and cause PG, but cannot be resolved through training.

Non-training needs are those organizational attributes that do not lack in KSA's, but are responsible for PG for which training is not a solution.

Q9. Explain in detail the output of Training need Assessment.

Ans :

Output is the third and the last phase of TNA Model. After a clear study of PG, output phase arises.

Output of TNA consists of,

1. Training Needs
2. Non-training Needs.

1. Training Needs

The Performance Gaps (PG) that result from the employee's deficiencies of KSAs and which can be solved by providing training are called Training Needs. For these deficiencies to be filled, the KSAs which are lacking in the employee must be identified and specified clearly. The KSA's thus identified helps in developing the training objectives.

2. Non-training Needs

Non-training needs are those which are not characterized as KSA deficiency and those which are characterized as deficiency but cannot be solved or filled by training. In other words, they are the deficiencies that affect the PP and cause PG, but cannot be resolved through training.

Non-training needs are those organizational attributes that do not lack in KSA's, but are responsible for PG for which training is not a solution.

Non-training needs are of two types,

- (i) Non-training needs without any KSA deficiency
- (ii) Non-training needs characterized by a KSA deficiency.

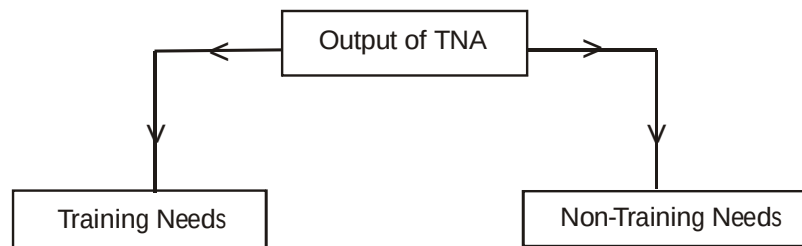


Fig. Output of TNA

(i) Non-training needs without KSA Deficiency

The case of “Hardworking employee who always gets a reward of difficult assignments, tending to reduce her performance level by herself, is a situation which cannot be solved by training.” In this situation, providing training to employee is not needed. Instead the supervisor who is habituated to give more work to the hardworking employee should be given training. Supervisor must be taught that hardworking employee must be given rewards rather than punishment. Non-training needs without KSA deficiency is arising due to following reasons,

- (a) Inadequated Feedback :** Employees tend to perform less when they do not get any feedback positive or negative from their supervisors. In such case, not the employee but supervisors need training.
- (b) System Constraints :** Workplace conditions can also become a constraint for delivering desired performances. Examples of this are - Unavailability of required material on time use of outdated machinery, continuous disturbance etc. These kind of hurdles must be removed as and when identified at the workplace.

(ii) Non-training Needs Characterized by a KSA Deficiency

This is a situation where there are KSA deficiencies, but training is not the only solution. These include,

- (a) Job Aids :** Job Aids are generally the group of instructions, figures and other information available at the workplace. Job aid guide the employee in performing complex task. The method of using Job Aids is cost effective and efficient method than compared to providing training.
- (b) Practice :** An infrequently performed task can develop PG. This can be solved by practice rather than training.

Thus, both Non-training needs and training needs are to be properly addressed to fill the performance gaps (PG) and meet the EP. The following figure depicts the output of TNA.

5.1.2 Methods

Q10. Narrate the various training programs in Indian enterprise.

(OR)

Explain the various methods of training.

Ans :

(Imp.)

There are two methods of training the employees,

1. On-the-Job Training (OJT)
2. Off-the-Job Training/Classroom training.

1. On-the-Job Training (OJT)

This is the most commonly used method of training the employees. In this method, the employee is placed on his regular job and taught the skills necessary to do that job under the guidance of a supervisor. On-the-Job training is advantageous by providing first hand knowledge under the actual working conditions.

The different on-the-job training methods are,

- (a) **Job Rotation :** Job rotation is the movement of an employee from one job to the other of same nature. This method provides an opportunity to enhance the knowledge and skills of an employee and make him competent in several jobs rather than one. Though this method is advantageous, frequent movement of employees may disturb the regular job.
- (b) **Committee Assignments :** In committee assignments method, a group of employees are given an actual organizational task/problem and are asked to solve it. The group members collaborate and cooperate with each other to solve the problem. This method of training develops the team work and intergroup collaborations.
- (c) **Job Instruction Training (JIT) :** In this method, the trainer explains the trainee the job knowledge and skills, method of performing the job and allows him to do the job. At the same time, the trainer analyzes the employee performance and provides him the feedback.
- (d) **Internship Training :** In this, the educational institutes and business firms come together and select a group of candidates. The selected candidates carry on regular studies for a period of time and at the same time work in office or factory to acquire the practical knowledge. This method is advantageous as it provides a balance between theory and practice. But it is slow and time consuming.
- (e) **Coaching and Mentoring :** In this method, the trainee is placed under the guidance of a supervisor. The supervisor assesses the employee performance, provides him the feedback and offers some suggestions of improvement. In this method the trainee also shares the responsibilities of the supervisor. The main drawback of this method is that the trainee do not have any freedom to express his ideas.
- (f) **Under Study :** Under study is a method in which an employee is trained to take in future the full responsibility of the position of his superior. This method helps an organization to acquire an employee of equal competence as his superior and prevents the recruitment of a new unknown personnel.

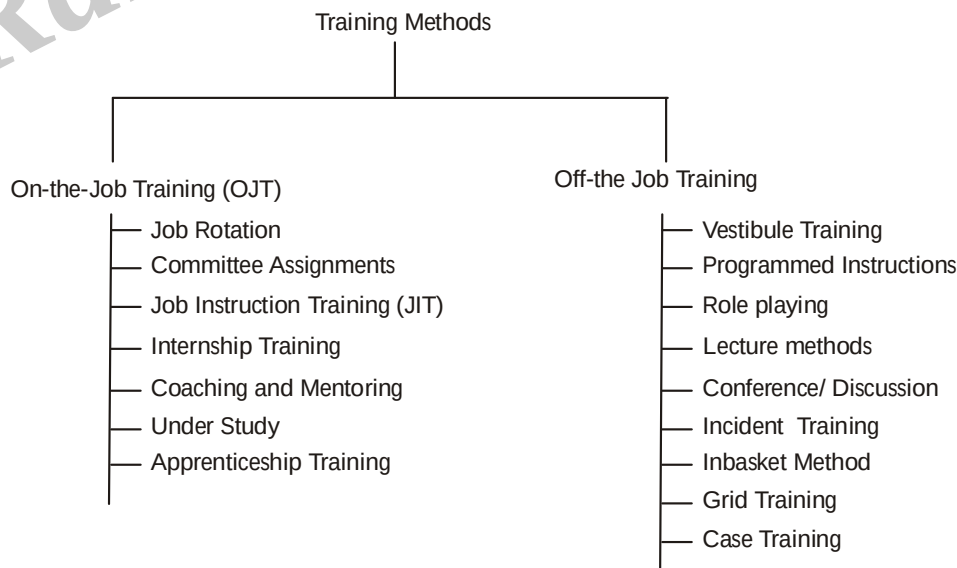


Fig. : Training Methods

(g) **Apprenticeship Training :** This method of training is used in the trades, crafts and technical fields in which proficiency is required for training. Trainers are made to work under direct supervision of experts.

2. Off-the-Job Training/Classroom Training

In this method of training, the trainee is separated from his actual job and trained for his future job performance. The different off-the-job training methods are,

(a) **Vestibule Training :** In this method, training is provided by the simulation or creation of actual working conditions in a classroom. The classroom exactly represents the actual working conditions with same kind of machines, files, equipments etc. Vestibule training in general is used to train clerical and semi-skilled jobs.

(b) **Programmed Instructions :** The theory or the subject-matter to be learned is presented in a series of carefully planned sequential units ranging from simple to more complex levels of instruction. The subject matter is presented in the form of multiple choice and fill in the blanks and then trainee passes through each unit by answering these questions. This method is time consuming and expensive.

(c) **Role Playing :** Role playing is a realistic behaviour in an imaginary situation. The participant/trainee plays the role of certain characters like production manager, mechanical engineer etc. This method includes doing action and practice and is generally used to improve inter-personal skills.

(d) **Lecture Method :** Lecture method is a traditional and direct method of training. In this method, the trainer/instructor prepares a material and delivers it to a group of trainees in the form of a lecture. The lecture prepared by the trainer should motivate the trainees and create interest in them. The

lecture method is advantageous because it is direct and can be delivered to a large group of trainees at the same time. One of the major limitation of lecture method is it cannot transfer the training effectively.

(e) **Conference/Discussion :** In conference method, group of people meet and pose ideas, share the facts, test the assumptions and draw conclusions to improve the job performance. This method is mainly used to train the clerical, supervisor and professional personnel. Unlike lecture method which involves only one way communication, discussion involves dyadic communication and also provides feedback. This method is advantageous that the trainee has the opportunity to speak.

(f) **Incident Training :** Incident method was developed by Paul Pigors. The main aim of this method is to develop the trainee in areas of practical judgement, intellectual ability and social awareness. This method involves development of an employee in a group, i.e., a group of employees who require training are selected and are trained. For training the employees, incidents are prepared based on the actual situations that happened in other organizations. Each trainee in the group is given the incident and asked to make short-term decisions. Later, the group discusses on the incident and takes decisions through group interactions.

(g) **Inbasket Training :** In this method, the trainee is given a basket or pile of papers and files related to his functional area. The trainee is then asked to study and analyze the situation and make necessary recommendations. The recommendations provided by all the trainees are compared and conclusions are made.

The advantages of inbasket method are,

- It is simple and economical.

- It helps the trainees to learn problem-solving skills.
- It reduces interdepartmental conflicts.

The disadvantages of inbasket method are,

- The solutions arrived at the participants may tend to be abstract.
- Trainee may find difficulty to adapt themselves to rigid situations and lack originality.

(h) Case Study : Case study method of training was developed at Harvard Business School. In this method, a real business problem is presented to the trainees in the form of writing. The trainees are asked to analyze the problem and suggest the alternative courses of action.

Q11. Compare and contrast on job training and off job training.

Ans :

S.No.	On - the - job Training	S.No.	Off-the -Job Training
1.	Cheaper to carry out.	1.	Required expenses like separate training rooms, specialist, resources like projectors.
2.	Training is very relevant and practical dealing with day-to-day requirements of job.	2.	Can more easily deal with groups of workers at the same time?
3.	Workers not taken away from jobs so can still be productive.	3.	Employees respond better when taken away from pressures of working environment.
4.	Employees who are new to a job role become productive as quickly as possible.	4.	Workers may be able to obtain qualifications or certificates.
5.	Supervisors can directly observe the working skills of the trainee.	5.	Trainees learn from specialists in that area of work who can provide more in-depth study.
6.	Chances of distractions are here, as there may be noise and disturbances because of working machines.	6.	There is no distraction because trainees are away from the working environment.
7.	Coaching, job rotation, apprentice are on-the-job training.	7.	Role plays, seminars, lectures, case studies are off-the-job training.

5.1.3 Evaluation of Training

Q12. Define Training Evaluation. Explain the objectives of Training Evaluation.

Ans :

Mening

- Evaluation of training effectiveness is the process of obtaining information or data on the effectiveness of training program conducted and assessing the value of training in the light of that information.
- Evaluation involves controlling and correcting the training program.
- Evaluation means appraisal or assessment. In terms of training it is a activity of assessing the impact of the training as compared to the objectives that were set for achievement through the program, evaluation is done by obtaining feedback from the trainees, trainers and the line managers of the concerned departments.

