স্কুল অব বিজনেস

SCHOOL OF BUSINESS

বাংলাদেশ উন্মুক্ত বিশ্ববিদ্যালয়

MBA 2309
HUMAN RESOURCE MANAGEMENT

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Preface

Authors
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INTRODUCTION

1

Human is the most pivotal resource in an organization. It activates or uses all other resources that an organization employs for its operations – machine, method, fund, market, material, and information. Human is also a creative resource that invents, innovates and utilizes tools and techniques for increasing productivity and for providing new products to our civilization.

The world is homogeneous in technology. Globalization and quick transportation have made hard technology available to every corner of the world. The world is heading towards a more integrated and interdependent world. The technological know-how is also transferred to the countries of the world with bilateral and/or multilateral exchange programmes/treaties. Under these circumstances, the human resource is the only means by which one can get competitive edge over others. Because, human resources are the people who are ready, willing, and able to contribute to organizational goals (Werther and Davis, 1996,596). Thus, the productivity of human resource is a focal point now, to every management of every organization of the world.

Human Resource Management (HRM) is a new paradigm of people management. It advocates a more holistic orientation that embraces the management of all employees. It seeks to match, redesign and harmonize employment practices with the strategy appropriate for product, market and other requirements. HRM focuses on the goal of integration, employee commitment, flexibility and the goal of quality. The effective utilization of Human resource management (HRM) philosophy and practices would bring about a fundamental change in people management that will obviously lead to higher productivity of the organization. Innovative human resource management practices contribute to the improved economic performance only when three conditions are met: when employees possess knowledge and skills that organization needs; when employees are motivated to apply this skill and knowledge through discretionary efforts; and when employees contribute such discretionary efforts to the firm's business or production strategy. This justifies that human resource management is the most critical management of organizations today as it is the only force that can effectively and efficiently utilize resources of the organization and can create difference from that of others. Thus, total emphasis is shifted from machine technology to the organic technology of managing human resource.

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Lesson 1: Definition, Systems view, Objectives and Functions of Human Resource Management (HRM)

Objectives

After studying this lesson, you would be able to -

- Define human resource management.
- State what a system is and its characteristics.
- Discuss the objectives of human resource management.
- Understand the functions of human resource management
- Discuss the functions of human resource management.
- Explain the systems view of human resource management.

Explain the dilemma among HRM experts regarding functions of human resource management.

Definition of Human Resource Management (HRM)

Human resource management is now a reality. In spite of the debate about its true nature, it is beyond all controversies and debates that Human Resource Management (HRM) comes to play the role to make 'people' in the organization a most productive force. HRM has been defined from various dimensions. Let us know a few of those definitions.

Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques. – John Storey (1997:5). This definition describes human resource management as an amalgam of description, prescription, and logical deduction. It emphasizes on strategic resourcing of organization with highly committed and capable workforce with integrative approach that combined together culture from which people have come, structure of the organization that fit appropriately with the people and means of treating people as a valued asset to strive for the ambitious objective of commitment to the purpose of the organization.

Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques

Human resource management is the policies and practices involving in carrying out the "people" or human resource aspects of a management position including recruiting, screening, training, rewarding and appraising.- Garry Dessler (2003,2). This definition gives emphasis on human resource policies and practices that are required to carry out people by performing a set of activities.

Human resource management is concerned with the 'people' dimension in management. – David A. DeCenzo and Stephen P. Robbins (1997:3). It focuses on the fact that getting and keeping good people is critical to the success of every organization. Thus, they clarified further the people dimension into acquiring people, developing their skills, motivating them to high level of performance and ensuring that people continue to maintain their commitment to the organization to achieve organizational objectives.

Human resource management is concerned with the 'people' dimension in management.

Human resource management refers to the philosophy, policies, procedures, and practices related to the management of people within an organization. – Wendell French (1997:4). This definition does not focus on the functional aspects of human resource management but the guiding dictates of managing people within the organization. We know that the actions are built on the conceptual foundations and therefore, human resource management is also guided by the philosophies, policies, procedures and practices related to the management of people which ensure harmony and cohesion in actions.

Human resource management is resource-oriented, directed mainly at management needs for human resources (not necessarily employees) to be provided and deployed. – D. Torrington and L. Hall (1995). This definition emphasizes on the managing the needs of the existing people and the people who will come into the organization in future. The word 'need' has got broad and diversified meaning. It embraces a broad perspective of human interests that are to be 'planned, monitored and controlled'.

Human resource management is a system of philosophies, policies, and practices that affect the people who work for an organization

Human resource management is a system of philosophies, policies, and practices that affect the people who work for an organization.-Hellriegel, Jackson and Slocum (1999:388). They also believed that it includes activities related to staffing, training and development, performance review and evaluation, and compensation. Though the definition included the idea of 'philosophy', but their pointed activities do not contain any philosophical activity as guiding rule for the human resource management (HRM). The conceptual basis like human capacity, concept of life, etc is to be included into the periphery of human resource management. Without the ideological standing about human resource no management style could bring about effective human resource management.

HRM is entrusted with functions to improve the productive contribution of people to the organization in ways that are strategically, ethically and socially responsible.- William B. Werther Jr. and Keith Davis (1996:8). This idea recognizes the social acceptability and recognition to the conduct of the people in the organization and that have to be performed by the human resource management. The whole responsibility for making people's work and contribution strategic, ethical and social rests on the human resource management.

Human resource management as the function performed in organizations that facilitates the most effective use of people/employees to achieve organizational and individual goals

Human resource management as the function performed in organizations that facilitates the most effective use of people/employees to achieve organizational and individual goals.- John M. Ivancevich (2001,4). The definition focuses primarily on the achievement of organizational and individual goals and sees HRM facilitating tasks entered into these goals.

Human resource management is a series of integrated decisions that form the employment relationship; their quality directly contributes to the ability of the organization and the employees to achieve their objectives. – George T. Milkovich and John W. Boudreau (1997,2). The focal point here is 'integrated decisions that form the employment relationship'. Human resources provide the creative spark in any organization that ultimately integrate and lead all aspects to the attainment of the objectives of the organization Therefore, the decisions of the mangers that shape the relationship between an organization and its employees crucial for both the employees and organization (Milkovich and

Boudreau,1997). The blending of decisions into an integrated whole in a consistent manner is not an unique proposition, others have also pointed it out while projecting their idea of human resource management (Cacio,1986; French,1997), but making it a pivotal point is distinctive phenomenon.

Human resource managemeAt the end, we could say that human resource management (HRM) is the philosophies, policies and decisions related to human aspect of the organisation and a process of a set

At the end, we could say that **human resource management (HRM)** is the philosophies, policies and decisions related to human aspect of the organisation and a process of a set of activities consisting of human resource planning, job design and analysis, staffing, training and development, compensation management, performance appraisal, employee protection and industrial/employee relations involving with both hard and soft approaches of managing human resources within an organisation with holistic orientation to ensure high commitment to and involvement of the people with the purposes and activities of the organisation.

A Systems View of Human Resource Management

The term system represents a group of things or parts working together in a regular relation (Oxford Dictionary). It indicates that a system is composed of interrelated and interdependent subsystems working as a whole.

A system is a set of interrelated elements functioning as a whole.-Moorhead and Griffin (1999).

A system is a particular set of procedures and devices designed to control a process in a predictable way. – Wendell French (1997).

A system is a particular set of procedures and devices designed to control a process in a predictable way.

A system, therefore, is any collection of interrelated parts, objects, things or organisms that works or functions as an integrated whole. These parts are known as subsystems. It means that a system is composed of interrelated and interdependent subsystems working as a whole. Thus, it implies that any change in any subsystem or the system would have effect on all other subsystems and the whole system.

Characteristics of a System

A system denotes the following factors or characteristics:

1. A system indicates an orderly arrangement of parts.

2. A system has its own boundary.

3. A system has subsystems or parts which are interrelated and interdependent.

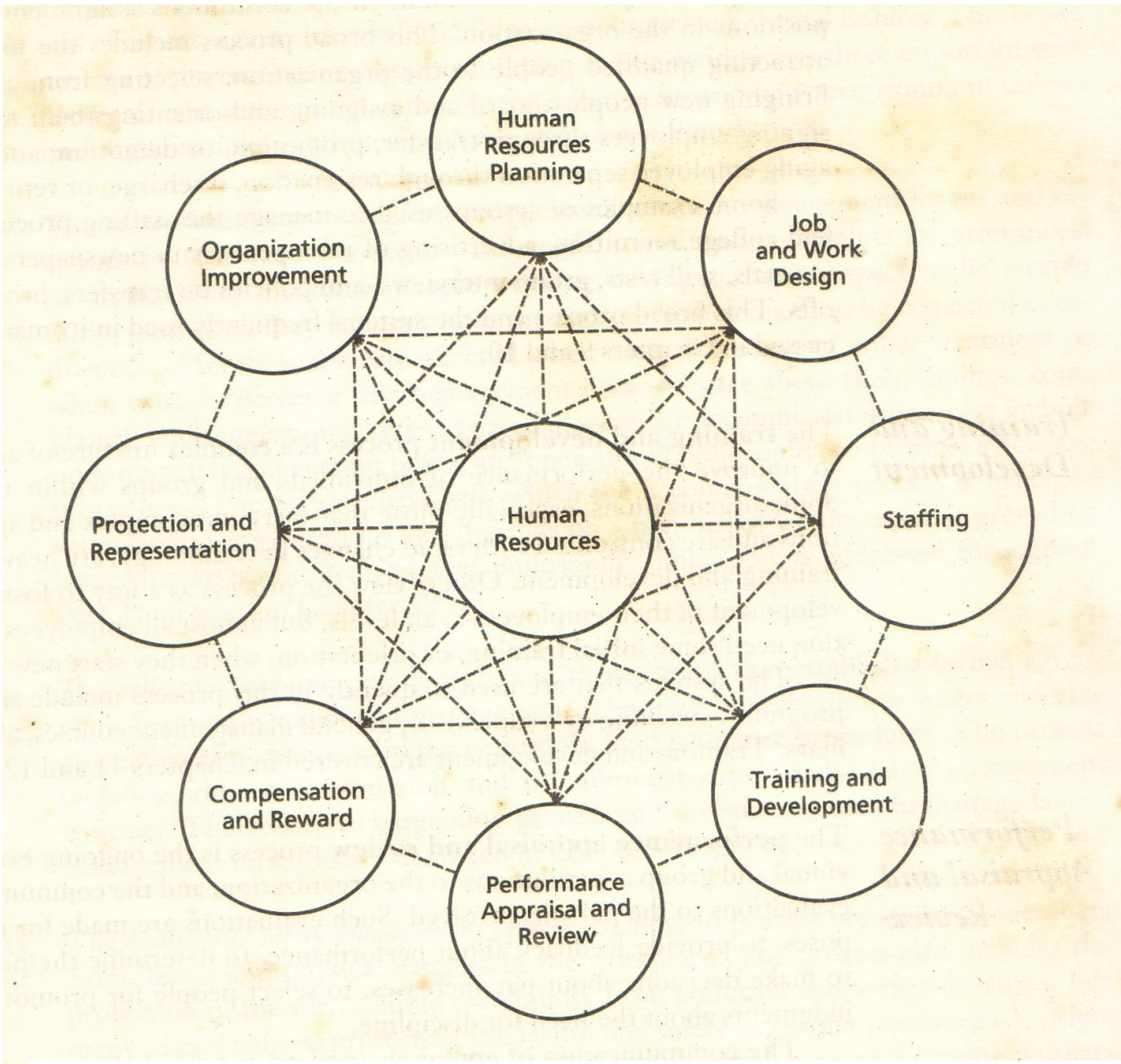
4. A system may be a subsystem of another system.

5. A system is an abstract or an analytical way of looking at concrete things of reality.

6. The concept of system is applicable to the study of organic as well as inorganic realities. Human nervous system, circulatory system etc is the organic systems and political system, industrial system, industrial relations system, social system etc. is the inorganic systems.

Thus, human resource management (HRM) is composed of interrelated and interdependent activities/ subsystems working as a whole that affect the performance of the whole organization.

Human resource management is a subsystem of the total organizational system and also it is a system in itself. Thus, human resource management (HRM) is composed of interrelated and interdependent activities/subsystems working as a whole that affect the performance of the whole organization. French (1997:6) mentions that human resource management is the systematic planning, development, and control of a network of interrelated processes affecting and involving all members of an organization. It shall be implemented with the combined efforts of all managers and human resource specialists in an organization. In all, the systems of human resource management try to help organization to achieve its goals and contribute to the organizational effectiveness and productivity. The diagram below exhibits the systems view of human resource management



Systems view of HRM (Source: French,1997:9)

Objectives of Human Resource Management (HRM)

Human resource management (HRM) is a functional management concerning with human element of the organisation. It is entrusted with the responsibility to fill organisational positions with right people, and improve productive contribution of people to the organisation by making people strategically, ethically, and socially responsible. Werther and Davis (1996:9) and Ivancevich

(2001:10-13) have mentioned specific objectives of HRM. Keeping those in mind, the following objectives of HRM are chosen to discuss:

1. Organisational Objectives: The pivotal objective of human resource management (HRM) is to serve organisational objectives to perform effectively and to sustain in competitive environment with competent and efficient workforce. Human resource management will help all departmental managers to resolve their human resource problems. Lest we forget that human resource management is not end in itself; it is only a means of assisting mangers with their human resource issues to conduct their jobs well.