- Perspectives of colleagues can also be considered to obtain 360 degree evaluation.
- Evaluation measures can be undertaken before the start of training, at the start of training, during the training and at the end of training.
- Training evaluation is the assessment of the total value of the training system, training course or program in social as well as financial term. The term is also used in general judgmental sense of the continuous monitoring of a program or of the training function as the whole.

Objectives

Evaluation is a systematic process to determine the worth, value or meaning of an activity or process. In broader sense evaluation is undertaken to improve training processes or to decide the future of a program, these broad purposes can be divided as following objectives.

1. To identify the program's strengths and weaknesses.
2. To assess whether content, organization and administration of the program contributes to learning and on the job utility of the content.
3. To identify which trainees benefited most or least from the program.
4. To determine the financial benefits and costs of the program.
5. To gather data to assist in marketing training programs.
6. To compare the cost and benefits of training vs non training investments.
7. To compare the cost and benefits of different training programs to choose the best program.

Q13. State the various reasons for Training Evaluation.

Ans :

There are various reasons for evaluating training, they are as follows :

1. Evaluation is important when the organization is not aware of the possible outcome of the training.
2. To justify the expenditure on future training programs. Evaluation enables the training manager or HR department to justify the expenditure on future training programs.
3. To measure effectiveness of approaches and techniques. Evaluation helps to assess the effectiveness of different approaches and techniques.
4. Evaluation provides feedback to trainers. It provides feedback regarding the performance and methods employed by the trainers.
5. Motivational for learners, evaluation can be motivational for learners as they know that they can give their opinions and secondly in many cases the data is used for performance evaluation and decisions regarding compensation and promotion.
6. It measures the degree of objectives achieved. It indicates to what extent the objectives have been met and whether and further training is needed for the individual or the group.

Q14. Explain the Scope of Training Evaluation.

Ans :

It is useful to look at evaluation in three related but distinct phases.

1. Immediate

It concerns with changes in knowledge, skills or behavior immediately after a training experience. In other words it attempts to assess whether or not training has been effective in communicating the message.

2. Intermediate

This refers to evidence that knowledge, skill or behavior which has been learned is being put into use on the job. In other words can the trainee, managers and colleagues identify

changes in behavior, skill and attitude as a result of attending training.

3. Long Term

This refers to the long term effectiveness of the individual, the unit and as well as the organization. This ultimate evaluation is difficult and only possible if the training in the first instance has been related to the real corporate strategy and business needs of the organization.

Q15. State the Process of Evaluating Training Programs.

Ans :

The training program should be evaluated to prepare a comprehensive training program. It is a continuous process which has the following steps :

1. Development Of Evaluation Criteria

For a successful evaluation of training programs, an effective evaluation criterion has to be developed. The evaluation criterion serves as a standard for measuring training effectiveness. They can be in terms of reaction, learning, behavior and result.

2. Pre-test Trainees

This is a mechanism arranged before implementing the training program as to find out the behavioral reactions of the trainees. Once the criterion is developed, a pretest is conducted in order to find out the existing level of knowledge, interpersonal skill and abilities of the participants.

3. Monitor Training

This is concerned with the process of monitoring the training programs while implementing the programs for providing knowledge and behavioral skills to the trainees. It is performed to identify whether the training program has been implemented properly or not. This also helps to know the sufficiency of training programs.

4. Evaluation

Evaluation is concerned with the final assessment of result obtained from the

implementation of training program. It is conducted after the completion of training activities in order to find out their response about training programs.

5. Feedback

Feedback refers to a mechanism which provides information on an overall position of training program. The feedback mechanism helps HR experts to know about the success or failure of the training. This also provides a guideline for the future determination of training needs.

Q16. Explain the Methods for Evaluating Training Programmes.

Ans :

1. Observation method

Observation method is done by closely observed during the training programme. Performance in practical work situation, participation in discussion, role play, timing , presentation method. The errors are carefully observed and recorded.

2. Test-retest method

In this method participants are given a test to establish their level of knowledge before they enter the training programme. After the completion of training, they retake the test. The change in test scores indicate the change in the level of knowledge resulting from training.

3. Pre-post performance method

The actual job of each participants is evaluated and rated prior to training. After the training the participant's job performance is reevaluated. Changes in job performance is attributed to training.

4. Experimental control group method

Two groups are formed. One group is control group whose members work without undergoing training. Another group is experimental group whose member undergo training. Two groups are evaluated at the end of the training. If the performance of the experimental group improves, training is regarded effective.

5. Training surveys

Direct questioning to trainees to get reaction, generally after the end of training participants are asked to fill-up form containing- physical facilities, achievement of training objectives, contents, trainer effectiveness, suggestions for improvement etc.

6. Cost effectiveness analysis

It assess total value of training benefits against total cost of training. Training is effective if benefit exceeds costs.

Q17. Explain the Criteria for Evaluating Training Effectiveness.

Ans :

Meaning

➤ Evaluation of training effectiveness is one of the fundamental aspects of training and development. Without proper evaluation of the effectiveness of training and development activities, it will be impossible to determine how well the program will achieve the stated target. The following criterion needs to be developed for the evaluation of training effectiveness:

1. Reaction of The Participants

It is related with the feeling of the participants about the training and training methods. The reaction on such training content, process, method, etc. is measured at the end of each training activity. It brings all the participants upon a level of knowledge and experience. It is subjective rather than objective, because every participant is free to react on his/her own way.

2. Changes In Participant's Knowledge And Skills

The change in participant's knowledge and skills brought about by the implementation of training program is very important in order to evaluate the effectiveness of training. If the participants are imparted with specific knowledge and skills, the training is said to be effective.

3. Change In Participant's Attitude

Attitude is the belief or perception of an individual regarding a particular subject matter. This is another important criterion of evaluating training effectiveness. The changes in attitude and belief of employees will result in more desirable performance and behavior on actual workstation. Thus, managers are always concerned in bringing the change in employee's attitudes, beliefs and perception through the means of behavioral training.

4. Change In Job Performance

It is another useful criterion of evaluating training effectiveness. When an individual shows a different method of performing the job after attending a training program, it is said that the training has been effective.

5. Organizational Performance

This criterion indicates the improvement on overall performance of the organizational activities. It is concerned with improvements in job performance in terms of productivity and quality. The training should fulfill the organizational need such as reduced turnover, high productivity, quality output, improved labor relation etc. Hence, the training program should be organized basing on these aspects of organizational performance. The training seems to be effective only if it achieves its stated goals and objectives.

5.2 PERFORMANCE APPRAISAL**5.2.1 Concept****Q18. Define performance appraisal.**

Ans :

(Imp.)

Meaning

- Performance appraisal or Performance evaluation is a method of evaluating the behaviour of employees in a work place, normally including both the quantitative and qualitative aspect of job performance.
- Performance here refers to the degree of accomplishment of the tasks that makeup an

individual' job. It indicates how well an individual fulfilling the job demands. Performance is measured in terms of results.

- Thus, Performance appraisal is the process of assessing the performance or progress of an employee, or a group of employees on the given job, as well as his potential for future development. Thus, performance appraisal comprises all formal procedures used in organizations to evaluate contributions, personality, and potential of individual employees.
- In other words, performance appraisal includes the comparison of performance scales of different individuals holding similar areas of work responsibilities and relate to determination of worth of the scales for the achievement of organization objective.

Definitions

- (i) **According to Dale S. Beach** Performance appraisal as the system of evaluation of the individual with regard to his/her performance on the job and his/her potential for development.
- (ii) **According to Edwin B. Flippo** Performance appraisal is a systematic, periodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job.
- (iii) **According to Edwin Flippo**, Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job.
- (iv) **According to Cummings**, The overall objective of performance appraisal is to improve the efficiency of an enterprise by attempting to mobilize the best possible efforts from individuals employed in it. Such appraisals achieve four objectives including the salary reviews the development and training of individuals, planning job rotation and assistance promotions.

(v) **According to Wendell French**, Performance appraisal and review in the formal, systematic assessment of how well employees are performing their jobs in relations to establish standards and the communication of that assessment to employees.

(vi) **According to Dale Yoder**, Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organization. It is a continuous process to secure information necessary for making correct and objective decisions on employees.

Q19. What are the characteristics of performance appraisal?

Ans :

The following are the characteristics of Performance Appraisal.

1. A Process

Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.

2. Systematic Assessment

Performance appraisal is a systematic assessment of an employee's strengths and weakness in the context of the given job.

3. Main Objective

The main objective of it is to know how well an employee is going for the organization and what needs to be improved in him.

4. Scientific Evaluation

It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.

5. Periodic Evaluation

Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other and supervisors on a daily basis, yet the systematic

(i.e., formal) appraisal of an individual employee is likely to occur at certain intervals throughout that person's history of employment (say quarterly, six monthly, annually, etc.)

6. Continuous Process

In addition to being periodic performance usually is an ongoing process. It means that appraisals are regularly scheduled and are not dumped on the employee on whimsical dates without relevance. The process has not been broken in person's history of employment however, the periodicity of appraisal may be changed as per needs of the situation.

7. Employee Feedback

Performance appraisal system provides information to employees on how well they are doing their jobs, and this feedback is provided to them when it is relevant.

Q20. Explain the purpose of performance appraisal.

Ans :

The following are the main purposes of performance appraisal.

1. Appraisal Procedure

It provides a common and unified measure of performance appraisal, so that all employee are evaluated in the same manner. It gives an in discriminatory rating of all the employees.

2. Decision Making

Performance appraisal of the employees is extremely useful in the decision making process of the organization. In selection, training, promotion, pay increment and in transfer, performance appraisal is very useful tool.

3. Work Performance Records

Performance appraisal gives us a complete information in the form of records regarding every employee. In the case of industrial

disputes even arbitrator accepts these records in the course of grievance handling procedure.

4. Employees Development

Performance appraisal guides the employees in removing their defects and improving their working. The weaknesses of the employee recorded in the performance appraisal provide the basis for an individual development programme. If properly recorded and used, the performance appraisal gives the fair opportunities to employees to correct and rectify their mistakes.

5. Enables Supervisors to be More Alert and Competent

Performance appraisal enables supervisor to be more alert and competent and to improve the quality of supervision by giving him a complete record of employee's performance. He can guide an employee, where he is prone to commit mistakes.

6. Merit Rating

Merit rating is another name of performance appraisal, it gives supervisors a more effective tool for rating their personnel. It enables them to make more careful analysis of employee's performance and make them more productive and useful.

7. Improves Employer Employee Relations

Performance appraisal is not only a useful guide for the supervisors and employees but it improves the employer-employee relations by creating a more conducive and amicable atmosphere in the organization. It also stimulates free exchange of thoughts and ideas between the supervisor and his men. In this way performance appraisal bridges the emotional gap between the employer and employee by bringing them more close and by reducing man-to-man differences in the organization.

Q21. Explain the objectives of performance appraisal.

Ans :

Appraisal of employees serves several useful purposes.

(a) Compensation Decisions

It can serve as a basis for pay raises. Managers need performance appraisal to identify employees who are performing at or above expected levels. This approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority. Under merit systems, employee receives raises based on performance.

(b) Promotion decisions

It can serve as a useful basis for job change or promotion. When merit is the basis for reward, the person doing the best job receives the promotion. If relevant work aspects are measured properly, it helps in minimizing feelings of frustration of those who are not promoted.

(c) Training and development programmes

It can serve as a guide for formulating a suitable training and development programme. Performance appraisal can inform employees about their progress and tell them what skills they need to develop to become eligible for pay raises or promotions or both.

(d) Feedback

Performance appraisal enables the employee to know how well he is doing on the job. It tells him what he can do to improve his present performance and go up the 'organizational ladder'.

(e) Personal development

Performance appraisal can help reveal the causes of good and poor employee performance. Through discussions with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance.

Q22. Outline the process of performance appraisal.

Ans :

Performance appraisal is planned, developed and implemented through a series of steps:

1. Job Analysis, Job Description and Job Specification

Performance appraisal is a process not to be undertaken in isolation of various human resources functions. It begins with job analysis, job description and job specification. These help in establishing the standard performance.

2. Establishing Standards of Performance

Appraisal system require performance standards, which serve as benchmarks against which performance is measured. The standards set for performance must be clearly defined and unambiguous. They should be attainable by a normal employee. To be useful, standards should relate to the desired result of each job. Performance standards must be clear to both the appraiser and appraisee. The performance standards or goals must be developed with the supervisors to ensure that all the relevant factors have been included. Where the output can be measured, the personal characteristics, which contribute to employee performance, must be determined.

3. Communicating Performance Standards to Employees

Performance appraisal involves at least two parties; the appraiser who does the appraisal and the appraisee whose performance is being evaluated. The performance standards specified in the second step above are to be communicated and explained to the employees (both appraiser and appraisee) so that they come to know what is expected of them.

Feedback should also be taken to eliminate any confusion or misunderstanding. Feedback enables the manager to know that the information has reached the employees. If

necessary the standards may be revised or modified in the light of feedback obtained from the employees and evaluators. According to DeCenzo and Robbins, "too many jobs have vague performance standards and the problem is compounded when these standards are set in isolation and do not involve the employee".

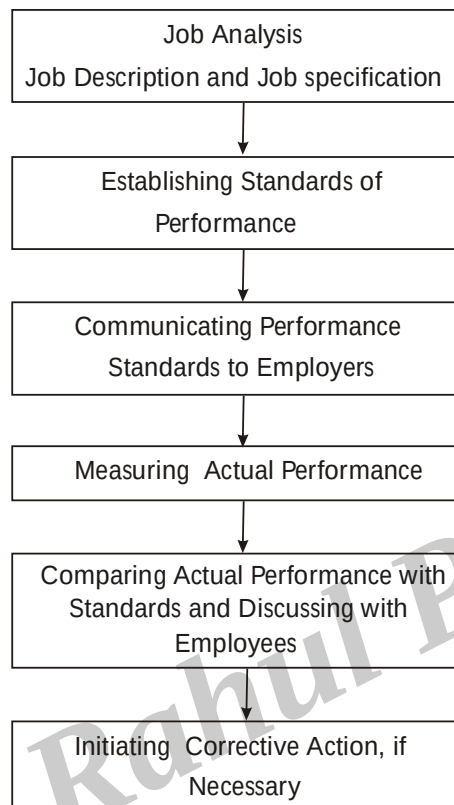


Fig.: Process of performance appraisal

4. Measuring Actual Performance

After the performance standards are set and accepted, the next step is to measure the actual performance. This requires choosing the right technique of measurement, identifying the internal and external factors influencing performance and collecting information on results achieved.

It can be affected through personal observation, written and oral reports from supervisors. The performance of different employees should be so measured that it is comparable. Performance measures must be

easy to use, be reliable and report on the critical behaviors that determine performance.

5. Comparing the Actual Performance with Standards

In this step employees actual performance is compared with the standards. By comparing some deviations in employee performance can be known.

6. Communicating the Appraisal with Employees

The results of the appraisal are communicated to the employees. This makes an employee know his strengths and weaknesses and has a great impact on his/ her performance.

7. Taking Corrective Actions

After communicating the appraisal to the employee, steps required to improve employee performance are identified and taken. Employee performance can be improved by providing training, coaching, counselling etc.

Q23. What are the advantages of performance appraisal ?

Ans :

It is said that performance appraisal is an investment for the company which can be justified by following advantages :

1. Promotion

Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2. Compensation

Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and prerequisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

3. Employees Development

The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.

4. Selection Validation

Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

5. Communication

For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

- (a) Through performance appraisal, the employers can understand and accept skills of subordinates.
- (b) The subordinates can also understand and create a trust and confidence in superiors.
- (c) It also helps in maintaining cordial and congenial labour management relationship.
- (d) It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

6. Motivation

Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Q24. What are the problems/errors in performance appraisal ?

Ans : (Imp.)

Since performance appraisal is conducted by human beings, it is subjected to a number of errors, biases, weaknesses and pitfalls.

1. The halo effect

The halo effect is introduced when an overall impression of an individual is judged on the basis of a single trait. A high rating on one trait leads automatically to high rating on all other trait. Also, a very high rating may be given to protect an employee for whom there may be personal sympathy.

2. Constant error

This error is a reflection on the trait of the rater. Some raters are, by nature, too liberal, others too strict and some tend towards rating most people in the middle.

3. Recency of events

There is a tendency of many evaluators to give much more weight to the recent behaviour of the candidate than the past behaviour. This is based on the reflection that the future trend is established by the mere recent behaviour.

4. The central tendency

It is the most commonly found error. It is the tendency of most raters to give average ratings to all or the center of the scale. This may be due to the fact that a very high rating or a very low rating could invite questions, criticisms or explanations.

Accordingly, an average rating is safer. It could also be due to the fact that the rater lacks sufficient knowledge about the applicant and hence, does not want to commit himself one way to another.

5. Errors of variable standards

It is quite possible that organizations follow different standards of performance. Some divisional heads may require much higher quality of performance than others.

6. Other miscellaneous biases

There may be some built - in biases in the minds of the rater, based upon his own perception of things, people and performances. A person may be rated higher because he is a 'nice' person or because of his seniority.

Q25. Explain the various Techniques of Performance Appraisal.

(OR)

Explain the modern methods of performance appraisal.

Ans :

A number of performance appraisal methods are available to measure and appraise employees performance. Each organization follows its own method of appraisal but each method with its strengths and weaknesses may be suitable for one organization and non-suitable for another. As such there is no single method which is accepted and used by all the organizations. All the appraisal methods are classified differently by different authors. But the most used classification is divided into two categories.

- (i) Traditional methods
- (ii) Modern methods.

Traditional methods lay emphasis on rating the individual's personality traits, whereas modern methods are more objective and lay emphasis on evaluating the work results.

The different methods in each of the two categories are,

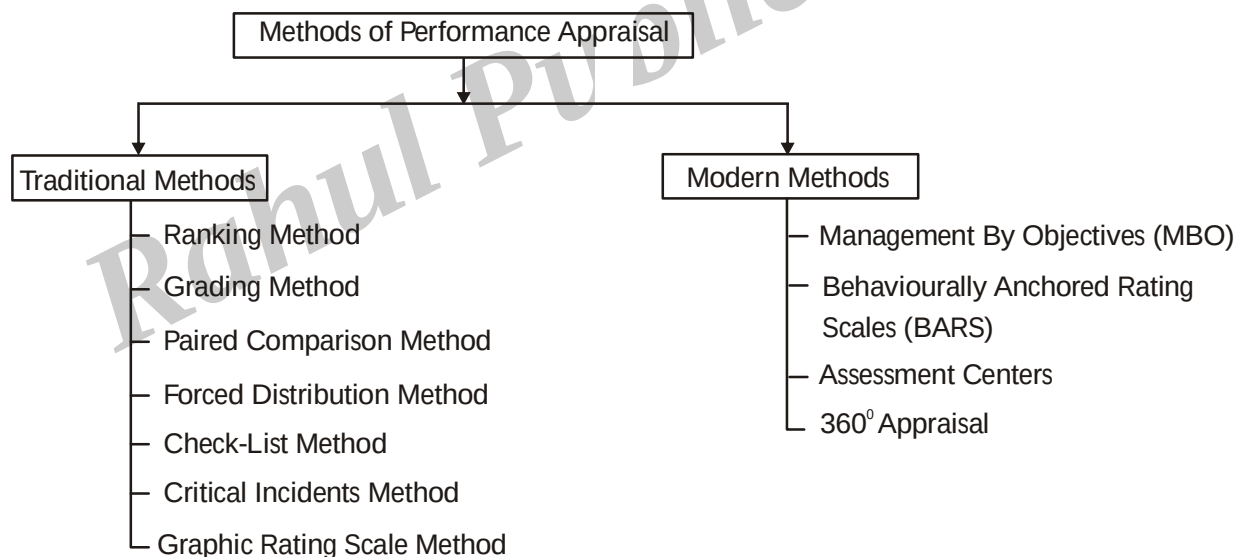


Fig. : Performance Appraisal Methods

(i) Traditional Methods

1. Ranking Method

It is the oldest and the simplest method of performance appraisal. It is systematic in nature. In this method each individual employee is compared with all others and is placed in simple rank order of worth. The employees are ranked from the highest to the lowest or from the best to worst. The main limitations of this method are,

- (a) It does not specify how much one individual is better than the other.
- (b) This method is difficult when there are large number of employees.

2. Grading Method

In this method certain well-defined grades are established in advance. Generally, three different grades are used, outstanding, satisfactory and unsatisfactory. Employee performance is compared with the defined grades and each employee is allotted a grade that best describes his/her performance. The main limitation of this method is that the rater may rate most of the employees on the higher side of their performance.

3. Paired Comparison Method

In this method, each individual employee is compared with other employees on one-on-one basis, i.e., usually based on one trait only. The rater is given a bunch of slips each containing a pair of names, the rater ticks against the employee whom he considers the better of the two. The number of times this employee is compared as better, determines his/her final ranking.

4. Forced-choice Method

J. P. Guilford developed this method. This method contains a series of statements and the rater rates how effectively a statement describes each individual being evaluated. The main limitation of this method is that it takes a lot of time and effort to construct several evaluating statements.

5. Forced Distribution Method

Tiffen developed this method. In this method, it is assumed that employee performance level conforms to a normal statistical distribution.

The advantages of this method are,

- (a) It is simple to understand and easy to apply
- (b) It is useful for rating large number of employees
- (c) It tends to eliminate and reduce bias.

The main drawback of this method is that if all distribution grades improve similarly, no single grade would get a higher rating.

6. Checklist Method

In this method, a series of questions with their answers 'Yes' or 'No' are prepared by the HR department and are given to the rater to tick appropriate answer relevant to the appraisee. Each question carries a weightage in relationship to their importance. After the checklist is completed, HR department prepares the final scores for all appraises based on all questions. The main drawback of this method is that it is difficult to assemble, analyze and weigh a number of statements about employee characteristics and contributions.

7. Critical Incidents Method

In this method, the rater lays emphasis on those key behaviours that make the difference between performing a job in net worthy manner. In this method the employee's performance is appraised in three basic steps.

- (i) Preparing a list of net worthy on-the-job behaviour of specific incidents.
- (ii) Group of experts assign weightage to these incidents, depending on their degree of desirability to perform a job.
- (iii) Finally constructing a CheckList indicating incidents describing workers as 'good' or 'bad'. Then, the check-list is given to the rater to evaluate the workers.

The advantage of this method is that it focuses on behaviour and judges performance rather than personality. The main drawback of this method is, it is time-consuming and burdensome for evaluators to regularly write down the critical incidents.