2. Functional Objectives: Human resource management as a functional management has got its own objectives to achieve. It is entrusted with job analysis, human resource planning, training and development, performance appraisal, compensation management, employee benefits and incentives and industrial relations. These are done effectively to meet appropriate organisational needs on time.

3. Strategic objectives: Strategic objectives of Human resource management are achieving integrated resourcing, quality of work life , compatible human resource for change management and adaptability, ethical human resource and culture which will serve long term sustainability of the organisation with quality and committed workforce.

4. Personal Objectives: People in the organisation have their own personal objectives to achieve the fulfilment of which will enable organisation to maintain, retain, and to motivate people to work for the organisation efficiently and comfortably. Employees will have goals related to financial, psychological, benefits, incentives, working conditions, job structure, and autonomy. These individual goals have to be considered and satisfied with utmost good faith and mutually satisfying manner to keep workforce motivated.

5. Societal Objectives: Society wants ethical and socially responsive behaviour from the organisational people in terms of products and services, employee selection, treatment to employees, just and fair pay, social responsibility, and other activities meeting the needs and challenges of society. Thus, human resource management sets its objective to prepare employees so that they can take action in socially desirable manner.

Functions of Human Resource Management (HRM)

Different scholars have mentioned different sets of function of human resource management (HRM). We shall see a few of those and then shall choose a common set of functions for our purpose.

Gary Dessler (2003) mentioned four broad functional categories: 1) recruitment and selection- 2) training and development 3) compensation 4) financial incentives, benefits and services; and labour relations and employee security

Gary Dessler (2003) mentioned four broad functional categories: 1) recruitment and selection- job analysis, personnel planning and recruitment, employee testing and selection, interviewing candidates; 2) training and development-orientation and training, developing mangers, managing quality and productivity, appraising performance, managing careers; 3) compensation-establishing pay rules, pay for-performance and 4) financial incentives , benefits and services; and labour relations and employee security-labour relations and collective bargaining, guaranteed fair-treatment, employee safety and health.

Human resource management (HRM) takes place within a complex and ever-changing environmental context and therefore, needs to consider the strategic, legal and social environment of human resource management (HRM) while designing its integral components (Griffin, 1998). According to his suggestion, human resource management (HRM) consists of five functions : 1) human resource planning – job analysis, forecasting human resource demand and supply, matching human resource supply with demand; 2) recruiting; 3) developing – training and development, performance appraisal; 4) maintaining human resources-compensation, career planning ; and, 5) managing labour relations. Sloane (1983) used five broad categories to identify the human resource management (HRM) components. The components are: 1) procurement-manpower planning, equal employment opportunity issues, recruitment, and selection; 2) training and development-employee training, management development, performance evaluation; 3) compensation-wage and salary administration, incentive pay and employee benefits; 4) security- pension and retirement , safety and health and discipline ; 5) labour relations.

DeCenzo and Robbins (1997) classified the areas of HRM in four broad categories that they call "a more manageable form". These include 1) acquisition-human resource planning, recruiting, employee socialization; 2) development-employee training, management development, and career development; 3) motivation-job design, performance evaluation, rewards, job evaluation, compensation or benefits, and discipline; and, 4) maintenance- safety and health, employee or labour relations.

Torrington and Hall (1995) arranged the functions of HRM in five order of (i) resourcing -strategic aspects, employment contracts, recruitment; selection-methods and decisions, ending the employment contract; interactive skills-selection interviewing; (ii) performance- strategic aspects, performance management: individual and team performance, managing diversity-managing employee movement within the organization- transfer, promotion gender equality etc.; (iii) development –strategic aspects, competence basis, management development, career development, teaching; (iv) involvement-strategic aspects, team and total quality management aspects of employee involvement, trade union issues, health, safety and welfare, grievance and discipline handling; (v) pay - strategic aspects of employer-employee objective interface and approaches to payment administrations, job evaluation, incentives, performance pay and fringe benefits, pensions and sick pay , negotiation.

The purpose of human resource management is to improve the productive contribution of people to the organization in ways that are strategically, ethically and socially responsible (Werther and Davis, 1996:8). Keeping this in view they have suggested four activities of HRM that includes 1) preparation and selection- job analysis and design, human resource planning, recruitment, selection; 2) development and evaluation-orientation, placement, and separation, training and development, career planning and performance appraisal; 3) compensation and protection-wages and salaries, incentives and gain sharing, benefits and services, and security, safety and health; 4) employee relations and assessment- employee relations challenges, union-management relations, assessment and prospects-scope of human resource audit, human resources research tools, audit report and future prospects of human resource.

George T. Milkovich and John W. Boudreau (1997) have structured the components of human resource management (HRM) activities in five categories too but in different form. They are: 1) work structure-job analysis, teams, performance management and employee involvement; 2) staffing- recruiting, selection, separations and diversity; 3) training and development- careers, continuous learning and mentoring; 4) compensation-base pay on markets, pay for performance and benefits or non-financial benefits; 5) employee relations-communications, grievance or dispute resolution, union relations, and safety/health.

Above discussions about the functions of human resource management (HRM) exhibits a fairly long list of similar functions with a few differentiated terms. However, we take the following functions of human resource management (HRM) :

HRM functions are resourcing, Development and Appraisal, Compensation and Rewards and Employee/Industrial relations and Protection

1. Resourcing

-Job analysis and design

-Human resource planning

-Recruitment and Selection

-Socialization/orientation of employee

-Movement-promotion, demotion and transfer

-Separation

2. Development and Appraisal

-Career planning and development

-Training

-Development

-Disciplining Employee

-Performance Appraisal

3. Compensation and Rewards

-Wages and salary administration

-Incentives and gain sharing

-Benefits and services

4. Employee/Industrial relations and Protection

-Communication

-Grievance and dispute handling

-Union relations

-Employee protection : Security, safety and health

1. Resourcing: Resourcing the organization with most talented and qualified persons in consistence with the organizational mission, vision and strategies, and make the organization sustainable and competitive in the market is the primary function of human resource management (HRM). Resourcing involves with job

Resourcing involves with job analysis and design, human resource planning, recruitment, selection and socialization of new employees with the organizational culture, movement of employees, and separation of employees in structured. fashion.

analysis and design, human resource planning, recruitment, selection and socialization of new employees with the organizational culture, movement of employees, and separation of employees in structured fashion. Job analysis defines the job in terms of specific tasks and responsibilities and identifies abilities, skills, knowledge and qualifications needed to perform it successfully. Job design is to determine the content of the job and to set its relationship with other jobs. Human resource planning is the process by which an organization attempts to ensure that it has the right number of qualified people in the right jobs at the right time. Recruitment is the process of seeking and attracting a pool of applicants from which qualified candidates for the job vacancies within an organization can be filled in successfully. Selection involves with the process of choosing the best from the available candidates who can perform successfully in a job. Socialization is the process of making new employees acquainted with the organizational culture and with the jobs of the organization. Movement involves with promotion, transfer, demotion of employees within the organization to improve their job performance and to recognize their excellence and contribution. Separation from the organization involves with the program of making permanent departure of employees from the organization comfortable and motivating. At the end, this function will make the organization a competent and conducive working place compatible with the demand of the market and of the environment.

Development of employees involves with career planning, training and development as well as disciplining employees.

2. Development and Appraisal: Development of employees involves with career planning, training and development as well as disciplining employees. Career planning and development ensures personal career path that will give an employee career goals and future job opportunities besides personal improvement requirements. Training is given primarily to make operating employees to make them competent to do the given jobs and development is provided with managerial employees to make them capable to face future challenges. Disciplining employee is the process of providing learning to the employees about organizational culture to make them competent organizational persons in order to ensure satisfactory human environment within the organization. Human resource management (HRM) also does performance appraisal to measure the level of achievement of target tasks of each employee to give rewards and to improve by correcting the situation. The overall aim of this function is to achieve organizational goals effectively and to ensure sustainable growth of the organization.

Compensation is the primary motive for which people come to work for the organization. It involves with wages and salaries, rewards such as incentives and gain sharing, and benefits and services structuring and delivery.

3. Compensation and Rewards: Compensation is the primary motive for which people come to work for the organization. It involves with wages and salaries, rewards such as incentives and gain sharing, and benefits and services structuring and delivery. Wages and salaries are the cash payment made to the employees against their contributions to the organization. Rewards are given for innovative and creative work and successful attainment of the target to motivate people in the form of incentives and gain sharing. Benefits are indirect and non-cash remunerations given to the employees to improve the quality of life of people and to reinforce the attractiveness of an organization as a place to work and to create a notion that it cares about its employees. Services are other facilities such as free parking and bicycle stands, coffee ----

4. Industrial Relations and Protection: Human resource management (HRM) is entrusted to maintain safe, secured and healthy work environment for the employees within the organization so that employees can work without any physical and mental threats. There are legal and voluntary measures to achieve this target. Industrial relations involves with maintaining satisfactory relationships with contending parties such as trade unions, government agencies, and management of the organization through effective communication and collective bargaining, maintaining industrial law properly, enforcing fair and non-discriminatory human resource policies and practices, instituting effective grievance and dispute handling systems and its successful implementation. These activities will ensure mutual trust and confidence among parties and will ensure high commitment and morale among the employees.

Industrial relations involves with maintaining satisfactory relationships with contending parties and management of the organization through effective communication and collective bargaining, maintaining industrial law properly, enforcing fair and non-discriminatory human resource policies and practices, instituting effective grievance and dispute handling systems and its successful implementation.

Discussion Questions

1. Define human resource management.
2. What is a system and what are its characteristics?
3. Discuss the objectives of human resource management.
4. Discuss the functions of human resource management.
5. Explain the systems view of human resource management.
6. Do you find any dilemma among HRM experts regarding functions of human resource management? Give arguments in favour of your opinion.

Case-1: Sweeping changes at Rift Airlines

Rift Airlines, historically a benevolent and paternalistic company, is in crisis. Many of its employees have more than 20 years of service. Highly bureaucratic, with a public sector culture, the company had until recently been protected from competition by government regulation. All blue-collar staff are unionized, as are all pilots and cabin crew. In addition, 60 per cent of the administrative and engineering staff is members of various unions. Altogether, Rift Airlines employees are represented by a total of 16 unions. Seniority is recognized as the major determinant in promotions and pay increases. Although a performance appraisal program is in place for management personnel, it is regarded as a bureaucratic formality and not something to be taken too seriously. Dismissals for poor performance at all levels are rare and, once employed, employees feel that they have a job for life.

The mood around the boardroom table was somber. Jeff Davis, Rift Airlines' newly appointed manager, finance and accounting, switched off the PowerPoint presentation. 'You can see the problems. We are losing more than $1 million a day. We must get our costs under control or we'll be out of business. Unrelenting competition, rocketing oil prices, terrorism, the war in lraq and SARS. We're in a do-or-die situation. Our passenger numbers on average are down by 40 per cent. On some routes, such as Hong Kong, we are down more than 60 per cent. We have 14000 employees, which is at least 3000 more than we need. Our labour costs are excessive. Our wages and salaries are the highest in the industry, and we have the most rigid and restrictive labour practices.

'You are all aware that Singapore Airlines' top managers have accepted pay cuts of up to 27.5 per cent and that they have fired almost 200 pilots and cabin crew." We are facing our most difficult period in the company's 55-year history. We are the highest cost carrier in Australia. Virgin's cost base, in contrast, is one of its greatest strengths. In many areas, its costs are 30 per cent lower than those of Qantas. And we aren't even close to Qantas. To compete, we have to restructure. We must reduce our headcount, outsource some of our activities, close unprofitable operations and reduce debt. We have to replace our public service culture with a performance culture. Jeff's words were met with silence.

Everyone in the room turned to face Kieran Matheson, the new managing director. Kieran, a highly respected and successful manager, looked slowly around and then spoke. 'As you know, l've been appointed to get results and l live or die by that: Nothing is going to deter me from ensuring that Rift Airlines survives. The fat and happy days are over. There has to be a sea change in attitude.

'lf you haven't noticed, it's a dog-eat-dog world in international aviation. We have to deal with the reality of a soaring fuel bill, added security costs, increasing competition and overcapacity. Our fuel bill alone will be up by $1.5 billion and our security costs will be up by $250 million.

'We have to face reality. No more sweetheart deals with the unions. No more jobs for life. No more pay increases based on seniority. No more carrying poor performers. No more five-star hotels for flight crews. Everything is up for review. Desperate times call for desperate measures. We can no longer be ambivalent about change. We have to cut $2 billion in costs just to survive. We have to be leaner and fitter.

'Our maintenance and general labour costs constitute the major difference between us and our competitors. Over 30 per cent of our total costs are labour costs. We have to look at labour reductions and outsourcing. Labour rigidities and demarcation problems mean we get fewer flying hours out of our planes than do our rivals. This means increased costs and reduced customer service. Our costs are 16 cents per kilometre per seat. Our most competitive rivals are paying half that.

'We need more flexible work practices. We need some serious concessions from the unions if they want to keep jobs in Australia. We can save more than 20 per cent on our maintenance costs if we send the jobs offshore.