8. Graphic Rating Scale Method

This method is the most popular and simplest technique of performance appraisal. This method is also known as 'linear rating scale'. This method uses a printed appraisal form

listing traits, range of job performance characteristics for appraising each employee.

(ii) Modern Methods

1. Management by Objectives (MBO)

Management by objectives method was developed by Peter F. Drucker in 1954. According to him MBO is 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 from him and use these measures as guides for operating the unit and assessing the contributions of each of its members. An MBO programme mainly involves four steps. Goal setting. Performance standard, Comparison and Periodic review. The MBO method suffers from the limitation that it is time-consuming.

2. Behaviourally Anchored Rating Scales (BARS)

Behaviourally Anchored Rating Scales are descriptions of various degrees of behaviour with regard to a specific performance dimension. It combines the functions of narratives, critical incidents and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance.

The following are the steps followed in developing Behaviourally Anchored Rating Scales (BARS).

- (i) **Generate Critical Incidents :** Persons with knowledge of the job to be appraised (job holders/supervisors) are asked to describe specific illustrations (critical incidents) of effective performance behaviour.
- (ii) **Develop Performance Dimensions:** These people then cluster the incidents into a smaller set (or say 5 or 10) of performance dimensions. Each cluster (dimension) is then defined.

(iii) **Reallocate Incidents :** Any group of people who also know the job then reallocate the original critical incidents. They are given the cluster's definitions, and critical incidents, and asked to redesign each incident to the dimension it best described. Typically a critical incident is retained if some percentage usually (50 to 80%) of this group assigns it to the same cluster as the previous group did.

(iv) **Scale of Incidents :** This second group is generally asked to rate (7 or 9 point scales are typical) the behaviour described in the incident as to how effectively or ineffectively it represents performance on the appropriate dimension.

(v) **Develop Final Instrument :** A subset of incident (usually 6 or 7 per) cluster are used as behaviour anchors for the performance dimensions.

3. Assessment Centres

The concept of an assessment centre is of recent origin in India. The assessment centres are mainly used for evaluating the performance and potential of executives and supervisors. In this method, the executives and supervisors come together to participate in a well-designed, stimulated exercises. They are assessed by the senior managers, psychologists and HR specialists for 2-3 days. After recording the employee's behaviour, the raters communicate the information with them. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the employees.

4. 360° Appraisal

In 360-degree performance appraisal technique a manager is rated by everyone above, alongside and below him. 360 degree approach is essentially a fact-finding, self-correcting technique, used to design promotions. The personality of each top manager their talents, behavioural traits, values, ethical standards, tempers, loyalties – is to be scanned, by their colleagues as they

are best placed to diagnose their suitability for the job requirements. In this method a question are is structured to collect required data about a manager from his bosses, peers, subordinates. 360-degree approach of assessment provides equal opportunity to evaluate the efforts of the top manager or managers in running a company effectively. It focuses on the intrinsic qualities of the manager as well as his capacity to lead. It also gives feedback to all assesses on their styles.

Merits

The merits of the technique are

1. The organization gains from the self-awareness of the top managers. It reveals strengths and weaknesses in their managing styles.
2. The gap between self assessment and the views of one's colleagues is reduced.
3. Teamwork thrives once peer group assessment is included in the methodology.
4. Empowerment is facilitated.
5. Facts about the organizational culture are brought to light.
6. Inflexible managers are forced to initiate change in their style:

Demerits

The main drawbacks of this approach are as follows :

1. 360-degree approach can be utilized to humiliate people.
2. Response from colleagues tends to be biased.
3. Linking rewards to findings can prove to be unfair.
4. The results could be uneven.

This technique identifies most suitable and acceptable person for the consideration of promotion. 360-degree approach supports the company's progress and rewarding the excellent performance of an individual.

5.3 JOB EVALUATION

Q26. Define job evaluation. What are the objectives of job evaluation?

Ans : (Imp.)

Meaning

Job evaluation is the process of analyzing and assessing the various jobs systematically ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage-differentials among various jobs.

Definitions

- (i) According to Kimball and Kimball**, "Job evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wages for such a job should be".
- (ii) According to Dale Yoder**, "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs with in an organization and among similar organization. It is essentially a job rating process, not unlike the rating of employers".
- (iii) According to Edwin B. Filippo**, "The systematic and orderly process of measuring the worth of job in an organization is called job evaluation".

Objectives

The principle upon which all job evaluation schemes are based is that of describing and assessing the value of all jobs in the firms in terms of a number of factors, the relative importance of which varies from job to job.

1. To secure and maintain complete, accurate and impersonal descriptions of each distinct job or the entire plant.
2. To provide a standard procedure for determining the relative worth of each worth of each job in a plant.

3. To determine the rate of pay for each job this is fair and equitable with relation to other job in the plant, community or industry.
4. To ensure that like wages are paid to all qualified employees for like work.
5. To promote a fair and accurate consideration of all employees for advancement and transfer.
6. To provide a factual basis for the consideration of wage rates for similar jobs in a community and in an industry.
7. To provide information for work organization, employees' selection, placement, training and numerous other similar problems.

Q27. Outline the process of Job Evaluation.

Ans :

1. Gaining Acceptance

Before undertaking job evaluation, top management must explain the aims and uses of the program to the employees and unions. To elaborate the program further, oral presentations could be made. Letters, booklets could be used to classify all relevant aspects of the job evaluation program.

2. Creating Job Evaluation Committee

It is not possible for a single person to evaluate all the key jobs in an organization. Usually a job evaluation committee consisting of experienced employees, union representatives and HR experts is created to set the ball rolling.

3. Finding the Jobs to be Evaluated

Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department.

4. Analyzing and Preparing Job Description

This requires the preparation of a job description and also an analysis of job needs for successful performance.

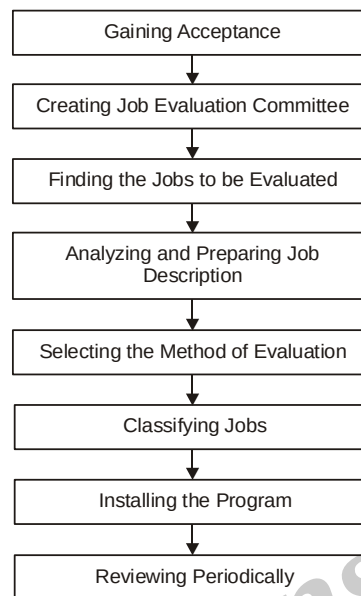


Fig. : Process of Job Evaluation

5. Selecting the Method of Evaluation

The most important method of evaluating the jobs must be identified now, keeping the job factors as well as organizational demands in mind.

6. Classifying Jobs

The relative worth of various jobs in an organization may be found out after arranging jobs in order of importance using criteria such as skill requirements, experience needed, under which conditions job is performed, type of responsibilities to be shouldered, degree of supervision needed, the amount of stress caused by the job, etc. Weights can be assigned to each such factor. When we finally add all the weights, the worth of a job is determined. The points may then be converted into monetary values.

7. Installing the Program

Once the evaluation process is over and a plan of action is ready, management must explain it to employees and put it into operation.

8. Reviewing Periodically

In the light of changes in environmental conditions (technology, products, services, etc.) jobs need to be examined closely. For

example, the traditional clerical functions have undergone a rapid change in sectors like banking, insurance and railways, after computerization. New job descriptions need to be written and the skill needs of new jobs need to be duly incorporated in the evaluation process. Otherwise, employees may feel that all the relevant job factors - based on which their pay has been determined - have not been evaluated properly.

5.3.1 Methods

Q28. What are the various quantitative and non quantitative methods of job evaluation.

(OR)

Explain :

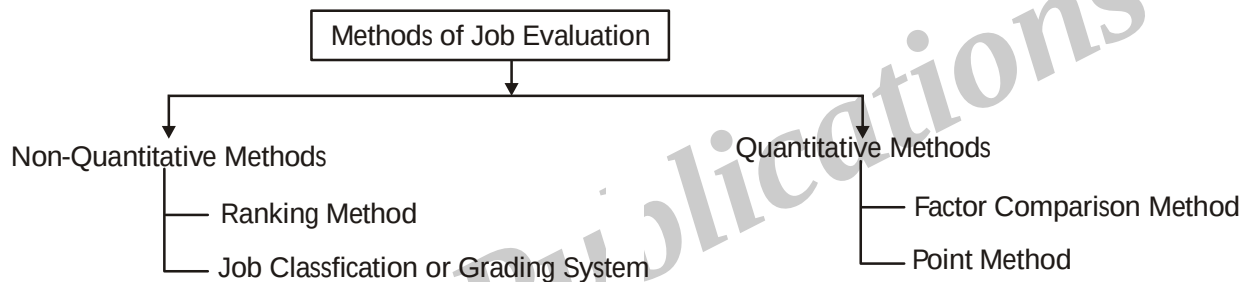
(a) Point method

(b) Factor comparison method

Ans :

(Imp.)

Methods of job evaluation are shown in figure below:



A) Non-Quantitative Methods

(i) Ranking System:

In this system, all jobs are arranged or ranked in the order of their importance from the simplest to the hardest, or in the reverse order, each successive job being higher or lower than the previous one in the sequence. It is not necessary to have job descriptions, although they may be useful. Some times, a series of grades or zones are established, and all the jobs in the organization are arranged into these, A more common practice is to arrange all the jobs according to their requirements by rating them and then to establish the group or classification. The usually adopted technique is to rank jobs according to "the whole job" rather than a number of compensable factors.

Merits

- i) The system is simple, easily understood and easy to explain to employees (or a union). Therefore, it is suitable for small organizations with clearly defined jobs.
- ii) It is far less expensive to put into effect than other systems and requires little effort for maintenance.
- iii) It requires less time, fewer forms and less work, unless it is carried to a detailed point used by company.

Demerits

- i) As there is no standard for an analysis of the whole job position, different bases of comparison between rates occur. The process is initially based on judgment and therefore, tends to be influenced by a variety of personnel biases.

- ii) Specific job requirements (such as skill, effort and responsibility) are not normally analyzed separately. Often a rater's judgment is strongly influenced by present wage rates.
- iii) The system merely produces a job order and does not indicate to what extent it is more important than the one below it. It only gives us its rank or tells us that it is higher or more difficult than another; but it does not indicate how much higher or more difficult.

ii) Job Classification (or) Grading Method

In this system, a number of pre-determined grades or classifications are first established by a committee and then the various jobs are assigned within each grade or class. Grade descriptions are the result of the basic job information which is usually derived from a job analysis. After formulating and studying job description and job specifications, jobs are grouped into classes or grades which represent different pay levels ranging from low to high. Common tasks, responsibilities, knowledge and experience can be identified by the process of job analysis. Certain jobs may then be grouped together into a common grade or classification. General grade descriptions are written for each job classification; finally these are used as a standard for assigning all the other jobs to a particular pay scale.

Merits

- i) This method is simple to operate and understand, for it does not take much time or require technical help.
- ii) The use of fully described job classes meets the need for employing systematic criteria in ordering jobs to their importance. Since many workers think of jobs in, or related to, clusters or groups, this method makes it easier for them to understand ranking.
- iii) If an organization consists of 500 people holding different jobs, the jobs might be broken up into perhaps 5 classes, arranged in order of importance from high to low, and described class by class. This class description broadly reflects level of education, mental skill, profit impact or some combination of these.

- iv) The grouping of jobs into classifications makes pay determination problems administratively easier to handle. Pay grades are determined for, and assigned to, all the job classification.
- v) It is used in important government services and operates efficiently; but it is rarely used in an industry.

Demerits

- i) Although it represents an advance in accuracy over the ranking method, it still leaves much to be desired because personal evaluations by executives (unskilled in such work) establish the major classes, and determine into which classes each job should be placed.
- ii) Since no detailed analysis of a job is done, the judgment in respect of a whole range of jobs may produce an incorrect classification.
- iii) It is relatively difficult to write a grade description. The system becomes difficult to operate as the number of jobs increases.
- iv) It is difficult to know how much of a job's rank is influenced by the man on the job.
- v) The system is rather rigid and unsuitable for a large organization or for very varied work.

B) Quantitative Methods

(i) Factor Comparison Method

Under this system, jobs are evaluated by means of standard yardsticks of value. It entails deciding which jobs have more of certain compensable factors than others. Here, the analyst or the evaluation committee selects some "key" or "benchmark" jobs for which there are clearly understood job descriptions and counterparts in other organizations, and for which the pay rates are such as are agreed upon and are acceptable to both management and labor. Under this method, each job is ranked several times—once for each compensable factor selected.

Steps

The major steps in this system consist of the following:

- i) Clear-cut job descriptions are written and job specifications then developed.
- ii) Selecting of key-jobs.

- iii) Ranking of 'key' jobs.
- iv) Valuing the factors
- v) Comparing all jobs with key jobs
- vi) Establishing the monetary unit value for all jobs.

Merits

This system enjoys the following benefits:

- i) It is a systematic, quantifiable method for which detailed step by step instructions are available.
- ii) Jobs are compared to other jobs to determine a relative value.
- iii) It is a fairly easy system to explain to employees.
- iv) There are no limits to the value which may be assigned to each factor.

Demerits

The system suffers from the following shortcomings:

- i) It is costly to install, and somewhat difficult to operate for any one who is not acquainted with the general nature of job evaluation techniques.
- ii) Wage levels change from time to time, and their minor inconsistencies may be adjusted to bring all the jobs into alignment.
- iii) Money rates, when used as a basis of rating, tend to influence the actual rate pre more than the abstract point.
- iv) The system is complex and cannot be easily explained to, and understood by, every day non-supervisory organizational employee.

(ii) Point Method

This method is the most widely used type of job evaluation plan. It requires identifying a number of compensable factors (i.e., various characteristics of jobs) and then determining degree to which each of these factors is present in the job. A different number of points are usually assigned for each degree of each factor. Once the degree to each factor is determined, the corresponding number of points of each factor is added and an overall point

value is obtained. The point system is based on the assumption that it is possible to assign points to respective factors which are essential for evaluating an individual's job. The sum of these points gives us an index of the relative significance of the jobs that are rated.

Merits

- i) It gives us a numerical basis for wage differentials; by analysis a job by factors it is usually possible to obtain a high measure of agreement on job value,
- ii) Once the scales are developed, they can be used for a long time;
- iii) Jobs can be easily placed in distinct categories,
- iv) Definitions are written in terms applicable to the type of jobs being evaluated, and these can be understood by all.
- v) Factors are rated by points which make it possible for one to be consistent in assigning money values to the total job points.
- vi) The workers' acceptance of the system is favorable because it is more systematic and objective than other job evaluation methods.
- vii) Prejudice and human judgment are minimized, i.e., the system cannot be easily manipulated.
- viii) It has the ability of handling a large number of jobs and enjoys stability as long as the factors remain relevant.

Demerits

- i) The development and installing of the system calls for heavy expenditure.
- ii) The task of defining job factors and factor degrees is a time-consuming and difficult task.
- iii) If many rates are used, considerable clerical work is entailed in recording and summarizing the rating scales.
- iv) It is difficult to determine the factor levels within factors and assign values to them.

The non-quantitative or non-analytical or summary methods utilize non-quantitative methods of listing jobs in order of difficulty. They are simple methods. The job is treated as a whole and job descriptions rather to job specifications are often utilized. On the other hand, quantitative or analytical methods use quantitative techniques in listing the jobs. They are more complex and are time consuming.'

Q29. State the benefits of job evaluation.

Ans :

- (i) Job evaluation is a logical and, to some extent, an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wage differentials in a plant/industry.
- (ii) In case of new jobs, the method often facilitates fitting them into the existing wage structure.
- (iii) The method helps in removing grievances arising out of the relative wages, and it improves labour- management relations and workers morale, By providing a yardstick, by which workers' complaints or claims can be judged, the method simplifies discussion of wages to be explained and justified.
- (iv) The method replaces many accidental factors, occurring in a less systematic procedure.
- (v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.
- (vi) The information collected in job description and job analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.
- (vii) Such information also reveals that workers are engaged in jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient use of the plant's labour.

Q30. State the pitfalls of job evaluation.

Ans :

A job evaluation process succeeds job analysis, which in turn results in job descriptions

1. It encourages employees to focus on 'how to advance in position' in the organization at a time when there may be only limited opportunities for enhancement as a result of downsizing.
2. It promotes an internal focus instead of a customer-oriented focus.
3. It is not suitable for a forward-looking organization that has trimmed multiple job titles into two or three broad jobs.
4. Elaborate exercises of wage and salary fixation through job evaluation can be dispensed with. Salaries can easily be fixed by adopting going rates, which can easily be ascertained through wage surveys.

5.4 ESSENTIALS OF SOUND WAGES

Q31. Define Wage Structure. Explain the Essentials of Sound Wage Structure.

(OR)

Outline the components of wage structure.

Ans :

Meaning

Wage structure may be defined as the internal pattern of varying job ranking and basic wage rates and differentials of different categories of employees in a company according to skill, qualifications and experience. Together with this, wage structure may also be influenced by labor market forces. But the outside market impinges only at certain points in the company wage structure.

There is a great array of semi-skilled and unskilled production jobs that are specific to a particular industry or even a particular company. Workers are usually not recruited into these jobs from the outside, but work up from within the

company on a seniority basis. These types of jobs, if not easily available elsewhere, wage rates become subject to inside market.

Essentials of Sound Wage Structure

Generally, a large number of factors influence the salary levels in an organization. Significant among them are :

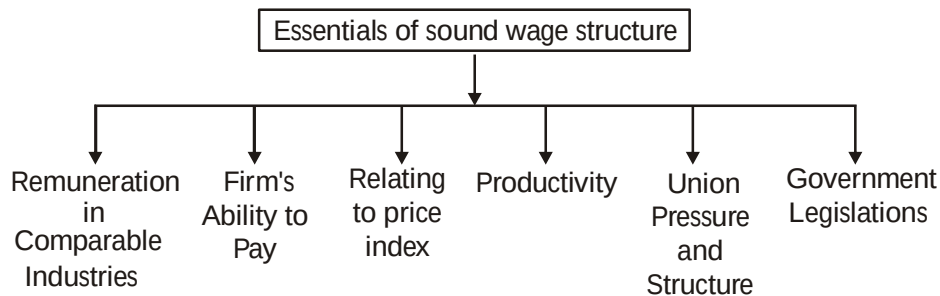


Fig.: Essentials of Sound Wage Structure

(i) Remuneration in Comparable industries

- Prevailing rates of remuneration in comparable industries constituted an important factor in determining salary levels. The organization, in the long-run, must pay at least equal to the going rate for similar jobs in similar organizations.
- Further, the salary rates for the similar jobs in the firms located in the same geographical region also influence the wage rate in the organization. The organization has to pay the wages equal to that paid for similar jobs in comparable industries in order to secure and retain the competent employees, to follow the directive of Courts of Law, to meet the trade union's demands, to satisfy the employee's need for same social status as that of same categories of employees in comparable organizations.
- Comparable industries constitute the organizations engaged in the same or similar activities, of the same size, in the similar type of management, i.e., public sector or under the management of same owners, organizations located in the same geographical region etc.

(ii) Firm's Ability to Pay

- One of the principal considerations that weigh with the management in fixing the salary levels is its ability to pay. But in the short-run, the influence of ability to pay may be practically nil.
- However, in the long-run, it is quite an influential factor. In examining the paying capacity of an organization, apart from profitability, various expenses that the industry has to bear, certain trends in prices of products/ services that are to be charged by the industry should also be taken into account.
- In addition, total cost of employees (salaries, allowances, cost of fringe benefits etc.) should be taken into consideration in determining the ability to pay.
- Trade Unions demand higher wages when the company's financial position is sound. But they may not accept wage reduction, when the company's financial position is in doldrums.
- Hence, the management has to take decisions judiciously. Further, certain incentives are linked to the profitability.
- Thus, whatever the influence of other factors may be, the organization cannot pay more than its ability to pay in the long-run.

(iii) Relating to Price index

- The cost of living is another important factor that influences the quantum of salary.
- The employees expect that their purchasing power be maintained at least at the same level, if not increased by adjusting wages to changes in cost of living.
- In fact, in recent years, in advanced countries, "a number of labour agreements have 'escalator' clauses, providing for automatic wage and salary increase as cost of living index raises."
- Dearness allowance is an allowance granted to the employees with a view to combating onslaughts of soaring prices.

(iv) Productivity

- An interesting development in wage determination has been productivity standard.
- This is based on the fact that productivity increase is also the result of employee satisfaction and contribution to the organization.
- But wage productivity linkage does not appear to be so easy since many problems crop up in respect of the concept and measurement of productivity.
- But, although the wages are not linked directly to the productivity in an organization, changes in productivity have their impact on remuneration.
- This criterion received consideration of wage boards, "not only because it constituted a factor in the fixation of 'fair wage' but also because it was directly related to such questions as desirability of extending the system of payment by result."

(v) Union Pressure and Strategies

- The wages are also often influenced by the strength of Unions, their bargaining capacity and their strategies.
- Arthur M. Ross concluded that "real hourly earnings have advanced more sharply in highly organized industries than in less unionized industries."

- Unions pressurize management through their collective bargaining strategies, political tactics and by organizing strikes etc.
- Trade unions influence may be on the grounds of wages in comparable industries, firm's financial position, rising living cost, government regulations etc.
- It may be noted here, that the Unions may have the wage raised particularly in those industries where the wage level is below that of other comparable industries."

(vi) Government Legislations

- Government legislations influence wage determination. The two important legislations which affect wage fixation are: the Payment of Wages Act, 1936 and the Minimum Wages Act, 1948.
- The important provisions of the Payment of Wages Act, 1936 are: ensuring proper payment of wages and avoiding all malpractices like non-payment, under-payment, delayed and irregular payment, payment in kind and under-measurement of work. The Act covers all employees drawing the wage up to 11,000 per month.
- The Act stipulates that the organizations with less than hundred workers should pay the wage by the seventh and the organizations with more than 100 employees should pay by the tenth of next month.

5.5 GRIEVANCE**5.5.1 Meaning****Q32. What is Grievance?****(OR)****Define the term grievance.****Ans :****Meaning**

Grievance can be defined as any discontent or dissatisfaction with any aspect of the organization. When a complaint remains unattended and the employee concerned feels a lack of justice and fair play, then the dissatisfaction grows and assumes a status of grievance. The concept 'grievance', has been variously defined by different authorities.

Definitions

- (i) **According to Keith Davis**, "Grievance is any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".
- (ii) **According to Beach**, "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management".
- (iii) **According to Dale Yoder**, "Grievance is a written complaint filed by an employee and claiming unfair treatment."
- (iv) **According to International Labor Organization**, "Grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime leave, transfer, promotion, seniority, job assignment and termination of service."
- (v) **According to National Commission on Labor**, "Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharges constitute grievances."