'l want your thoughts on our immediate objective, which is how we can save Rift Airlines. l also want you to think longer term about how we can make Rift Airlines the most profitable and fastest-growing airline in the Asia-Pacific region. We have an excellent safety record, our engineering skills are second to none, and we have a strong brand name. Think about how we can build on our strengths and overcome our weaknesses. This company is being challenged but we have some significant things going for us. We still dominate the business market and we have some top-rate people. It is not all doom and gloom. lf we work together, we can get Rift Airlines back to its rightful place as Australia's number one airline.

'Next Friday, we will meet at our Gold Coast resort for a three-day retreat to establish our objectives and action plans. Come prepared. l look forward to hearing your ideas and suggestions. Everyone should feel free to speak their mind. Nothing is sacred.'

Peter Wiley, engineering manager, tapped his pen, and then interrupted. 'Excuse me, Kieran, but that is rather short notice. I have a junior football league match to umpire next Saturday. Couldn't we postpone it until the end of the Manta? I know I would find it more convenient. l'm sure that there are others around the table who also have pressing commitments. Why can't we meet here in Melbourne during normal working hours? A murmur of agreement echoed around the room.

Kieran stiffened. 'We have 14,000 employees who are dependent on us for their jobs. We have shareholders who risk losing all their money. We are charged with saving an Australian icon and you talk about inconvenience? Peter, I have a simple message for you and everyone else sitting around this table. You are working for the new Rift Airlines. Performance and 100 per cent commitment are required. If you don't like it, find a job elsewhere. Can't you see that if we don't change and stop the financial haemorrhaging, there will be no Rift Airlines? We will be out of business and there will be no jobs. lf Rift Airlines is to survive, we must position ourselves to compete against the other reducing their cost all know from the newspapers that Qantas is cutting more than 1000 jobs and wants to reduce costs by $3 billion.

There is no alternative. Rift Airlines must become more competitive. I make no excuses but do guarantee you three things. One, I will sweat blood to turn this company around. Two, excellent performance will be rewarded. Three, I will not tolerate poor performance. l expect you all to be at the retreat next Friday, prepared and ready to contribute.

Peter's steely grey eyes pierced Kieran. 'Kieran, l must say that as an old Rift Airlines employee, I find your attitude extremely offensive. We all realise that the company is in difficulty, but that doesn't mean that we should be' expected to drop everything. The company doesn't own us. We do have a life outside of Rift Airlines you know.'

Kieran, his face white with contained anger, glared at Peter. 'Peter, I hear you. l'm demanding sacrifices because sacrifices are needed. Whether you like it or not the world has changed. The government is no longer shielding us from competition. We now operate in a fiercely competitive environment. You should be grateful you have had it so easy for so long.

'Face up to facts, Peter. Running a profitable airline is no longer easy. It's going to be a painful process but one we have to undertake. Widespread restructuring is necessary. lf you think it can be avoided, tell me howl l'll work my guts out and I expect you to do the same. If any of you find this unacceptable, l'll take your resignations now. It's your choice. I will not tolerate anything less than total commitment. Is that clear? l'm sorry to end on this note, but it is important that the urgency of our position is clearly understood. The room remained silent. Kieran turned and, without saying another word, left the room.

Peter fumed, 'Just who does he think he is?'

Discussion questions

1. What Human Resource challenges and issues are raised in this case?
2 What do you think of Kieran's approach? What would you do?
3. Do you agree with Peter? Explain your answer.

4. Describe the major characteristics of the 'old Rift Airlines culture and the new Rift Airlines' culture. Which culture do you prefer? Why.
5. Identify the major stakeholders and their probable reactions to Kieran's message.

Lesson 2: Principles, Importance and Viewpoints

Objectives

After studying this lesson, you would be able to -

- Explain what the principle is.
- Explain the principles of human resource management.
- Discuss the importance of human resource management in today's productive organizations.
- Explain the viewpoints of human resource management.

Principles of Human Resource Management (HRM)

Principles are the fundamental truths or what are believed to be truths at a given time under given circumstances.

We know that principles are the fundamental truths or what are believed to be truths at a given time under given circumstances. Thus, principles are tested guidelines for a course of action which is presumed as predicting good results in given circumstances. They state that if this or that is done, the result will be more efficient and effective attainment of objectives. Human resource managers also need such guidelines so that they can take preventive measures and ensure successful attainment of the goals. The principles of human resource management (HRM) are (1) Human Resource Principle, (2) Fairness Principles (3) Merit Principle, (4) Selling Principles, (5) Recognition Principles and (6) Support Principles, stated below:

1. Human Resource Principle: Human has the ability to create tools and use tools. The anthropological name of human is *homo sapience* which means intelligent man. Thus, human has got the resource and intelligence to create. It is only the human resource that uses all other factors of production and really makes the difference by distinguishing successful organizations from the rest. So, human resource ought to be nurtured as a valued asset and to be treated with great care. It is a special resource requiring and deserving managerial time and attention of human resource management (HRM) to get success and sustainability.

2. Fairness Principle: All people are equal to the eye of human resource management and they should be treated fairly. There shall be no discrimination in terms of behavior and actions on the part of human resource management (HRM) to the people in the organisation. The just and equitable treatment is fundamental for having high commitment from the people to the organizational purposes. The fairness of human resource management must not be in words but be exhibited in actions and practices in both social and economic arena so that people shall perceive that they are treated fairly.

3. Merit Principle: This principle emphasizes that reward must be earned, not given. Every person is a dignified human being with esteem need holding a sense of identity, prestige and status. People do not like begging, but like to get just recognition of their efforts. So, human resource management should project this recognition by giving reward for the performance that deserves reward. It should not just be given by the management as a gift. People must feel worthy and proud to receive reward. That will make people more contributive to bring about changes in self, in performance and in the organization. Thus, merit would be the only principle for earning reward and that shall be instilled into the minds of all in absolute terms and human resource management shall execute it in practice too.

4. Selling Principle: Ideas must be sold to the people through motivating communication so that people should be willingly accept and execute those into their work, rather than be imposed upon the people through autocratic manner. People like to be discussed, consulted, communicated and be made understood about the matters that will be implemented by them in a participatory environment. This will make people obliged and committed to the ideas that human resource management wants to achieve through human resources to make the organization unique.

5. Recognition Principle: People should be recognized as human. Human beings are psychosocial and rational beings. They are made by their own culture. They are directed by rationality, emotion and by their own cultural variables. So, when they come to work, they bring with them their economic, social and psychological state of art. All these constitute the whole person. Therefore, human resource management shall understand that it is working with not a general purpose machine, but with human beings of multi dimensional characteristics and that needs special attention and care.

6. Support Principle: Human resource management believes in providing all possible supports to the employees so that they can work with utmost capability and commitment. Resources shall be made available on time to the working people, planned capacity building up services shall be provided and moral support for good, innovative and creative deeds shall be given to the employees to make them more productive and committed to the job and to the organisation.

Importance of Human Resource Management (HRM)

Human resource management contributes to both organizational performance and employee wellbeing.

Human resource management is concerned with both organizational performance and employee wellbeing. The contributions of human resource management to these both ends which project its importance to individual employee and to the organization are shown below:

1. Projection of need for human resources: Human resource management does human resource need forecasting over the years to come so that right number and type of people can be hired for the organization. It helps the organization to make plan for the employment and for human resource budget effectively.

2. Right person in the right place: It is the foremost responsibility of the human resource management (HRM) to attract qualified persons to apply for the opened positions, to find out the right person from the pool of applicants and to place them in the right positions so that organization can get the best services from the employees at least cost and hazard.

3. Commitment of employees: Human resource management (HRM) sets policies and strategies to enhance employee identification with and attachment to their job and the organization. A high level of commitment will result in more loyalty, increased teamwork, reduced labour turnover, greater self identity, increased employee psychological involvement and feeling of being integral to the organization.

4. Employee competence: Human resource management (HRM) designs and implement policies and practices that attract, retain, motivate and develop employees with abilities , skills and knowledge required through training and development to achieve the organizational objectives to ensure profit potential and sustainability.

5. Job satisfaction : Human resource management (HRM) promotes and ensures job satisfaction of employees by designing and executing motivating pay structure, incentive schemes, benefit and service programmes, good working conditions, recognition for good deeds, advancement opportunities, attractive job designing etc. A satisfied employee tends to be absent less often, make positive contributions, stay with the organization and radiate positive feelings towards customers.

6. Ensure justice: Human resource management (HRM) designs and implement policies and practices of just treatment and social equity that ensure management's trustworthiness, fairness, and commitment to employees. If management is perceive favourably, employees reciprocate with increased commitment to the orgnisation.

7. Motivating employees: Human resource management (HRM) knows right tools and techniques to motivate employees to sustain desired behavior in the organization. People give their best to their jobs as human resource management gives them clear goals and directives through understanding their needs and satisfying those with appropriate motivational tools. Thus, employees would be truly loyal, committed and motivated to their works and organizations.

8. Diversity management: The world order today makes organizations pluralistic with employees from different cultures, nationhoods, ethnic origins, religions and genders. Managing such a diversified workforce requires a different expertise and style. It needs to maintain a uniculture within the organization acceptable to all. Human resource management is the discourse to manage diversity in all-inclusive manner with utmost effectiveness.

9. Change management: Human resource management prepares employees and organizational culture to meet the changing needs of dynamic human, socio-cultural, legal , technical, economic and international environment and ensure compatibility and sustainability of the organization.

10. Quality of work life: Human resource management ensures quality of work life into the organization to provide workforce a comfortable work environment in respects of freedom and autonomy, job safety, supervisory styles, physical, surroundings, meaningful tasks, and other job related aspects of the organization. This will give an excellent working environment to the employees to work with satisfaction and commitment for a long time.

Viewponts of Human Resource Management (HRM)

Human resource management may be understood from different ways which is called as viewpoints. These viewpoints provide complementary themes that help human resource managers to keep human resource functions in the proper perspective. The viewpoints are:

1. Strategic viewpoint: Human resource management is a functional management that must contribute to the strategic success of the organization by directing and integrating the activities towards the attainment of strategic objectives of the organization. It shall be isolated from the strategic umbrella of the organization.

2. Human resource viewpoint: Human resource is the most crucial and pivotal force in the organization that utilizes all other resources for the achievement of goals. Thus, the importance and dignity of human beings should not be ignored for the sake of expedience and production. Organizations can grow and prosper through careful attention to and nursing of the needs of employees.

3. Management viewpoint: Human resource management is the responsibility of every manger. Managers have to get the job done by the people under him/her. Human resource management will provide all types of support to the managers and employees through its expertise, but the performance and well being of each employee are the dual responsibility of supervising managers and the human resource manager. So, the knowledge of management and that of human resource management shall be the benchmark and cornerstone of all managers of all functional and corporate departments of the organization.

4. Systems viewpoint: Human resource management operates within the organizational system in which it is a subsystem. So, the performance of the human resource management shall be evaluated on the basis of its contribution to the organizational productivity, profitability and goal attainment.

5. Proactive viewpoint: Human resource management is proactive management which anticipates challenges before it arise and takes appropriate actions to combat those successfully to maintain organizational progress and sustainability. The reactive management approach only acts when situations occur. By this time, problems may be compounded and opportunities may be misses.

Discussion Questions

1. What is principle?
2. Explain the principles of human resource management.
3. Discuss the importance of human resource management in today's productive organizations.
4. Explain the viewpoints of human resource management.

Case-2 : Entrepreneur Mr. Mannan

Mr. Abdul Mannan, a young graduate of 23 years did his study in sociology and is thinking to open a consulting firm. He thinks to work on gender issues in Bangladesh which he perceives most promising field of study. He selected a suitable location in Dhanmondi Residential Area for office. Now, he is thinking to initiate an organization for this purpose.

He understands the nature of consulting job. He also thinks about the public relations that makes a vital link between his proposed organization and the external clients and agencies. He also thinks of data collection and analysis for having an insight picture of the study issues and draw conclusions and inferences out of it. He again thinks of office administration and human resource management. He believes that there shall be a small office with smaller staff looking after general administration and human resource management along with other auxiliary functions necessary to run the show successfully.

He talks about it with Mr. Afzal Beg , a well known entrepreneur. After a long discussion, Mr. Beg suggested for certain principles to be included into the culture of the organization, such as division of work, discipline, order, equity, fairness, parity between authority and responsibility, and fair remuneration. He also suggested for a functional basis of departmentation with line type of relations and staff with knowledge in management. His suggestion is refuted by Mr. Akram, one of his uncles, as not suitable with consulting functions. He puts forward a strong argument that it needs various types of knowledge and expertise on the basis of clients' needs and expectations. Therefore, a handful of staff with knowledge in gender study, women empowerment, sociology, and development economics. Management? It can be done by anybody. Everybody knows managing organizations. I have seen a person MBA in Accounting is teaching a major course in Human Resource Management stream in the department of management at the University of Dhaka. So, what's the need for staff with management degree? Mr. Mannan accepted the proposal, but he feels concerns for the size of the Orgnisation, does not want to lose control over his firm and also does not affect the quality of work.

Discussion Questions

1. What will you say about the comment of Mr. Akram?
2. What is your opinion about the suggestions of Mr. Beg?
3. Do you think Mr. Mannan took the right decision?