5.5.2 Procedure**Q33. Examine the Grievances procedure.****OR****Narrate the stages of grievances procedure.****Ans :** **(Imp.)**

The four stages of the machinery are briefly discussed here:

1. Initial level at which grievance occurs:

The greatest opportunity to redress a grievance is to resolve it at the initial level at which it occurs. A worker's grievance should be resolved by their immediate boss, the first-line supervisor. The first stage of the procedure usually involves three persons the aggrieved employee, his immediate boss and the union representative.

It is possible to involve the union in laying down the framework of the grievance procedure and thereafter restrain union involvement in the actual process, at least in the first two stages. Supervisory role needs to be strengthened, with appropriate training in problem-solving skills, grievance handling, and counselling.

2. Intermediate stage

If the dispute is not redressed at the initial state at supervisor's level, it is usually referred to the head of the concerned department. It is important that the management assumes prime responsibility for the settlement of a grievance. At the intermediate level, grievance can be settled with or without union involvement.

3. Organization level

If a grievance is not settled at the intermediate level also, it can be referred to the top management. Usually, a person of a level not less than the general manager designated for the purpose directly handles the issue. At this level, it is very difficult to reconcile the conflicting interests.

4. Third-party mediation

If the grievance has not been settled bilaterally within the organization, it goes to a third party for mediation. Arbitration or adjudication or the matter may even be referred to a labour court. At this stage, the parties concerned lose control over the way the grievance is settled.

In case of mediation (conciliation or arbitration), the mediator has no authority to decide, but in case of the labour court or an adjudicator, the decision will be binding on the parties, subject to statutory provisions for appeal to higher courts.

At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressal, responsibility lies largely with the management and as already discussed, grievances should be settled promptly at the first stage itself.

Q34. State the various types of grievances.

Ans :

Grievances are of two types as follows :

1. Contract Interpretation grievances
2. Employee discipline grievance

1. Contract Interpretation grievances

Contract interpretation grievance takes place mainly due to the rights of union members under labour contract. If the language used by the contractor in the contract is confusing or unclear, then this type of grievance takes place which is solved through arbitration.

2. Employee Discipline Grievance

Employee discipline grievance mainly deals with the employee discipline. In this type of grievances, the grievance procedure is analyzed and determined whether the employee was disciplined and obedient and self-controlled for a just cause and whether the management had the proof of it.

5.5.3 Grievance Redressal System**Q35. Explain briefly about grievance resolving mechanism.**

Ans :

(Imp.)

The manager should immediately identify all grievances and must take appropriate steps to eliminate the causes of such grievances so that the employees remain loyal and committed to their work. Effective grievance management is an essential part of personnel management. The managers should adopt the following approach to manage grievance effectively.

1. Quick action

As soon as the grievance arises, it should be identified and resolved. Training must be given to the managers to effectively and timely manage a grievance. This will lower the detrimental effects of grievance on the employees and their performance.

2. Acknowledging grievance

The manager must acknowledge the grievance put forward by the employee as

manifestation of true and real feelings of the employees. Acknowledgement by the manager implies that the manager is eager to look into the complaint impartially and without any bias. This will create a conducive work environment with instances of grievance reduced.

3. Gathering facts

The managers should gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressal.

4. Examining the causes of grievance

The actual cause of grievance should be identified. Accordingly remedial actions should be taken to prevent repetition of the grievance.

5. Decisioning

After identifying the causes of grievance, alternative course of actions should be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure should be analyzed and accordingly decision should be taken by the manager.

6. Execution and review

The manager should execute the decision quickly, ignoring the fact, that it may or may not hurt the employees concerned. After implementing the decision, a follow-up must be there to ensure that the grievance has been resolved completely and adequately.

5.5.4 Benefits**Q36. Explain the benefits of Grievance.**

Ans :

1. It encourages employees to raise concerns without fear of reprisal.
2. It provides a fair and speedy means of dealing with complaints.
3. It prevents minor disagreements developing into more serious disputes.

4. It serves as an outlet for employee frustrations and discontents.
5. It saves employer's time and money as solutions are found for workplace problems. It helps to build an organizational climate based on openness and trust.

5.6 COLLECTIVE BARGAINING

Q37. Define Collective Bargaining. Explain the characteristics of collective bargaining.

Ans : (Imp.)

Meaning

The term collective bargaining is made up of two words, 'collective' – which means a 'group action' through representation and 'bargaining', means 'negotiating', which involves proposals and counter-proposals, offers and counter-offers. Thus it means collective negotiations between the employer and the employee, relating to their work situations. The success of these negotiations depends upon mutual understanding and give and take principles between the employers and employees.

Definitions

- (i) **According to Stevens**, Collective Bargaining as a 'social control technique for reflecting and transmitting the basic power relationships which underlie the conflict of interest in an industrial relations system.'
- (ii) **According to Prof. Allan Flanders**, Collective Bargaining is primarily a political rather than an economic process. He describes collective bargaining as a power relationship between a trade union organization and the management organization. The agreement arrived at is a compromise settlement of power conflicts. Collective Bargaining has also been described as "the great social invention that has institutionalized industrial conflict"
- (iii) **According to Richardson says**, "Collective bargaining takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employers with the object of reaching agreement on conditions of the employment of the work people".

Characteristics

The main characteristics of collective bargaining are :

(i) Group action

On the management side are its delegates at the bargaining table; on the side of the workers is their trade union, which may represent the local plant, the city membership or nation-wide membership.

(ii) Flexible and mobile

It has fluidity and scope for compromise, for a mutual give-and-take before the final agreement is reached or the final settlement is arrived at.

(iii) Two-party process

It is a mutual give-and-take rather than a take-it-or-leave-it method of arriving at the settlement of a dispute. Both parties are involved in it.

(iv) Continuous process

Collective bargaining is a continuous process that provides mechanism for continuing and organized relationships between management and trade unions.

(v) Dynamic

Collective bargaining is dynamic because it is a relatively new concept, and is growing, expanding, and changing. In the past, it used to be emotional, turbulent and sentimental; but now it is scientific, factual and systematic. Its coverage and style have changed.

(vi) Industrial democracy at work

Industrial democracy is the government of labour with the consent of the governed the workers. The principle of arbitrary unilateralism has given way to that of self-government in industry.

(vii) Not a competitive process

Collective bargaining is not a competitive process, but it is essentially a complementary process, i.e., each party needs something that the other party has, namely labour can make a greater productive effort and management

has the capacity to pay for that effort and to organize and guide it for achieving its objectives.

(viii) An Art

“It is an art, an advanced form of human relations. To substantiate this, one need only witness the bluffing, the oratory, dramatics, and coyness mixed in an inexplicable fashion which may characterise a bargaining session.”

Q38. Explain the importance of collective bargaining.

Ans :

Collective bargaining includes not only negotiations between the employers and unions but also includes the process of resolving labor-management conflicts. Thus, collective bargaining is, essentially, a recognized way of creating a system of industrial jurisprudence. It acts as a method of introducing civil rights in the industry, that is, the management should be conducted by rules rather than arbitrary decision making. It establishes rules which define and restrict the traditional authority exercised by the management.

(i) Importance to Employees

Collective bargaining develops a sense of self respect and responsibility among the employees.

- It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.
- Collective bargaining increases the morale and productivity of employees.
- It restricts management's freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged.
- Effective collective bargaining machinery strengthens the trade unions movement.
- The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.
- It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and

employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

(ii) Importance to employers

1. It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.
2. Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.
3. Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making.
4. Collective bargaining plays a vital role in settling and preventing industrial disputes.

(iii) Importance to society

1. Collective bargaining leads to industrial peace in the country
2. It results in establishment of a harmonious industrial climate which supports which helps the pace of a nation's efforts towards economic and social development since the obstacles to such a development can be reduced considerably.
3. The discrimination and exploitation of workers is constantly being checked.
4. It provides a method or the regulation of the conditions of employment of those who are directly concerned about them.

5.6.1 Types

Q39. Explain the different types of collective bargaining.

Ans :

A collective bargaining process generally consists of four types of activities- distributive bargaining, integrative bargaining, attitudinal restructuring and intra-organizational bargaining.

(i) Distributive bargaining

It involves haggling over the distribution of

surplus. Under it, the economic issues like wages, salaries and bonus are discussed. In distributive bargaining, one party's gain is another party's loss. This is most commonly explained in terms of a pie. Disputants can work together to make the pie bigger, so there is enough for both of them to have as much as they want, or they can focus on cutting the pie up, trying to get as much as they can for themselves. In general, distributive bargaining tends to be more competitive. This type of bargaining is also known as conjunctive bargaining.

(ii) Integrative bargaining

This involves negotiation of an issue on which both the parties may gain, or at least neither party loses. For example, representatives of employer and employee sides may bargain over the better training programme or a better job evaluation method. Here, both the parties are trying to make more of something. In general, it tends to be more cooperative than distributive bargaining. This type of bargaining is also known as cooperative bargaining.

(iii) Attitudinal restructuring

This involves shaping and reshaping some attitudes like trust or distrust, friendliness or hostility between labour and management. When there is a backlog of bitterness between both the parties, attitudinal restructuring is required to maintain smooth and harmonious industrial relations. It develops a bargaining environment and creates trust and cooperation among the parties.

(iv) Intra-organizational bargaining

It generally aims at resolving internal conflicts. This is a type of maneuvering to achieve consensus with the workers and management. Even within the union, there may be differences between groups. For example, skilled workers may feel that they are neglected or women workers may feel that their interests are not looked after properly. Within the management also, there may be differences. Trade unions maneuver to achieve consensus among the conflicting groups.

Q40. Outline the process of Collective Bargaining.

(OR)

Describe the steps involved in collective bargaining process.

Ans :

Collective bargaining plays an important role in settlement industrial disputes. The role/importance of collective bargaining in dispute settlement can be understood from the collective bargaining process.

Collective bargaining has two dimensions.

1. Negotiating the collective agreements.
2. Interpreting and enforcing the collective agreement and resolving the conflicts arising.

According to R. Wayne Mondy and Robert M. Noe III, the process of collective bargaining has six major steps. They are as follows,

1. Getting Ready for Negotiation

Both employees and employers should carefully prepare to discuss a wide range of complex issues during negotiations. Preparing for negotiation involves selection of negotiators from both sides and identifying a suitable site for negotiation.

Negotiators of the management side should,

- (i) Present specific proposals for changing the language of the contract.
- (ii) Identifying the budget that the company proposes to offer.
- (iii) Preparing statistical data to be used in negotiation,
- (iv) Gathering information during negotiation such that it can be used for future purposes.

Unions should collect information about,

- (i) Financial position of the organizations and its ability to pay.
- (ii) Managements attitude from past negotiations.
- (iii) Employee attitudes and desires.

2. Determining Bargaining Issues

The major issues that are discussed under collective bargaining are,

(a) Wage-related Issues

The issues like determination of basic wage rate, adjustments regarding cost of living, wage differentials, wage adjustments, overtime rates etc., fall under this category.

(b) Additional Monetary Benefits

Pension plans, paid vacations, paid holidays, health- insurance plans, retrenchment pay, unemployment pension and the like fall under this category.

(c) Organizational Issues

These consists of the rights and duties of employees, employers, unions, employee schemes, welfare programmes etc.

(d) Management Issues

The issues such as seniority, work rules, code of discipline, grievance redressal procedure, health and safety measures, technological changes, job security training etc., fall under management related issues to be discussed in collective bargaining.

3. Negotiation

After the preparations are made and issues are being identified, 'negotiation' is the next logical step in collective bargaining process. Negotiation begins when each side presents its initial demand and continues till the final agreement is reached. As the final agreement is reached, the agreement is signed by both management and union representatives.

The success of negotiation depends upon the skills and abilities of negotiators from both the sides.

4. Approaching the Agreement

After a battle of wits, using individual tactics and cleverness, threats of strikes and lockouts, finally an agreement is reached which is amicable to both the parties. After the agreement is reached, the two sides return to their constituencies and discuss about the agreement with their respective groups.

5. Formalising the Agreement into a Contract

In this stage, the negotiators of the union explain the agreement to the union members and take their votes. As the voting is completed, the agreement is formalized into a contract. The contract thus formalized should be clear and precise as any ambiguity can lead to grievances and other problems.

6. Implementing the Agreement

Formalising of agreement is not the end of collective bargaining process, rather it is the real beginning of the process. The signed agreement must be implemented according to letter and spirit of provisions of the agreement. But, it is not easy to strictly follow the agreement in day-to-day work stress. Management is primarily responsible for implementing the agreement. It should communicate the agreement to all the levels by conducting the meetings or training sessions.

5.6.2 Essential Conditions for the Success of Collective Bargaining

Q41. Bring out the essential conditions that must be present for collective bargaining successfully.

(OR)

List out the essential conditions for the success of collective bargaining.

(OR)

Explain the essential conditions for the success of collective bargains.

Ans : (Imp.)

- i) Constructive consultation between the trade union and the management is possible only when the bargaining power of two parties is relatively equal and is exercised with responsibility and discrimination
- ii) Two parties of collective bargaining accept the principle of 'free consultation' and 'free enterprise consistent with the advancement of public interest.
- iii) The willing acceptance by the management to recognize representative union for this purpose.

- iv) Both the parties must have mutual confidence, good faith and a desire to make collective bargaining machinery a success.
- v) Management should not await the Union to raise problems but should make every reasonable effort prevent them from arising and to remove them promptly when they arise.
- vi) An emphasis upon a problem-solving approach with de-emphasis upon excessive legalism.
- vii) Dispose off the issues in the same meeting and minimize pending of items.
- viii) Desire of the management to settle the issues to the satisfaction of employees. This does not mean that the management must relinquish its right to direct the company or that it must accede to all union demands.
- ix) Unions must understand the economic implications of collective bargaining and realize that union demands must be met from the income and resources of the organization.
- x) Both the parties should represent the rights and responsibilities of each other.
- xi) The process of bargaining should be free from unfair practices.
- xii) Unanimity among workers: Before entering into negotiations, there must be unanimity among workers. At least the representatives of workers should be able to represent the opinion or demands of majority of workers.
- xiii) The attitudes of the parties (involved) should be positive. Both the parties should reach the negotiating table with an intention to find better solutions.
- xiv) The parties involved in collective bargaining should be prepared to give away something in order to gain something.
- xv) Both the parties to collective bargaining should observe and follow the terms and conditions of previous agreements that are reached. Collective bargaining, being a continuous process, can be effective only with the successful implementation of previous agreements. Any lapse on the part of any

party concerned, shows its effect on the present process.

- xvi) The representatives of both the parties should fully understand and be clear about the problems and their implications.

- xvii) The workers can make effective use of collective bargaining process to achieve participative management and good working conditions. They should not confine collective bargaining for mere monetary benefits.

5.7 PARTICIPATIVE MANAGEMENT

Q42. Explain the concept of workers participation in management.

Ans :

Introduction

The term Workers Participation in Management (WPM) is the mechanism of the workers having say in the decision-making process of the organizations.

Workers participation in management is an essential ingredient of industrial democracy. The concept of workers participation in management is based in "Human Relations" approach to management which brought about new set of values to labour and management.

Traditionally, the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organization. Workers' participation in management meets the psychological needs of the workers to a greater extent.

Meaning

Co-determination means taking the decisions relating to various organizational issues jointly both by the managers and the workers at the helm of affairs. Co-determination requires both the managers and the employees to involve extensively in the entire process of decision-making and implementation. Co-determination is a type of workers' participation in management.

Co-determination was started in Germany in 1945, as a method of reconstructing the war-

devastated economy. The methods of co-determination include :

- i) Works Councils
 - ii) Workers' Representatives on the Supervisory Boards of Companies
 - iii) Labour Director on the Management Board.
- (i) **Works Councils:** These are established in every unit of the company with five or more workers. These consist of only workers' representatives. Works councils have right to get information relating to health and safety, working conditions, hiring of executives etc. They can also offer suggestions to the management.
- (ii) **Workers' Representatives on the Supervisory Board:** Workers' representatives are elected to represent on the Supervisory Board of the company with 500 or more employees. These boards make policy decisions.
- iii) **The Management Board:** This is a full-time body. This body makes policy decisions. Workers' representatives are elected to represent these boards.

Definitions

- (i) **According to one view**, workers participation is based on the fundamental concept that the ordinary worker invest his labour in, and ties his fate to, his place of work and, therefore, he has a legitimate right to have a share in influencing the various aspects of company policy".
- (ii) **According to G.S. Walpole**, participation in management gives the workers a sense of importance, pride and accomplishment; it given him the freedom and the opportunity for self-expression; a feeling of belonging to his place of work and a sense of workmanship and creativity. It provides for the integration of his interest with those of the management and makes him a joint partner in the enterprise".

- (iii) **According to Davis**, "It is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them."

Within the orbit of this definition, a continuum of men management relationship can be conceived :

Workers' Control Joint Management → Joint Consultation

Workplace Consultation → Management Supremacy.

- (iv) **According to Dr. Alexander** considers a management to be participative, "if it gives scope to the workers to influence its decision making process on any level or sphere or if it shares with them some of its managerial prerogatives".
- (v) **According to Clegg** says, "It implies a situation where workers representatives are, to some extent, involved in the process of management decision making, but where the ultimate power is in the hands of the management".
- (vi) **According to Dr. Davis**, "it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them".

Q43. Explain the characteristics of workers participation in management.

Ans :

Following are the characteristics of worker participation :

- (i) Participation implies practices which increases the scope and share of influence in decision making at different tiers of the organization hierarchy with concomitant assumption of responsibility.
- (ii) Participation has to be at different levels of management. Decision making at different levels would assume different patterns in regard to policy formulation and execution.

- (iii) Participation presupposes willing acceptance of responsibilities by workers.
 - (iv) Participation is conducted through the mechanism of the forum and practices which provide for association of workers' representation.
 - (v) The brand goal of participation is to change fundamentally the organizational aspect of production and transfer the management function entirely to the workers. So that management becomes 'auto-management'.
-

Q44. What are the main objectives of participative management?**Ans :****(Imp.)**

1. To fulfill the social and self esteem needs of the workers.
2. To build up labour management cooperation and maintain industrial peace and harmony.
3. To promote dynamic and active human resource.
4. To create a nation by entrepreneurship and economic development
5. To serve as a device for enhancing the efficiency of the firm and building peaceful industrial relationships.
6. To help the employees to understand their role and attain the organizational objectives effectively.
7. To encourage increased productivity for the benefit of organization, workers and society.
8. To promote social education for effective harmony between the workers.
9. To act as an ideological view for creating and building up self-management in an industry.
10. To give an overview or good understanding to employees with respect to their roles and responsibilities in an organization for achieving the organizational goals.

Short Question and Answers

1. Define Training.

Ans :

Training is a short-term process utilizing a systematic and organized procedure by which non-managerial personnel acquire technical knowledge and skills for a definite purpose. It refers to instruction in technical and mechanical operations, like operation of some machine. It is designed primarily for non-managers, it is for a short duration and it is for a specific job-related purpose.

Definitions

- (i) **According to Dale S Beach**, "Training is the organized procedure by which people learn knowledge and for skill for a definite purpose".
- (ii) **According to Planting, Cord and Efferson**, "Training is the continuous, systematic development among all levels of employees of that knowledge and their skills and attitude which contribute to their welfare and that of the company".

2. Define Training Evaluation.

Ans :

Mening

- Evaluation of training effectiveness is the process of obtaining information or data on the effectiveness of training program conducted and assessing the value of training in the light of that information.
- Evaluation involves controlling and correcting the training program.
- Evaluation means appraisal or assessment. In terms of training it is a activity of assessing the impact of the training as compared to the objectives that were set for achievement through the program, evaluation is done by obtaining feedback from the trainees, trainers and the line managers of the concerned departments.
- Perspectives of colleagues can also be considered to obtain 360 degree evaluation.

- Evaluation measures can be undertaken before the start of training, at the start of training, during the training and at the end of training.
- Training evaluation is the assessment of the total value of the training system, training course or program in social as well as financial term. The term is also used in general judgmental sense of the continuous monitoring of a program or of the training function as the whole.

3. Scope of Training Evaluation.

Ans :

It is useful to look at evaluation in three related but distinct phases.

(i) Immediate

It concerns with changes in knowledge, skills or behavior immediately after a training experience. In other words it attempts to asses whether or not training has been effective in communicating the message.

(ii) Intermediate

This refers to evidence that knowledge, skill or behavior which has been learned is being put into use on the job. In other words can the trainee, managers and colleagues identify changes in behavior, skill and attitude as a result of attending training.

(iii) Long Term

This refers to the long term effectiveness of the individual, the unit and as well as the organization. This ultimate evaluation is difficult and only possible if the training in the first instance has been related to the real corporate strategy and business needs of the organization.

4. Characteristics of performance appraisal.

Ans :

The following are the characteristics of Performance Appraisal.

(i) A Process

Performance appraisal is not a one-act play. It is rather a process that involves several acts or steps.

(ii) Systematic Assessment

Performance appraisal is a systematic assessment of an employee's strengths and weakness in the context of the given job.

(iii) Main Objective

The main objective of it is to know how well an employee is going for the organization and what needs to be improved in him.

(iv) Scientific Evaluation

It is an objective, unbiased and scientific evaluation through similar measure and procedures for all employees in a formal manner.

(v) Periodic Evaluation

Although informal appraisals tend to take place in an unscheduled manner (on continuous) basis with the enterprises a supervisors evaluate their subordinates work and as subordinates appraise each other and supervisors on a daily basis, yet the systematic (i.e., formal) appraisal of an individual employee is likely to occur at certain intervals throughout that person's history of employment (say quarterly, six monthly, annually, etc.)

5. Advantages of performance appraisal.

Ans :

It is said that performance appraisal is an investment for the company which can be justified by following advantages :

(i) Promotion

Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

(ii) Compensation

Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and prerequisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

(iii) Employees Development

The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyses strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.

(iv) Selection Validation

Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

6. Behaviourally Anchored Rating Scales.

Ans :

Behaviourally Anchored Rating Scales are descriptions of various degrees of behaviour with regard to a specific performance dimension. It combines the functions of narratives, critical incidents and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance.

The following are the steps followed in developing Behaviourally Anchored Rating Scales (BARS).

(i) Generate Critical Incidents : Persons with knowledge of the job to be appraised (job holders/supervisors) are asked to describe specific illustrations (critical incidents) of effective performance behaviour.

(ii) Develop Performance Dimensions:

These people then cluster the incidents into a smaller set (or say 5 or 10) of performance dimensions. Each cluster (dimension) is then defined.