Lesson 3: Human resource management (HRM) and Personnel Management: A comparison

Objectives

After studying this lesson, you would be able to -

- Explain the concept of personnel management.
- Explain the concept of human resource management.
- Differentiate human resource management from personnel management.
- Give a dichotomised picture of key levers of human resource management and those of personnel management.
- Show how human resource management differs from personnel management in their beliefs and assumptions.

Introduction

The advent of Human Resource Management (HRM) has been seen as a paradigm shift of people management. Initially, the concept of human resource management (HRM) was developed as a set of techniques that claimed to embrace and promote new approaches to 'management of people' and 'work organization' to enhance employee commitment and flexibility as well as their willingness to respond rapidly with the changing market conditions for providing competitive advantages to the organizations.

A number of authors have tried to differentiate the concept of human resource management (HRM) from other related topics, particularly from personnel management. Personnel management is perceived as managerial leadership of the human resource (Megginson, 1967,208). Jucius (1977) defines, "Personnel management is the field of management which has to do with planning, organizing , directing and controlling various operative functions of procuring, developing, maintaining and utilizing a labour force. The Institute of Personnel Management , London (1965) defines, "Personnel management is that part of management concerned with people at work and wit h their relationship within an enterprise . The philosophy of personnel management is closely tied with localized problem-solving approach, directed principally at 'workers', whereas human resource management (HRM) advocates a more holistic orientation that embraces the management of all 'employees'. It seeks to match, redesign and harmonise employment practices with the strategy appropriate for product, market and other requirements (Hendry, Pettigrew and Sparrow, 1988).

After reviewing British and American literatures, Legge (1989) identified three distinctive features of human resource management (HRM). It places greater emphasis on the development of the management team than personnel management and differs from personnel management as an activity of line managers, including greater 'bottom-line' responsibility, emphasising development of corporate culture as a superior management activity (Brewster and Hegewishch,1994). On the other hand, Guest (1987:385) perceived HRM as a particular form of personnel management that stresses on 'the goal of integration, the goal of employee commitment, the goal of flexibility, and the goal of quality'. He identified the central and interconnected goals of human resource management as: the raising of employee commitment to corporate agendas; the development of greater workforce flexibility in terms of individual employment patterns as well as greater teamwork; the raising of the quality of employees through effective training and development programmes and strategic integration, and finally the harnessing of these objectives to the implementation of a corporate strategy for which all the managers should be held responsible. Beer et al.(1985), Guest (1989), Hendry and Pettigrew (1990), Storey (1989; 1992) have also distinguished between personnel management and human resource management.

Mahoney and Panadian (1992), after examining differences between the personnel management and the human resource management argued that HRM involves a wider and broader view in six specific areas: from a narrow technical focus to closer links with business strategy; from a collective negotiating focus to a more general approach of direct communication with employees; from job satisfaction to concern with organisational commitment; from selection, training, compensation polices focused on individuals to a concern with group working and group effectiveness; from a concern with cost-reduction through such strategies as reducing turnover, controlling absenteeism to a focus on organisational effectiveness and the 'bottom-line' involvement; from individual skills to longer-term employment capabilities. The intent of human resource management (HRM) is to secure more co-operation, flexibility and productivity by enabling employees feel more 'involved in' and 'responsible for' corporate goals and 'empowered' to promote and secure their realisation (Ezzamel et al., 1996).

Transformation of workplaces by introducing this new management was initially focused on the need for greater worker commitments to be achieved by expanding their jobs and involving them in problem solving methods (Wood, 1999). In their conceptualisations, Walton (1985) termed these practices as 'high commitment management' and Lawler (1986) as 'high involvement management'. Both the explanations included the combined use of certain personnel practices such as job flexibility, problem solving groups, team working, minimal status differences, employee involvement schemes etc. that have positive impacts on organisational performance.

It is really difficult to define precisely what exactly to be included in the term HRM. From the above-mentioned outline and previous discussions, we have seen a wide range of similarities as well as significant differences among the constituent elements of human resource management.It should be considered as new developments in people management with a wide range of policies and practices that have significant effects on organisational outcomes and are typically used to facilitate employee integration, flexibility, quality of work life, employee commitment and other business goals by changing organisational values, structure and delivery mechanisms.

However, in their quest for differentiating human resource management (HRM) from the personnel management, Guest (1987) and Storey (1992) compared them from ideological to practical practices. The much cited differences between personnel management and human resource management are shown below:

Differentiations

Storey's dimensional differences between personnel/IR and Human Resource Management (HRM)

Content	Personnel Management	HRM
Beliefs and assumptions		
1. Contract	Careful delineation of written contracts	Aim to go 'beyond contract'
2. Rules	Importance of devising clear rules/mutuality	'Can-do-outlook; impatience with 'rule'
3. Guide to management action	Procedures	'Business-need'
4. Behaviour referent	Norms/custom and practice	Values/mission
5. Managerial task vis a vis labour	Monitoring	Nurturing
6. Nature of relations	Pluralist	Unitarist
7. Conflict	Institutionalised	De-emphasised
Strategic aspects		
8. Key relations	Labour-management	Customer
9. Initiatives	Piecemeal	Integrated
10. Corporate plan	Marginal to	Central to
11. Speed of decision	Slow	Fast
Line management		
12. Management role	Transactional	Transformational leadership
13. Key managers	Personnel/IR specialists	General/business/line managers
14. Communication	Indirect	Direct
15. Standardisation	High (e.g. 'parity' an issue)	Low (e.g. 'parity' not seen as relevant)
16. Prized management skills	Negotiation	Facilitation
Key levers		
17. Selection	Separate, marginal task	Integrated, key task
18. Pay	Job evaluation (fixed grades)	Performance-related
19. Conditions	Separately negotiated	Harmonisation

20. Labour-management	Collective bargaining contracts	Towards individual contracts
21. Thrust of relations with stewards	Regularised through facilities and training	Marginalized (with exception of some bargaining for change models)
22. Job categories and grades	Many	Few
23. Communication	Restricted flow	Increased flow
24. Job design	Division of labour	Teamwork
25. Conflict handling	Reach temporary truces	Manage climate and culture
26. Training and development	Controlled access to courses	Learning companies
27. Foci of attention for interventions	Personnel procedures	Wide ranging cultural, structural and personnel strategies

Source: Storey (1992: P.35)

Discussion Questions

1. What is personnel management?
2. What is human resource management?
3. How does human resource management differ from personnel management?
4. Give a dichotomised picture of key levers of human resource management and those of personnel management.
5. How does human resource management differ from personnel management in their beliefs and assumptions?

Case-3 : Rana Electronics Company Limited

'Let us think over choosing the approach of managing people in our organization. Whether we will go for personnel management or human resource management that is the question now?' Said Mr. Zaglul Pasha, the new Managing Director of the Rana Electronics Industry Limited.

'Personnel management is age old and not suitable today's educated, rising and committed workforce'. Said Zaglul. He again pointed out, 'It has many limitations which is counterproductive and deterring to the growth of motivated and innovative human resources in our company. Such as it highly restricted to written contracts, procedures, strongly bounded by norms/custom and practices, pluralist approach, restricted flow, based on temporary truces etc'. 'But human resource management is aimed at going 'beyond contract', actions are based on business-needs, uniteristic dealing with each employee, customer oriented human actions, integrated human resource strategy, performance- related pay, teamwork etc.'

'Our employees are not ready to adapt the new concept and actions of human resource management. We must have training on it and its operational mind-set as well as knowledge foundation; otherwise we could not work well.' Asked one participant. 'Well, let us make blue-print for what we need to do for the implementation of the new approach of human resource management'. Said the Managing Director.

Discussion Questions

1. Which one-personnel management or human resource management will you suggest for the company?
2. How will you design the blue-print for the reorientation of the employees to the human resource management?

Lesson 4: Dimensions/Perspectives of Human Resource Management (HRM)

Objectives

After studying this lesson, you would be able to -

- Explain the cost reducer and commitment maximiser dimensions of HRM.
- State descriptive dimensions/ perspectives of human resource management.
- Discuss the soft version and hard version of Human Resource Management (HRM).

Dimensions of HRM

Human Resource Management (HRM) requires categorisation of human resource management practices into a meaningful way as advocators of HRM are always in favour of a distinctive approach to the management of human resources. The differing human resource management typology arises when organisations vary in their basic approaches or objectives in managing human resources. Organisational objectives are generally stated in terms of desired characteristics, attitudes, and behaviour that are derived from a firm's overall business goals and may be moderated by factors internal and external to the organisation (Schuler, 1992).

The cost reducer adopt HRM system to reduce direct labour costs or improve efficiency by enforcing employee compliance with specified rules and procedures and basing employee rewards on some measurable output criteria

1. Cost Reducer and Commitment Maximiser Dimensions

Arthur (1994) categorised human resource management typologies in two broad headings 'cost reducer' and 'commitment maximiser'.

The cost reducer adopt human resource management (HRM) system to reduce direct labour costs or improve efficiency by enforcing employee compliance with specified rules and procedures and basing employee rewards on some measurable output criteria (Walton, 1985).

The Commitment maximiser orients HRM systems to desired employee behaviours and attitudes by forging psychological links between organisational and employee goals in order to develop committed and trusted employees

The Commitment maximiser orients human resource management (HRM) systems to desired employee behaviours and attitudes by forging psychological links between organisational and employee goals in order to develop committed and trusted employees so that they can carry out their tasks effectively consistent with organisational goals (Organ, 1988). Arthur (1992) characterised commitment to human resource management (HRM) systems by higher levels of employee involvement in managerial decisions, formal participation programmes, training in group problem solving, higher percentages of skilled employees and incentive pay plans.

2. Soft version versus Hard version of Human Resource Management (HRM)

There is a debate in the British context about the hard-soft dimensions of human resource management (HRM) practices that have grounded in the workplaces (Guest, 1987; Storey, 1987; Hendry and Pettigrew, 1990).

Soft version human resource management (HRM) is associated with the human relations movement, emphasised on development-humanism view, aimed at eliciting employee commitment primarily by self-regulated rather than controlled by sanctions and pressures external to the individual and the relations within the organisation based on high level of trust. This soft version of human resource management (HRM) assumes that employees will work best if they are trusted, trained and developed, and if they are allowed to work autonomously and have control over their work. The strategic dimension of soft HRM is that employee control comes through commitment. Multi-skilling, job redesign, employee involvement techniques, team working are notable practices used in this version. Employees working under a soft human resource management system would not merely comply with the organisation's wishes, but positively and effectively commit themselves to the aims and values of their employers (Hope,1994)..

This soft version of HRM assumes that employees will work best if they are trusted, trained and developed, and if they are allowed to work autonomously and have control over their work.

Hard version of human resource management (HRM) stresses on the quantitative, calculative and business-strategic aspects of managing the headcount resources in a rational way like any other factors of production (Storey, 1992). Tyson and Fell (1986) argued that human resources might be understood as a factor of production rather than the only resource capable of turning inimitable factors of production into wealth. From this utilitarian-instrumentalism view, it places emphasis on appropriate human resources i.e. numbers and skills at the right price i.e., lowest possible price. This instrumental basis of HRM is concerned with numerical flexibility, performance management, surveillance through teamwork etc., and the ultimate goal is to secure the competitive advantage by individualising the employment practices.

Hard version of HRM stresses on the quantitative, calculative and business-strategic aspects of managing the headcount resources in a rational way like any other factors of production.

3. Descriptive Dimensions/ Perspectives of HRM

A concomitant view is the **descriptive perspective** which has been originated by the American academics, and in which human resource management (HRM) practices have been identified in two distinctive ways – the Harvard model and the Michigan model.

The descriptive perspective is originated by the American academics, and HRM practices have been identified in two distinctive ways – the Harvard model and the Michigan model.

The Harvard Model, similar with the soft version of HRM, was developed by Beer et al., (1985) and later on was termed as 'High commitment management' (HCM) by most of the commentators. Walton (1985) characterised it by putting underlying conception that employees are assets rather than disposable factor of production, and certain combination of management practices affect organisational commitment that have impact on organisational performance. 'High commitment management' is concerned with combined use of certain HRM practices such as job redesign, problem-solving groups, information sharing, participation and empowerment, team working, and minimal status differences. It has been assumed that these practices enhance original performance by building employee commitment and it emphasis on the role of employees' knowledge and skill acquisition.

The Michigan Model developed by Kochen et al., from Massachusetts Institute of Technology (MIT) is now better known as 'high performance management' (HPM) practices. This approach has similarity with the hard version of human resource management (HRM). It includes numerical flexibility, quality circles, total quality management, lean production techniques, profit sharing, performance related pay etc. Lawler (1995) mentioned that these human resource management (HRM) practices are particularly important when HR managers increasingly appear to be oriented toward bottom-line results. In its extreme, High Performance Management (HPM) practices set targets directly to the organisational performance by manipulating human resources rather than indirect attitudinal structuring, and neglecting the concept that acquiring can increase performance that required workforce skill and knowledge for problem solving. Wood (1999) indicated that the core of human resource management (HRM) is centred on the setting of goals and linking pay to their achievement.

Discussion Questions

1. Explain the cost reducer and commitment maximiser dimensions of HRM.
2. State descriptive dimensions /perspectives of human resource management.
3. Discuss the soft version and hard version of Human Resource Management(HRM).

Case-4: Professor Dr. Muhammad Mohiuddin's Speech

Professor Dr. Muhammad Mohiuddin in the class was discussing about the models of human resource management. He said that the human resource management practices such as job redesign, problem-solving groups, information sharing, participation and empowerment, team working, and minimal status differences will enhance performance by building employee commitment and it emphasis on the role of employees' knowledge and skill acquisition. People would be oriented to the high commitment to their jobs just to solidify with the organisational culture and to be a part of the organisation. They love the organisation and work for the organisation. Today's competitive environment does not want to good performance but a committed performer, Dr. Mohiuddin said.

Discussion Questions

About what model, Professor Dr. Muhammad Mohiuddin was talking? Elaborate your view.

ORGANISATIONAL DETERMINANTS OF HUMAN RESOURCE MANAGEMENT

2

The advent of the concept Human Resource Management (HRM) was initially initiated by American academicians as a response to the Japanese competitive threat and later imported into other countries as a panacea to increase productivity and organisational performance. Anglo-American academicians without considering their adaptability in other societies often regarded these human resource management (HRM) practices as 'best practices'. However, even in the USA, firms that have adopted these human resource management (HRM) practices, found it difficult in some cases to sustain them over long-term (Osterman and Ussem, 1992; Osterman, 1994; Pfeffer, 1996; Doeringer, Evans, Klock and Terkla, 1998).

In fact, transformation of people management practices does not take place in a vacuum, and therefore, firms have to consider the institutional context that profoundly affects the human resource management (HRM) practices. Firms' human resource management (HRM) practices are embedded in the cultural, social, educational, financial and political environment of the society. Human resource management (HRM) practices imported from another society or culture do not result in the same effects. Introduction of these practices in another institutional setting may create new directions for the imported practices over time. Organisational human resource management (HRM) practices are sensitive to the institutional pressures and determined by the imperative of maintaining external legitimacy through adherence to institutional structures, rules and norms of the society in which they are embedded. In such a situation, adoption of organisational human resource management (HRM) practices should be consistent with regard to social conformity.

Muller (1999) noted that German firms have incorporated some 'Anglo-Saxon human resource management (HRM)' practices but have not exactly implemented Anglo-Saxon human resource management (HRM), rather than in some respects rejected its unitary and individualistic values. Firms adopted some human resource management (HRM) practices such as direct communication, quality improvement techniques, and variable pay schemes with compliance to German labour market institutions and after negotiation with relevant works councils. They have also rejected numerical flexibility and other individualistic techniques that are contradictory to their pluralistic values and ideology.

Usually researchers use three alternative frames of references to explain the observed differences in human resource management (HRM) policies and practices. These are the contingency perspective, the cultural perspective and the institutional perspective. Below here, we shall discuss these three perspectives, and their relevance with human resource management (HRM) practices. Later, we shall try to explain the contrasts and contradictions of these perspectives in relation to organisational human resource management (HRM) practices.

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Lesson 1: Organisational Context as Determinants of HRM

Objectives

After studying this lesson, you would be able to -

- Explain the organisational context of human resource management.
- How technology affects HRM.
- State the effect of organisation structure on HRM.
- Discuss the impact of nature of organisation on HRM.
- Describe how the age of the organisation affects HRM.

Preamble of Organisational context

The essence of the contingency approach implies that societies will be populated by those organisational forms and practices that correspond most closely in the task environments prevailing in respective context (Aldrich, 1979). Actors try to work towards a 'fit' between conditions in an organisational context and organisation forms and practices. From this perspective, use of specific human resource management (HRM) practices is contingent on an organisation's strategy. Organisations should implement human resource (HR) practices that encourage employee behaviour to fit with the strategy. The underlying assumption of the contingency approach is that organisational effectiveness depends on there being a fit between human resources practices and business strategies. The contingency approach postulates that human resource management (HRM) patterns can be interpreted as favouring the introduction of particular practices corresponding to product markets, strategies and industrial sectors. Steedman and Wagner (1989) in their study on furniture and garments industries found that human resource management (HRM) practices are different between Britain and Germany due to differences in product and market strategies.

It has generally been assumed that human resource management practices of individual companies would vary to meet unique human resources needs and organisational contextual requirements. A number of organisational factors are supposed to have effects on the adaptation of human resource management practices. They are elaborated below:

A. Size of the Organisation

Studies on organisation size indicated that the total number of employees in a particular firm tend to influence the adoption of human resource management (HRM) practices (Scott, 1998). Large organisations use more standardised human resource management practices. Due to their scale of productivity and need to decentralise, they use collaborative human resource practices as direct communication on a day to day basis between top management and employees (Kalleberg et al., 1996; Gooderham et al., 1999). From an economic perspective (Osterman, 1984;Kalleberg and Sorenson, 1979), small and large organisations differ in respect to the presence of internal labour markets. Job specialisation and the greater availability of slack resources in large organisations are the conditions that set the stage for the development of internal labour markets which are characterised by entry through lower-level jobs, internal promotions, career paths, rewards for seniority and formal grievance procedures (Jackson et al., 1989).

‘Greenfield sites’ are more likely to adopt innovative human resource management practices than the plants that have been operating for longer period of time, and lower rates of adoption.

B. Age of the Organisation

Research evidences revealed that ‘Greenfield sites’ are more likely to adopt innovative human resource management practices than the plants that have been operating for longer period of time, and lower rates of adoption appeared among older ‘brownfield sites’ (Ichnowski and Shaw, 1995; Osterman, 1995).) It is also found that newly established Western and Japanese companies in Hong Kong are more concerned with employee training and incentive programmes, and they are offering more progressive benefit packages to employees (Saha, 1987). For older firms, it is more difficult to change the entire system of traditional work practices of narrowly defined jobs, strict supervisions, frequent lay-off, seniority based pay and promotion to a newer approach involving flexible job designs, contingent incentive pay plans, extensive training in multiple skills, and employment security initiatives (Ichniowski et al., 1996). More productive organisations make experiments with new practices (Levinthal, 1994).

Human resource management practices are supposed to vary across organisations with their different stage of life cycle. The successful implementation of different HRM strategies requires different roles to be played by employees and requires them to exhibit different characteristics at different stages of product life cycle (Schuler, 1987). Firms in the early stage of growth need talents to transform the ideas of the founder into marketable products that give rise to the new business. They need to adopt innovation, non-traditional HRM practices other than competitors to attract essential talents. As firms move into the mature stage, they need extensive internal labour market as well as training and development programmes. Thus, firms in this stage should develop pay systems designed to retain rather than to attract talents. At the decline stage, firms generally deal with the existence of an excess number of employees and need to separate qualified, well-performing employees from others. Thus, sound performance appraisal data can be critical at this stage to resolve how to select out those individuals least likely to help the organisation to survive. Top management may decide either to concentrate the decision-making or to decentralise the decision-making (Mtlburn, Schuler and Waterman, 1983).

Service organisations differ from manufacturing in three ways: their ‘products’ are intangible rather than tangible; customers are actively involved in the production of services; and the consumption of services occurs simultaneously with the production.

C. Nature of the Organisation

There always have been some distinctions between manufacturing and service organisations. Service organisations differ from manufacturing in three ways: their ‘products’ are intangible rather than tangible; customers are actively involved in the production of services; and the consumption of services occurs simultaneously with the production (Mills and Moberg, 1982). Employees of service organisation must be sensitive to clients’ needs and they must be trusted to monitor their own performance. Due to the nature of service jobs, service organisations should be more concerned with both employee input and clients output as sources of performance appraisal information that includes new performance appraisal techniques like 360 performance appraisal methods (Mills and Morris, 1986). The simultaneity of the production and consumption processes has implications for HRM practices (Jackson et al., 1989). In order to maintain control over quality, service organisations seek ways of controlling the process of service production rather than output. They need to invest more resources to train new recruits with the objective of socialising them to be effective monitors of their own service production behaviours.

Saha (1987) found differences in HRM practices among different types of business. It was revealed that banks, public transport and utility companies in Hong Kong have long-term manpower planning, and emphasised individual development in training and performance evaluation. Human resource executives in these organisations have actively participated in determining business policies and strategies. On the other hand, manufacturing companies, trading companies and hotels use their personnel departments primarily for record keeping and short-term manpower planning. They have high turnover rates, their HR managers are likely to have lower management ranks and they do not have a significant role in determining organisational policies and strategies.

D. Organisational Structure

Organisations producing a single product or service may likely to have functional departmentation.

Organisational structure can be formed in several ways. Organisations producing a single product or service may likely to have functional departmentation. In such organisations, creation of the product/service usually occurs through the completion of tasks that involve sequential interdependency among work units. Result-oriented compensation systems are difficult to implement in this type of organisation. Broad based skill acquisition is less important as career path encourages vertical promotion within a function (Galbraith, 1977).

organisations with several products or services operate within multiple environments, and the contribution of each division or unit is distinguishable and measurable.

On the other hand, organisations with several products or services operate within multiple environments, and the contribution of each division or unit is distinguishable and measurable. Consequently, performance appraisal and compensation practices should be emphasised on bottom line results and in case of training and development, more concern also be given on developing generalist rather than functional specialists (Jackson et al., 1989). Also, organisations that are part of larger organisations may receive greater resources, information and technical assistance in adopting flexible work organisation, and hence they can implement more innovative human resource management (HRM) practices.

E. Technology

The term 'technology' refers to the process used by organisations to transform inputs into outputs. Mass production technologies are used to produce standardised goods while flexible specialisation technologies produce craft products with common mode of batch production method.

The term 'technology' used to refer the process used by organisations to transform inputs into outputs. Mass production technologies are used to produce standardised goods while flexible specialisation technologies produce craft products with common mode of batch production method. Organisations using flexible specialisation technologies require employees with higher skill levels and a greater number of skills (Piore and Sabel, 1984). The need for skilled employees' leads organisations to invest more in training and adopt compensation practices of giving human resource (HR) managers the autonomy to determine pays considering factors that attract and retain those employees with the required skills.

Flexible automation facilitates rapid changeovers from one model to another, but effective changeovers require flexible workers who are accustomed to rotating jobs and modifying work methods, e.g. through their participation in work teams, problem solving groups and on-going continuous improvement efforts. Group oriented compensation systems that reward employees for company- wide performance are one example of personnel practice that might be used to enhance a team orientation. Conversely, a team orientation is also needed in organisations using flexible specialisation in part because peers are relied upon to conduct cross-training (Jackson et al., 1989). In a nutshell, organisations that use flexible specialisation technologies are assumed to have employees with greater skill levels, more skills, more concern for product quality, more of a team orientation, and more committed to the organisation.

Discussion questions

1. What is organisational context of human resource management?
2. How does technology affect HRM?
3. State the effect of organisation structure on HRM.
4. Discuss the impact of nature of organisation on HRM.
5. Describe how age of the organisation affects HRM.

Case-1: Akram's dilemma

Mr Akram couldn't understand the problem. After all, his metal working firm was complying with all existing pollution – control laws. And yet somehow he'd incurred the wrath of a local environmental protection group that wanted him to stop polluting a river that passed through the center of the town.

Mr. Akram had informed the group that the pollution they referred to amounted to such an insignificant amount that any reasonable person, even a government agency, would consider it a tolerable social cost for the benefits of doing business. But the committee didn't see it t hat way.

"Your obligations, "one member told him, "extend beyond the letter of the law".

Another member indicated that government regulations simply served as guidelines. The goal of the environmental movement was to stop all pollution, minor as well as major. As one member put it, "You should remember that all major pollution probably began as what you call an insignificant insult to the environment". In the same vein, another member pointed out that while Akram's effluent discharge didn't amount to much in isolation, taken together with all other so-called tolerable amounts it was contributing to a serious water-pollution problem.

In reply, Akram asked the group if they realized how much pollution-control equipment would cost. He would have to pay about Tk. 3, 70,000 for installation and over Tk. 50,000 annually for operating expense. "Such an expense", he pleaded, "won't make a dime's worth of difference in my product". Then he added, "But I can tell you one thing: I'm going to have to charge more than a dime more if I do what you're asking".

The committee deplored this economic reality but said that if that was the only way to erase pollution, them so be it.

"Easy for you to say," Akram told them bitterly, "but I sell my product nationally. Do you have any idea of the competitive disadvantage you're imposing on me? Why, it wouldn't surprise me if, in addition to freezing salaries, your proposal causes a production tailspin that would force me to lay off worker". The Akram asked them sharply: "Are you sure people would rather have cleaner water than a steady job?"

The committee remained adamant in its demands. It told Akram that it would return in ten days to find out what Akram intended to do to curb pollution of the river. Should he do nothing, they were prepared to take him to court.

Discussion questions

1. Do you think that the environmental committee is right in making this demand of Akram?
2. If Akram complies with the committee's demands, what would be the fairest way to allocate control costs?

Lesson 2: Cultural context as Determinant of HRM.

Objectives

After studying this lesson, you would be able to -

- Explain what culture is.
- Discuss characteristics of culture.
- Explain how culture affects human resource management.
- Discuss the elements of culture.

Culture

Culture is the most influential element of the human resource management as people come with their cultural set into the organisation that always affects their work and behaviour. However, let us know the nature of culture first.

What is Culture?

Culture has been defined by many sector, let us know a few of those definition.