(iii) Reallocate Incidents : Any group of people who also know the job then reallocate the original critical incidents. They are given the cluster's definitions, and critical incidents, and asked to redesign each incident to the dimension it best described. Typically a critical incident is retained if some percentage usually (50 to 80%) of this group assigns it to the same cluster as the previous group did.

(iv) Scale of Incidents : This second group is generally asked to rate (7 or 9 point scales are typical) the behaviour described in the incident as to how effectively or ineffectively it represents performance on the appropriate dimension.

(v) Develop Final Instrument : A subset of incident (usually 6 or 7 pe) cluster are used as behaviour anchors for the performance dimensions.

7. Assessment Centres.

Ans :

The concept of an assessment centre is of recent origin in India. The assessment centres are mainly used for evaluating the performance and potential of executives and supervisors. In this method, the executives and supervisors come together to participate in a well-designed, stimulated exercises. They are assessed by the senior managers, psychologists and HR specialists for 2-3 days. After recording the employee's behaviour, the raters communicate the information with them. At the end of the process, feedback in terms of strengths and weaknesses is also provided to the employees.

8. Define job evaluation.

Ans :

Meaning

Job evaluation is the process of analyzing and assessing the various jobs systematically ascertain

their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage-differentials among various jobs.

Definitions

(i) According to Kimball and Kimball, "Job evaluation represents an effort to determine the relative value of every job in a plant and to determine what the fair basic wages for such a job should be".

(ii) According to Dale Yoder, "Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs with in an organization and among similar organization. It is essentially a job rating process, not unlike the rating of employers".

(iii) According to Edwin B. Filippo, "The systematic and orderly process of measuring the worth of job in an organization is called job evaluation".

9. Benefits of job evaluation.

Ans :

(i) Job evaluation is a logical and, to some extent, an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wage differentials in a plant/ industry.

(ii) In case of new jobs, the method often facilitates fitting them into the existing wage structure.

(iii) The method helps in removing grievances arising out of the relative wages, and it improves labour- management relations and workers morale, By providing a yardstick, by which workers' complaints or claims can be judged, the method simplifies discussion of wages to be explained and justified.

(iv) The method replaces many accidental factors, occurring in a less systematic procedure.

- (v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.
 - (vi) The information collected in job description and job analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.
-

10. Grievance.

Ans :

Meaning

Grievance can be defined as any discontent or dissatisfaction with any aspect of the organization. When a complaint remains unattended and the employee concerned feels a lack of justice and fair play, then the dissatisfaction grows and assumes a status of grievance. The concept 'grievance', has been variously defined by different authorities.

Definitions

- (i) **According to Keith Davis**, "Grievance is any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".
 - (ii) **According to Beach**, "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management".
 - (iii) **According to Dale Yoder**, "Grievance is a written complaint filed by an employee and claiming unfair treatment."
-

11. Characteristics of workers participation in management.

Ans :

Following are the characteristics of worker participation :

- (i) Participation implies practices which increases the scope and share of influence in decision making at different tiers of the organization hierarchy with concomitant assumption of responsibility.
- (ii) Participation has to be at different levels of management. Decision making at different levels would assume different patterns in regard to policy formulation and execution.
- (iii) Participation presupposes willing acceptance of responsibilities by workers.
- (iv) Participation is conducted through the mechanism of the forum and practices which provide for association of workers' representation.

Choose the Correct Answer

1. Which of the following is not mentioned in Job Analysis [b]
(a) Working (b) Performance Appraisal
(c) Specification Condition (d) None
2. The process of evaluating the performance of individuals with reference to their Job is called as [b]
(a) Working (b) Performance Appraisal
(c) Specification Condition (d) None
3. Job Rotation comes under training [a]
(a) On-the-Job (b) Off-the-Job
(c) both (d) None
4. Vestibule training comes under training [b]
(a) On-the-Job (b) Off-the-job
(c) both (d) None
5. _____ training is provided by simulation (or) creation of actual working conditions in the class room [b]
(a) Performance Instruction (b) Vestibule training
(c) Role Playing (d) Lecture Method
6. _____ is a traditional and direct method of training [d]
(a) Programmed Instruction (b) Vestibule Training
(c) Role playing (d) Lecturer Method
7. _____ is a realistic behaviour in an imaginary situation [c]
(a) Programmed Instruction (b) Vestibule Training
(c) Role Playing (d) Lecturer Method
8. _____ method is useful and effective in identifying, measuring interpersonal skills, customer satisfaction. [c]
(a) Psychological appraisal (b) Team appraisal
(c) 360° feed back (d) All of the above

9. _____ combines the benefits of critical incidents and graphic rating scales by anchoring a scale with a behaviour [b]
- (a) Psychological appraisal (b) Team appraisal
(c) 360° (d) BARS
10. _____ is an ongoing process through which an individual sets career goals and identifies the means to achieve them [a]
- (a) Career planning (b) Career development
(c) Career growth (d) All of the above

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Fill in the blanks

1. _____ is the important subsystem of human resource development.
2. _____ analysis includes both short-run and long-run goals.
3. _____ is the movement of an employee from one job to the other of same nature.
4. _____ is a method in which an employee is trained to take in future the full responsibility of the position of his superior.
5. _____ involves controlling and correcting the training program.
6. _____ is a systematic assessment of an employee's strengths and weakness in the context of the given job.
7. _____ is the process of analyzing and assessing the various jobs systematically ascertain their relative worth in an organization.
8. _____ can be defined as any discontent or dissatisfaction with any aspect of the organization.
9. _____ begins when each side presents its initial demand and continues till the final agreement is reached.
10. Management by objectives method was developed by _____ in 1954.

ANSWERS

1. Training
2. Organizational
3. Job rotation
4. Under study
5. Evaluation
6. Performance appraisal
7. Job evaluation
8. Grievance
9. Negotiation
10. Peter F. Drucker

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
Model Paper - I
ORGANISATION BEHAVIOUR AND HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]

[Max. Marks : 70

**Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 10 marks in Part - B**

**PART - A (5 × 4 = 20 Marks)
[Short Answer Type]**

ANSWERS

- | | | |
|----|-----------------------------------|-------------------|
| 1. | Classical Conditioning | (Unit-I, SQA-6) |
| 2. | Features of Motivation. | (Unit-II, SQA-2) |
| 3. | Qualities of Leader | (Unit-III, SQA-3) |
| 4. | Define Human Resource Management. | (Unit-IV, SQA-1) |
| 5. | Scope of Training Evaluation | (Unit-V, SQA-3) |

**PART - B (5 × 10 = 50 Marks)
[Essay Answer Type]**

- | | | |
|-----|---|---|
| 6. | (a) What are the Factors influencing perception?
(OR)
(b) Explain the fundamental concepts of OB. | (Unit-I, Q.No. 26)

(Unit-I, Q.No. 6) |
| 7. | (a) Articulate the Importance of Motivation.
(OR)
(b) What are the factors that influencing morale ? | (Unit-II, Q.No. 4)

(Unit-II, Q.No. 15) |
| 8. | (a) What are the Functions & Qualities of Leader?
(OR)
(b) Explain about fielder's Model / Leadership Effectiveness Model. | (Unit-III, Q.No. 4)

(Unit-III, Q.No. 18) |
| 9. | (a) Explain the significance of Human Resource Management.
(OR)
(b) Distinguish between HRM and HRD. | (Unit-IV, Q.No. 4)

(Unit-IV, Q.No. 19) |
| 10. | (a) Examine the various steps in analyzing training needs.
(OR)
(b) What are the various quantitative and non quantitative methods of job evaluation. | (Unit-V, Q.No. 8)

(Unit-V, Q.No. 28) |

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
Model Paper - II

ORGANISATION BEHAVIOUR AND HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]

[Max. Marks : 70

**Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 10 marks in Part - B**

**PART - A (5 × 4 = 20 Marks)
[Short Answer Type]**

ANSWERS

- | | |
|--|-------------------|
| 1. What is an Organizational Behavior? | (Unit-I, SQA-1) |
| 2. Define Conflict | (Unit-II, SQA-8) |
| 3. Controlling | (Unit-III, SQA-6) |
| 4. Significance of HRD | (Unit-IV, SQA-4) |
| 5. Assessment Centres. | (Unit-V, SQA-7) |

**PART - B (5 × 10 = 50 Marks)
[Essay Answer Type]**

- | | |
|---|----------------------|
| 6. (a) Explain various challenges and opportunities of Organizational Behaviour. | (Unit-I, Q.No. 7) |
| (OR) | |
| (b) Explain the factors influencing formation of attitudes. | (Unit-I, Q.No. 22) |
| 7. (a) Explain Maslow's theory of motivation. | (Unit-II, Q.No. 9) |
| (OR) | |
| (b) How does a culture in an organization sustain ? Discuss. | (Unit-II, Q.No. 19) |
| 8. (a) Explain the various Styles of Leadership. | (Unit-III, Q.No. 12) |
| (OR) | |
| (b) What do you mean by stress and stress management? What are the causes and consequences of stress? | (Unit-III, Q.No. 27) |
| 9. (a) Explain the various functions of HRM. | (Unit-IV, Q.No. 7) |
| (OR) | |
| (b) Describe various methods of job analysis. | (Unit-IV, Q.No. 27) |
| 10. (a) Explain the various methods of training. | (Unit-V, Q.No. 10) |
| (OR) | |
| (b) What is Grievance? | (Unit-V, Q.No. 31) |

FACULTY OF COMMERCE
M.Com II - Semester (CBCS) Examination
Model Paper - III

ORGANISATION BEHAVIOUR AND HUMAN RESOURCE MANAGEMENT

Time : 3 Hours]

[Max. Marks : 70

Note: Answer all the questions from Part - A and Part - B
Each question carries 4 marks in Part - A and 10 marks in Part - B

PART - A (5 × 4 = 20 Marks)
[Short Answer Type]

ANSWERS

- | | |
|--|-------------------|
| 1. Define Perception | (Unit-I, SQA-9) |
| 2. Inter-personal Conflicts | (Unit-II, SQA-10) |
| 3. Define Leadership | (Unit-III, SQA-1) |
| 4. Job specification | (Unit-IV, SQA-6) |
| 5. Characteristics of workers participation in management. | (Unit-V, SQA-11) |

PART - B (5 × 10 = 50 Marks)
[Essay Answer Type]

- | | |
|--|----------------------|
| 6. (a) Explain briefly about learning. | (Unit-I, Q.No. 13) |
| (OR) | |
| (b) Explain the scope of organizational behaviour. | (Unit-I, Q.No. 5) |
| 7. (a) Define Morale and explain different types of morale. | (Unit-II, Q.No. 14) |
| (OR) | |
| (b) Explain about Functional conflict in an Organization. | (Unit-II, Q.No. 23) |
| 8. (a) Explain about Managerial Grid/Behavioural Model of Leadership ? | (Unit-III, Q.No. 15) |
| (OR) | |
| (b) Define Leadership. Explain the Characteristics of Leadership ? | (Unit-III, Q.No. 1) |
| 9. (a) Explain the scope and need of HRD in present scenario. | (Unit-IV, Q.No. 15) |
| (OR) | |
| (b) Explain the various factors influencing HR planning. | (Unit-IV, Q.No. 30) |
| 10. (a) Explain the various Techniques of Performance Appraisal. | (Unit-V, Q.No. 25) |
| (OR) | |
| (b) Define Wage Structure. Explain the Essentials of Sound Wage Structure. | (Unit-V, Q.No. 31) |