- Culture is the acquired knowledge that people use to interpret experience and to generate social behaviour.- Pat Joynt and Malcolm Warner (1996).
- Culture is shared patterns of behaviour. -M Mead (1953)
- Culture is collective mental programming.-G. Hofstede (1980)
- Culture is the collection of values, beliefs, behaviours, customs, and attitudes that distinguish one society from another. – Alan M. Rugman and Richard M. Hodgetts (2005).

Culture is a system of values and norms that are shared among a group of people and that when taken together constitute a design for living.

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Features/ Characteristics of Culture

The specific features characteristics of culture are:

1. Culture is learnt behaviour through both education and experience.
2. Culture is social. It does not exist in isolation. It is a product of society. It originates and develops through social interactions.
3. Culture is shared by the members of the society. Culture consists of people with shared attitudes, values, and beliefs.
4. Culture is transmissive. It is capable of being transmitted from one generation to the next. Culture is transmitted not through genes but by means of language. Language is the main vehicle of culture. Transmission of culture may take place by imitation as well as by instruction.
5. Culture is continuous and Cumulative.
6. Culture is consistent and integrative
7. Culture is dynamic and adaptive.
9. Culture is gratifying. It provides proper opportunities and prescribes means for the satisfaction of our needs and desires.

10. Culture varies from society to society.
11. Culture is super organic and ideational. Culture is neither organic nor inorganic in nature but above these two. It means that the social meaning may be independent of physiological and physical properties and characteristics. Every society considers its culture and ideal. It is regarded as an end in itself.

Elements of Culture

Element of Culture are:

Language : Language is the primary delineator of cultural groups as it is the only means of communication. In the world, there exists 3000 languages and 10,000 distinct dialects. Language organizes the way members of a society think about the world , provides important clues about the cultural values of the society, different languages suggest the diversity of a country's population, serves as a window on the culture of a society, heterogeneous society affect the marketing and business practices.

Language is the primary delineator of cultural groups as it is the only means of communication.

Religion: Religion is defined as a system of shared beliefs and rituals that are concerned with the realm of the sacred (Goodman :1991). 85% of the world's 6.2 billion people belong to some religious affiliation.

Religion is defined as a system of shared beliefs and rituals that are concerned with the realm of the sacred.

Name of the Religion	Total Number	Percentage
Christianity	1.05b	16.9
Islam	1.19b	19.2
Hinduism	850m	13.7
Buddhism	353m	5.7

Religion shapes the attitudes of its adherents toward work, consumption, individual responsibility and planning for the future. It imposes constrains on the roles of individuals in society that affects labour market and thus staffing. Religion also affects the types of products consumers may purchase as well as seasonal pattern of consumption. Countries of religious diversity offer greater challenges to international business managers as they have to accommodate multi-religious needs in their actions. Firms that fail to adjust to these needs may suffer from absenteeism, low morale and lost sales.

Values and Attitudes: Values are the principles and standards accepted by the members of a society. Attitudes are the actions, feelings and thoughts that result from those values. Cultural values and attitudes of the people of a country or nation shape the behaviour of and opportunities to international business. Attitude towards time, age, education and status affects business.

Values are the principles and standards accepted by the members of a society. Attitudes are the actions, feelings and thoughts that result from those values.

Social Structure: Social structure refers to its basic organization. Social structure is the enduring, orderly and patterned relationships between elements of a society. Social structure is an arrangement of persons in institutionally controlled or defined relationships. It determines the roles of individuals within the society, sets the stratification of the society and determines individuals' mobility within the society.

Social structure refers to its basic organization. Social structure is the enduring, orderly and patterned relationships between elements of a society.

How does culture affect Human Resource Management (HRM)

Cultural elements such as values, symbols, attitudes, etc. affect the perceived legitimacy of employee involvement techniques, staffing and training decisions, the design of work and compensation systems and labour-management relations.

1. Cultural differences across the countries or regions influence the human resource management (HRM) practices of the organisations. Cultural elements such as values, symbols, attitudes, etc. affect the perceived legitimacy of employee involvement techniques, staffing and training decisions, the design of work and compensation systems and labour-management relations. They determine the needs, beliefs, hopes, expectations, aspirations, attitudes, work values and perceptions of what constitutes desirable forms of conduct of employees. They also condition the internal work climate or culture, which is reflected in the assumptions that managers make about the attitudes and behaviour of the employees (Sparrow and Budhwar, 1997). While exploring the impact of national culture on management practices, Tayeb (1988) found that compared to an English person, an Indian person is more fearful of people in power, obedient to superiors, dependent on others, fatalistic, submissive, undisciplined, friendly, modest, unreserved, collectivist, caste conscious, clan orientated, law-abiding, less self-controlled, tenacious and less willing to take account of other's views.

2. Culture and sub-culture of a society have a potential impact on organisational forms and process (Lammers and Hickson (1979:403). They identified three major ways in which cultural patterns affect organisations as: because outside agencies set cultural constraints for an organisation; because dominant elites in an organisation design and redesign organisational life in terms of culturally given models of organisations; because members themselves unofficially tend to organise and to counter organise in ways derived from sub-cultures.

3. Organisational structure might be affected by culture as those who enact and shape organisational life have pre-existing notions about organisation and what it should be. Every organisation has to take into account the degree to which its norms or rules are compatible with the values of its significant actors. In a high power distance culture, organisational structure always tends to be tall and rigid, and decision making remains mostly centralised. Respect for hierarchies, hinders the development of individual responsibility and initiatives. The greater the power distance, the more difficult it will be to introduce considerable employee influence mechanisms. Career mobility and promotion from lower grades to higher grades are less appreciable and occupational segregation is more visible in that society.

4. The cultural elements of individualism or collectivism of the society affect the design of work system. When people are socialised in an individualistic self-reliant culture, they might not be enthusiastic to accept organisational rewards based on collective achievement. Ishida (1986) mentioned that while job analysis and sense of job ownership among employees play an essential role in many firms in Western countries, they are virtually non-existent in Japanese companies due to group orientation or collective behaviour of Japanese employees.

5. The motivational role of rewards varies across cultures and may thus influence the design of incentive systems. This also applies to both extrinsic and intrinsic rewards (Gronhaug and Nordhaug, 1992:10). It has been believed that obtaining shares of the company will increase employee motivation and as a consequence, organisational performance would be enhanced. But due to cultural variations, these employee stock ownership schemes may be a means to motivate lower-level employees in Western countries, but at the same time is irrelevant to employees in many Eastern countries. Differences in general values also have impact on the efficiency of stock ownership as a means of creating motivation and commitment. Widespread authoritarian values strongly conserving the social order may represent an obstacle to employees becoming stock owners, i.e. ‘crossing class boundaries’ (Ibid:10). Rubery (2000) pointed out that notion of stakeholder companies in which all involved in the company, including the workforce, are recognised to have stake in the survival and development of the company may be an idea more likely both to find favour and to have chance of working effectively in societies where there is a long established culture of co-operation and power sharing.

From the above discussion, it is clear that though cultural factors have influence on organisational human resource (HR) policies and practices, we need to appreciate a wide range of societal elements, such as education and training systems, social stratification, division of labour, etc. for explaining differences in human resource management (HRM) policies and practices.

Discussion questions

1. What is culture? What are its characteristics?
2. How does culture affect HRM?
3. What are the elements of culture?

Case-2 : Bata Shoe Company Limited in Bangladesh.

The Bata Shoe Organization was founded in 1894 by Czech businessman Tomas Bata in the city of Zlin, what was then Czechoslovakia. Coming from a family of shoemakers with a long heritage of eight generations and over three hundred years, Tomas Bata capitalized on knowledge, expertise and skills to propel his newly founded company forward. The introduction of factory automation, long distance retailing and modernized shoe making ensured the profitability of the company from the very beginning. It is now the world’s largest manufacturer and marketer of footwear operating across the globe.

Today, the Bata Shoe Organization is a sprawling geo-centric company encompassing operations in more than 70 countries around the world and is managed by 4 regional commercial business units (CBUs) across five continents. It serves 1 million customers per day, employs more than 50,000 people, operates 5,000 retail outlets, manages a retail presence in over 70 countries and runs 27 production facilities across 20 countries.

In Bangladesh, Bata started its operation in 1962. The company is one of the largest tax–paying corporate bodies contributing Tk. 1.2 billion (year 2009) which represents approximately 70% of tax paid by the entire footwear sector of Bangladesh. Currently, Bata Shoe Company (Bangladesh) Limited operates two manufacturing facilities – one in Tongi and the other in Dhamrai. With a production capacity of 110,000 pairs of shoes daily, the company also has a modern tannery facility with an output of 5 million square feet of leather annually. Annual shoe sales currently stands at slightly more than 30 million pairs with a turnover for the year 2009 of Tk 5 billion.

Bata is playing a pivotal role in developing the leather industry of the country. Bata has a firm commitment to eco-friendly business and a state of the art Effluent Treatment Plant (ETP) has been set up to provide a pollution free environment for both workers and the locality.

Fashion would never be complete without a well designed pair of shoes. This marketing insight has prompted Bata to introduce a number of designers’ collections for men, women and children. Internationally renowned brands such as Bata Comfit, Marie Claire, Hush Puppies, Scholl, Nike, Bubblegummers, Sandak, Weinbrenner and B’first are a few names that testify to the momentous change towards branded shoe marketing in Bangladesh. Specialized shoe categories such as athletic shoes have been targeted through development of the Power brand. Uncompromising quality with striking designs have put Bata shoes in a key position to appeal to different segments of consumers.

Another major change in the Bata business policy is the segmentation of retail outlets according to profiles of different market segments and the introduction of novel concepts such as Bata City Stores. These selective outlets, in conjunction with other types of outlets such as Bata Bazar and Bata Family Stores, are adding a new level of consumer satisfaction. The City Stores incorporate spacious floor space allowing a comfortable shopping experience, modern interior décor enriched with novel shelving systems, fittings, fixtures and lighting that can be found in the large retail shops in the Far East and Europe. Bata has a network of 242 retail outlets located strategically in different parts of the country. These retail outlets are an integral part of our brand marketing. This extensive retail network is supplemented by an equally extensive network of depots and dealers.

Bata has 13 Wholesale depots covering Bangladesh. Under these depots 390 RWD (Registered Wholesale Dealers) and 553 DSP (Dealer Support Program) stores are operating. Bata Bangladesh has already developed its vision up to 2013 showing significant business growth as well as increased market share.

One of the critical areas associated with external shareholders and the community at large is the Corporate Social Responsibility Program of the company. From supporting nationwide sports sponsorships and disabled persons to addressing environmental concerns, scholarship programs, charity contributions etc – Bata has always supported individuals and communities in need. Partnerships with other voluntary and charitable organizations are another prominent feature of Bata's corporate social responsibility. Bata, in partnership with CARE, extends assistance to over two thousand rural women in order to become independent entrepreneurs in the Rajshahi, Comilla and Chittagong division selling shoes from door to door under its Rural Sales Programme.

Bata has developed a special staffing and organizational culture policy to fit with the environment of Bangladesh. It adopts some of the corporate policy that it uses in its corporate head office to carry golden reputation here. It knows that 88 percent of the people of Bangladesh are Muslim and here least ethnic conflict exists. It also recognizes that Bangladesh is a homogeneous country to dominating single language. The country has excellent heritage of mutuality and commonalities among varies communities. So, it makes a poly-centric employment policy to make a well representation of all sects in the organisation. The leave policy, bonus policy and even overtime policy also are adjusted with the line of sectional norms which it feels different from European environment. The pay policy too varies with countries and in Bangladesh, it stays at lower echelon.

The company observed that the workers productivity and commitment is sharply deviated from its world standard. It tries with various strategic options, but that did not work well. It makes group incentive scheme but that did not give desired result as it gives in Japan. It makes individual incentive scheme but that did not give result as it gives in USA plant. So, it is in problem of workers commitment and sustainable productivity.

The company started to give performance oriented pay and incentive. It also makes the employment as contractual and follows hire and fire policy on the basis of performance. It found that this policy did not work here as it works in Australia and in Europe. Now, the company is trying to develop such a policy that best fit with the cultural scenario of Bangladesh. The strategists know that Bangladesh is a pseudo feudal society. People here are very much fond of security and protection. The society is also very much male dominated. Religion is also play a dominant role in socio-economic and political life and activities of the people of Bangladesh. Thus, strategists are in dilemma.

The company introduces many types of shoes as it does elsewhere in the world. It also marketed much variety which is successful in the European market, but t hat did not popular in Bangladesh. People did not have much interest in those particular popular styles of shoes. So, the company had to withdraw those styles from the market quickly. The designers felt that it was due to cultural effect but did not identify the exact cultural phenomenon responsible for that.

Since its inception, Bata Shoe Company (Bangladesh) Ltd. has strived towards one goal – customer satisfaction. With the vision of building a worldwide family of satisfied customers and dedicated workers the legacy of Tomas Bata continues strong and unabated to this day – the tradition is safe.

Discussion questions

1. What cultural issues are involved with staffing?
2. Why do incentive schemes not work well in Bangladesh?
3. What are your suggestions to the strategists to design most appropriate organizational culture?

Lesson 3: Institutional Context as determinant of HRM

Objectives

After studying this lesson, you would be able to -

- Discuss how organic system of management differs from mechanistic system of management.
- Explain different leadership styles that affect HRM.
- Explain what the corporate philosophy is and what it states.
- Explain theory X and theory Y along with their consequences upon HRM.
- Explain how Orgnisation process affects HRM.

Institution is a social system that assembles people in a network of role relationship to produce goods or services for the society and to achieve the purpose of the organisation. It is composed of managerial philosophies, styles, norms and values and affects greatly the human resource management from many directions. Let us understand the dimensions of influence and their nature from the following description-

Institutional theorists believe that organisational processes such as training, work organisations, industrial relations, remuneration etc. should be considered as phenomena of a society.

Organisational Process: Institutional theorists believe that organisational processes such as training, work organisations, industrial relations, remuneration etc. should be considered as phenomena of a society. Their basic argument is that social institutions influence organisational practices in a systematic way that results in company's adopting typical patterns. This 'institutional argument' better known as the 'societal-effect approach' tries to determine how actors construct organisations, and how this constructive process is influenced by the societal fabric in which the actors operate ((Maurice, 1979; Maurice et al., 1986; Muller, 1994).

The societal approach is related to the isomorphism argument that views organisations as social entities integrated into the institutions and value structures constituting the culture of a society.

The **societal approach** is related to the isomorphism argument that views organisations as social entities integrated into the institutions and value structures constituting the culture of a society. In this view, work ethics and entrepreneurial spirit have been argued to be part of cultural identity of a nation and are directly relevant to the human resource management (HRM) system. Political, social and economic institutions, such as economic structure, trade unions, social stratification, educational systems, and various pressure groups can exert their influences on organisational and national human resource management (HRM) policies and practices (Tayeb, 1995:590). It is therefore, necessary to examine the role of social institutions to know why human resource management (HRM) practices vary from country to country as well as within the sector or industry in any particular society.

Management Philosophy: Managerial values and beliefs about people affect the human resource management. We know that Douglas McGregor (1960) has categorized these assumptions into two theories – theory X and theory Y.

Theory –X

1. People dislike work and will work as little as possible.
2. People lack ambition and dislike responsibility.
3. People are self-centered.
4. People resist change.

5. People are gullible and not very bright.
6. People by nature are passive and even resistant to organizational needs.
7. People prefer to be led.

Theory – Y

1. People can enjoy work if the conditions are favourable.
2. People are not by nature passive or resistance to organizational needs and changes.
3. People desire responsibility.
4. People want challenge in their work.
5. People can exercise self-control and self-direction in their work.

Corporate philosophy Statements: Organizational mission and vision are the benchmark documents upon which human resource management will set its own strategies. Mission states the fundamental reasons for the existence of an organization and exhibits the logical bases for getting social legitimacy in favour of its operations in a particular society. It gives answer of three questions – Who we are? What we do? Where shall we go? Vision delineates the dreams of entrepreneurs about the destiny of an organization in an eloquent and lofty manner. These statements give directives to human resource management about its operational patterns and styles.

Leadership Styles: Leadership is the pattern of influencing people. This pattern or style may be autocratic, democratic and laissez-faire.

Management Systems: Management systems may be mechanistic and organic (Burns and Stalker: 1961). The system that is in application affects human resource management and its operational characteristics and makes difference into practices. We can understand it clearly if we go through the characteristics of each which are stated below:

Mechanistic organization/system: Characteristics

1. A high degree of task differentiation and specialization, precise delineation of responsibilities and methods to be used.
2. Extensive reliance on each management level for coordination, control and communication.
3. A tendency for the top people to control incoming and outgoing communications and to be very conservative about giving out information within the system.
4. Extensive emphasis on vertical interactions between superiors and subordinates, with the activities of subordinates mainly governed by these organizations.
5. Insistence on loyalty to superiors and to the organization.
6. A high value placed on knowledge, skill, and experience of particular relevance internally to the organization, in contrast to more general knowledge, skill, and experience.
7. A one-on-one leadership style.

Organic organization /systems: Characteristics

1. A continuous reassessment of tasks and assignments through interactions with others.

2. A network of authority , control, and communication stemming more from expertise and commitment to the total task than from reliance on the omniscience of the chief executive or their authority of the managerial hierarchy. The lead on the perfects is taken by the most informed and capable person and this is usually decided by consensus.
3. A tendency for communications to be very open and extensive.
4. The encouragement of a communication pattern and style that are diagonal (between people of different rank and across functional groups) and lateral (across the organisation at the same rank), as well as vertical. The style is also consultative and information-giving rather than command style.
5. More emphasis on the commitment to the organisation's mission, progress and growth than on obedience and loyalty.
6. A high value placed on the expertise relevant to the commercial and technological milieu of the organisation.
7. A team leadership style, with an emphasis on high participation and considerable attention to interpersonal, group and inter-group processes. One-to-one interaction is frequent but systematic attention is paid to bringing the relevant people together to work on the matters of mutual interdependence and concern.

The whole scenario of human resource management will change with the changes of application of theory –X instead of theory –Y or of organic system instead of mechanistic system.

Discussion questions

1. How does organic system of management differ from mechanistic system of management?
2. Explain different leadership styles that affect HRM?
3. What is corporate philosophy and what does it state?
4. Explain theory X and theory Y along with their consequences upon HRM.
5. Explain how orgnisation process affects HRM.

Case-3 : Ziaul Hoque Dilema

The new heir Ziaul Hoque of the Charlie Company speaks about organizational changes. He holds the M.B.A. degree from a Midwest University's school of management. He is currently assistant to the president. His father is chairman of board.

Hoque says the employees that you build an organization around your people. You forget the formalities of the scalar structures. The most important structure is that of communications. The line and staff are outdated concepts. The idea of system in organization is as impersonal as the idea of bureaucratic authority and as outdated as the notion of the divine right of kings.

Hoque said ‘A network of authority, control, and communication stemming more from expertise and commitment to the total task is important rather than reliance on the omniscience of the chief executive or their authority of the managerial hierarchy. Things shall be decided by consensuses.

He farther said ‘Communications are to be very open and extensive. The encouragement of a communication pattern and style that is diagonal, between people of different rank and across functional groups, and lateral that means across the organization at the same rank, as well as vertical. A mixed form of communication shall be applied based on situational analysis shall be applied with judicious mind. The style is also consultative and information-giving rather than command style’.

Hoque emphasized upon a high value on the expertise relevant to the commercial and technological milieu of the organization. A team leadership style, with an emphasis on high participation and considerable attention to interpersonal, group and inter-group processes. One-to-one interaction is frequent but systematic attention is paid to bringing the relevant people together to work on the matters of mutual interdependence and concern.

Discussion Questions

1. On what form of organisation , Mr. Ziaul Hoque was talking abourt?

2. How do you rate Hoque’s change appeal?

HISTORY OF HUMAN RESOURCE MANAGEMENT AND HUMAN RIGHTS

3

History of the development of human resource management provides a chronological description of the different phases that people-related thoughts passed through over the history.

Today, human rights are the primary concern of human resource management (HRM). Besides human resource managers, all other mangers must know the how human rights are to be maintained as they have people under them through whom they get their jobs done. As such, it is the benchmark concern for all type of managers. Human rights also help motivating and making people committed to the organization as it will ensure the most satisfactory human environment in the organization with other elements of people management.

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Lesson 1: History of Personnel and Human Resource Management

Objectives

After studying this lesson, you would be able to -

- Discuss the development phases of human resource management.
- Describe the human resource management era of HRM with its different thoughts .

Introduction

Personnel Management or Human Resource Management (HRM) as a distinct discipline and field of study hasn't been developed in a day. It takes a long time to recognize the people management as a separate field of management .

Personnel management is perceived as managerial leadership of the human resource (Megginson, 1967,208). Jucius (1977) defines, "Personnel management is the field of management which has to do with planning, organizing, directing and controlling various operative functions of procuring, developing, maintaining and utilizing a labour force. The Institute of Personnel Management, London (1965) defines, "Personnel management is that part of management concerned with people at work and wit h their relationship within an enterprise . However, the concept of personnel management has been modified and changed over time. Personnel management today involves the task of handling the human problems of an organization and is devoted to acquiring, developing, utilizing and maintaining an efficient work force.

Human Resource Management (HRM) is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques (Storey, 1995, 5). It is perceived as the systematic planning, development, and control of a network of interrelated processes affecting and involving all members of an organization (French, 1997, 6).

The advent of Human Resource Management (HRM) has been seen as a paradigm shift of people management. HRM takes the place of personnel management as a discipline of managing people in the organization. A number of authors have tried to differentiate the concept of Human Resource Management (HRM) from personnel management. The philosophy of personnel management is closely tied with localized problem-solving approach, directed principally at 'workers', whereas Human Resource Management (HRM) advocates a more holistic orientation that embraces the management of all 'employees'. It seeks to match, redesign and harmonize employment practices with the strategy appropriate for product, market and other requirements (Hendry, Pettigrew and Sparrow, 1988).

Legge (1989) identified three distinctive features of Human Resource Management (HRM). It places greater emphasis on the development of the management team than personnel management (Brewster and Hegewishch, 1994). On the other hand, Guest (1987:385) perceives Human Resource Management (HRM)as a particular form of personnel management that stresses on 'the goal of integration, employee commitment flexibility, and quality'. Beer et. al., (1985), Guest (1989), Hendry and Pettigrew (1990) and Storey (I989; 1992) have also distinguished between personnel management and human resource management. Mahoney and Panadian (1992), argued that Human Resource Management (HRM) involves a wider and broader view.

Industrial Revolution (1750-1850) brought mass production of goods and the establishment of factories and replaced the traditional relationship of 'slavery, serfdom and guild system' with contractual relations made be free and sovereign.

Whatever the contradictions between personnel management and human resource management (HRM), the concepts have come to surface after passing through a series of stages (French, 1997; Memoria, 1987; Hartel et.al. 2007) that are presented in a chronological manner here with conceptions of people and their management at each stage of thought.

1. Industrial Revolution Era

Industrial Revolution (1750-1850) brought about a greatly expanded mass production of goods and the establishment of factories employing many workers. The traditional relationship of 'slavery, serfdom and guild system' has been replaced with contractual relations made them free and sovereign workers. The consequence of grouping workers into shops and factories, and of the specialization of labour, was a gradual emergence of more systematic attention to the design of jobs, to the choice of workers for those jobs, to the provision of pay and benefits and to the welfare of employees both on and off the job (French, 1997,25). All these conditions have led the industrial management to the concept of personnel management.

Trade Unionism Era involved with the workers getting together to discuss their common problems and gradually formed union to bring about employment and economic benefits for the workers from the management through collective strength of workers.

2. Trade Unionism Era

Shortly after the advent of the factory system, workers began to get together to discuss their common problems and gradually formed union to bring about employment and economic benefits for the workers from the management through collective strength of workers. This trade unionism however, influence the personnel management in such fields of activity as "the adaptation of employee grievances handling systems, the acceptance of arbitration as a means of resolving conflicts of rights, disciplinary practices, the expansion of employee benefit programmes, the liberalization of holiday and vacation time, clear definition of job duties, job rights through seniority and the installation of rational and defensible wage structure (Henry, 1959,.340-364).

3. Pioneer Human Administration Era

Human Administration Era adopted human administration the influence the physical, mental and psychological development of workers that determine their thoughts, emotions, and value systems.

Robert Owen (1771- 1858), a British businessman, socialist, reformer, philanthropist and humanitarian first adopted measures of human administration the influence the physical, mental and psychological development of workers that determine their thoughts, emotions, and value systems. He believed that in order to increase the productivity, it was necessary to improve the conditions of employees by removing them from an adverse environment or by changing the environment with the provision of more satisfactory living and working conditions. Truly speaking, Robert Owen was the pioneer of human administration and could be regarded as the father of Personnel Management.

In order to implement this philosophy, Owen (1913) organized model villages next to his cotton mills in Scotland and had the employees plant trees, shrubs, flowers, and gardens around their homes. He introduced into the factories such unheard-of facilities as shower baths and toilets, which were cleaned and painted and in which windows were installed for light and ventilation. Day schools were organized for the children and night schools for the workers. The minimum age for employing children was increased to 11 years and their workday was shortened from 12 to 10 hours per day, later, he abolished child labour entirely (Megginson, 1967, 8). Unfortunately, the whole programme was opposed by clergy, politicians, parents and fellow businessmen.

The scientific management movement concentrated particularly on job design, selection, training, and compensation has contributed to the development of personnel management.

4. Scientific Management Era

The scientific management movement of the late 1800s and early 1900s concentrated particularly on job design, selection, training, and compensation has contributed to the development of personnel management. Frederick W. Taylor (1911), the father of scientific management prescribed for systematic job design with observation, recording and classification of job activities, scientific selection of workers, training and development of workers for particular jobs, scientifically develop one best way of doing a job, division of work between workers and management, and developing a harmonious relationship between workers and management by a mental revolution among them toward one another. His work was promoted by Franck and Lillian Gilbreth, Henry Gantt. In all, scientific management movement influenced the employee-management relations, human and working environment of the industry and greatly enriched personnel management.

Industrial welfare era consisted of "voluntary efforts on the part of employers to improve, with the existing industrial system, the conditions of employment in their own factories"

5. Industrial Welfare Era

Industrial welfare era/movement has made another addition to the measures of personnel management. It consisted of "voluntary efforts on the part of employers to improve, with the existing industrial system, the conditions of employment in their own factories" (Pround, 1916,5). Management made available various facilities such as libraries and other recreational premises, offered financial assistance for education, home purchase and improvement, provided medical care and instituted hygienic measures and employed staff members called social secretaries or welfare secretaries to help employees (French, 1997, 26).

Personnel management era advocated the analysis of jobs in terms of their physical, mental, and emotional requirements.

6. Industrial Psychology Era

Personnel management was greatly enriched with the contribution of the era in the area of the analysis of jobs in terms of their physical, mental, and emotional requirements and the development of testing devices for selecting workers. Hugo Munsterberg, the father of Industrial Psychology, in his book Psychology and industrial Efficiency published in 1913 described his experiments about these tools.

Human relations era concluded that socio-psychological phenomena exerted greater influence on output of workers.

7. Human Relations/ Behavioural Era

Human relations movement initiated by Elton Mayo (1818-1949) from his historical Hawthorne Studies (1924-1932) has taken the field of personnel management to its solid foundation in the industrial management. The study concluded that socio-psychological phenomena exerted greater influence on output of workers that physical measures did. The social system, informal organization, group control of behaviour, social equilibrium, work autonomy, human relations, etc contributed greatly to the productivity and peaceful harmonious work environment of the industry. Abraham Maslow (1954) with his hierarchy of Needs Theory propounded that satisfaction of human needs will make people motivated to work. Frederick Hertzberg (1959) with his Two-Factor Theory prescribed a set of motivators and de-motivators, the satisfaction and maintenance of which will make people contributive to the production. Douglas McGregor (1960) with his Theory-X (Hard approach) and Theory –Y (Soft Approach) presented the managerial beliefs about the nature of man at work and indirectly suggested personnel management strategies.

Personnel Management Era advocated for assisting the line management in manning the organization and to maintain the workforce at optimum efficiency; providing a task force to render services to the management; controlling functions regarding employee services.

7. Personnel Management Era

Personnel management takes its full fledged status during second half of the twentieth century. Government, international agencies like ILO, labour movements and other social pressure groups have contributed from various direction to the present state of personnel management. Now, organisations have personnel departments/divisions and personnel managers /directors and a large number of specialized personnel staff. Academic institutions have courses in personnel management and degrees are given on personnel management. The present day personnel management has been entrusted with three main responsibilities, they are: (a) to assist the line management in manning the organization and to maintain the workforce at optimum efficiency; (b) to provide a task force to render services to the management(c) to control functions regarding employee services such as housing, transport, financial aid, educational activities etc.

8. Human Resource Management Era

Human resource management is a new paradigm of people management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques

Human resource management is a new paradigm of people management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques (Storey, 1995, 5). Beaumont (1991) identifies five major elements of human resource management (HRM) such as internal promotion, on the job training, individual career planning; flexible work organization systems, knowledge based pay structure, task-related decisions, suggestion schemes and extensive internal communication arrangements. Session (1990) characterizes human resource management (HRM) in terms of four features of employment practices. The intent of HKM is to secure more co-operation, flexibility and productivity by enabling employees feel more 'involved in' and 'responsible for' corporate goals and 'empowered' to promote and secure their realization (Ezzamel et. al., 1996). Arthur (1994) categorized human resource management (HRM) typologies in two broad headings- 'cost reducers' and 'commitment maxi misers'.

There is a debate in the British context about the hard-soft dimensions of human resource management (HRM) (Guest. 1987; Storey, 1987; Hendry and Pettigrew, 1990). Soft human resource management (HRM) is associated with the human relations movement emphasized on development-humanism view, aimed at eliciting employee commitment and the relations within the organization based on high level of trust. This soft version of human resource management (HRM) assumes that employees will work best if they are trusted, trained and developed, allowed to work autonomously and have control over their work. Employees would positively and effectively commit themselves to the aims and values of their employers (Hope, 1994). Hard version of human resource management (HRM) stresses on the quantitative, calculative and business-strategic aspects of managing the headcount resources in a rational way like any other factor of production (Storey, 1992).

A concomitant view originated by the American academics, has identified human resource management (HRM) practices in two distinctive ways. The 'Harvard Model', similar with the soft version of human resource management (HRM), was developed by Beer et. al., (1985) and later on was termed as 'High commitment management' (HCM).

The second group led by Kochen et. al., from MIT, developed 'Michigan Model' is now better known as 'high performance management' (HPM) practices. This approach has similarity with the hard version of human resource management (HRM). It includes numerical flexibility, quality circles, total quality management, lean production techniques, profit sharing, performance related pay etc.

Several authors have advocated for a universalistic best practice approach to human resource management (HRM) (Pfeffer, 1994; Osterman, 1994; Huselid, 1995). They argued that some human resource management (HRM) practices are always better than others and therefore, al! the organizations should adopt those best practices. These Universalists propose a synergistic set of practices (Wood, 2000:9). Contrary to this, some authors have stressed upon for a contingency approach and argued that human resource management (HRM) practices depend on business strategies as well.

Some author's argued for integrating ‘soft’ and 'hard’ human Resource Management (HRM) while constructing human resource management (HRM) model or theory. Guest (1991) integrated both the soft and the hard dimensions of human resource management (HRM) and constructed his model with four human resource management (HRM) 'policy goals' including strategic integration, high commitment, high quality and flexibility among employees.

Some authors have argued that the key to effective human resource management depends on the ‘bundle of Human Resource Management practices’. Human resource management practices were said to be used in bundle as they occur in fairly complete, mutually reinforcing or synergistic sets (Dyer and Reeves, 1995).

Human resource management (HRM) is undergoing through a multifaceted interpretation with divergent and convergent approaches. Scholars are in dilemma in developing a unified homogeneous model for Human resource management (HRM) because of dimensional variations. Irrespective of its present state, Human resource management (HRM) is a reality that replaced personnel management as a dynamic holistic approach to deal with the people aspect of the organizations.

Human resource management (HRM) is undergoing through a multifaceted interpretation with divergent and convergent approaches. Scholars are in dilemma in developing a unified homogeneous model for Human resource management (HRM) because of dimensional variations.

Discussion questions

1. Discuss, in a nutshell, the gradual development of HRM.
1. Describe the human resource management era of HRM with its different thoughts.

Case-1: Talk of Dr. Muhammad Mohiuddin

'Human Resource Management is a new paradigm; it is not personnel management in a new bottle'. Said Dr. Muhammad Mohiuddin, a Professor of management at the University of Dhaka. He was speaking in a workshop. He said, 'After passing seven stages, now people management takes the shape of human resource management'. 'Industrial Revolution' was the starting point'. He continued. ' Robert Owen was the pioneer of the humane administration while he introduced in his factory unheard-of facilities as shower baths and toilets, light and ventilation, day and night schools for the children and for the workers, canteen, gardens and many others and for that he was the light-house in human resource management arena'. But he again said ' A dilemma still exists in hard and soft approaches to human resource management among the scholars , but practitioners are familiar with both of the approaches in their work life as they apply each rightly in many situations and are getting successes'.

'Let me give concrete examples of these approaches.' Dr. Mohiuddin said. 'Soft human resource management is associated with the human relations movement emphasized on development-humanism view. This soft version of human resource management assumes that employees will work best if they are trusted, trained and developed, allowed to work autonomously and have control over their work. On the other hand, hard version of human resource management stresses on the quantitative, calculative and business-strategic aspects of managing the headcount resources in a rational way like any other factor of production. That's the situation'.

'Human resource management) is going through multidimensional interpretations with divergent and convergent approaches, but one day, I hope, we shall get a unified homogeneous model for human resource management. Let us wait for that day. Thank you all'. Dr. Mohiuddin concluded with this remark.

Discussion Questions

1. How many stages were involved in the course of development of human resource management?
2. What are the core differences between hard and soft approaches of human resource management?
3. What do you think about the future of human resource management?

Lesson 2: Universal Fundamental Human Rights

Objectives

After studying this lesson, you would be able to -

- Explain various articles of universal fundamental human rights.
- Discuss the grounds for adoption universal fundamental human rights in UNO.

In 1948, the Universal Declaration of Human Rights was adopted in the General Assembly of the United Nations Organization (UNO) for the first time in history acknowledging human rights as a global responsibility. Today, all 193 member countries of the UNO have ratified this declaration.

The 21st century's growing global interdependence signals a new era. Complex political and economic interactions, coupled with the rise of powerful new actors, open new opportunities. Individuals, government, non-government originations, corporations, policy makers, multilateral organizational – all have a role in transforming the potential of global resources and the promise of technology, know-how, and networking into social arrangements that truly promote fundamental freedoms everywhere of the world.

The mark of all civilizations is the respect they accord to human dignity and freedom. All religions and cultural traditions celebrate these ideals. Yet throughout history they have been violated. Every society has known racism, sexism, authoritarianism, xenophobia (unreasonable fear about foreigners)- depriving men and women of their dignity and freedom. And in all religions and cultures the struggle against oppression, injustice and discrimination has been common. There has been great progress in eliminating discrimination by race, religion and gender. But still, struggle continues in all countries, rich and poor to eradicate oppression, injustice and discrimination.

Universal Fundamental Human Rights recognizes the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.

Human rights and human development are both about securing basic freedoms. Human rights express the bold idea that all people have claims to social arrangements that protect them from the worst abuses and deprivations and that secure the freedom for a life of dignity. Human development, in turn, is a process of enhancing human capabilities to expand choices and opportunities so that each person can lead a life of respect and value. Therefore, human rights are essential for full human development and the human development is essential for realizing human rights. Let us go that universal fundamental human rights now.

PREAMBLE

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people, Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

Whereas it is essential to promote the development of friendly relations between nations,

Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,

Whereas Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,

Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,

Now, Therefore THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

All human beings are born free and equal in dignity and rights.

Article 1.

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Everyone is entitled to all the rights and freedoms without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

Article 2.

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

Article 3.

Everyone has the right to life, liberty and security of person.

Article 4.

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

Article 5.

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 6.

Everyone has the right to recognition everywhere as a person before the law.

Everyone has the right to recognition everywhere as a person before the law.

Article 7.

All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

Article 8.

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Everyone has the right to recognition everywhere as a person before the law.

Article 9.

No one shall be subjected to arbitrary arrest, detention or exile.

Article 10.

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial.

Article 11.

(1) Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.

(2) No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

Article 12.

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation.

Article 13.

(1) Everyone has the right to freedom of movement and residence within the borders of each state.

(2) Everyone has the right to leave any country, including his own, and to return to his country.

Article 14.

(1) Everyone has the right to seek and to enjoy in other countries asylum from persecution.

(2) This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

Article 15.

Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family.

(1) Everyone has the right to a nationality.

(2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

Article 16.

(1) Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.

(2) Marriage shall be entered into only with the free and full consent of the intending spouses.

(3) The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

Everyone has the right to freedom of thought, conscience and religion.

Article 17.

(1) Everyone has the right to own property alone as well as in association with others.

(2) No one shall be arbitrarily deprived of his property.

Article 18.

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19.

Everyone has the right to freedom of opinion and expression.

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Article 20.

Everyone has the right to freedom of peaceful assembly and association.

(1) Everyone has the right to freedom of peaceful assembly and association.

(2) No one may be compelled to belong to an association.

Article 21.

(1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.

(2) Everyone has the right of equal access to public service in his country.

(3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

Article 22.

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

Article 23.

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

(4) Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24.

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family.

Article 25.

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages.

Article 26.

(1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.

(2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.

(3) Parents have a prior right to choose the kind of education that shall be given to their children.

Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

Article 27.

(1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

(2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Everyone has duties to the community in which alone the free and full development of his personality is possible.

Article 28.

Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

Article 29.

(1) Everyone has duties to the community in which alone the free and full development of his personality is possible.

(2) In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.

(3) These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

Article 30.

Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

Discussion questions

1. What the background situations upon which universal fundamental human rights have been declared?
2. Discuss in brief the articles of universal fundamental human rights.

Case-2: Kanailal Dey

Mr. Kanailal Dey in Utter Pradesh, India was not regular in office. The management observed his conduct over a period of time and dismissed him from the service on the charge of habitual absence directly. Mr. Dey made a suit against the management of the factory. The court after giving hearing of both the parties overruled the order of dismissal and asked the management to reinstate him with full benefits.

Discussion Question

What right of the worker was denied here? Explain with the reference of the law.

Case–3: Child Labour

We know that Egyptian, and Roman civilization was built on slave system. Till now, we observe many forms of slavery in the world against which world community and the people of Bangladesh had taken right steps to eradicate this evil practice from the society and from the human nation of the world. Many countries of the world are using child labour in their work and human, particularly women and child trafficking is a good business to many now.

Discussion Question

What do you learn from the constitution of the People's Republic of Bangladesh and from the universal fundamental human rights about right steps against this type of activities? Elaborate.

Case–4: Genocide in Bangladesh

Apartheid, communality, gender discrimination etc. practices all over the world are opposed from philosophical and natural justifications by the philanthropist over many years in our civilization. Many years later, world community of human has come to consensus to oppose and to stop these by framing common grounds of understanding. A few people in Bangladesh during our liberation war helped the occupation Pakistani army to kill, torture, rape and other heinous crime against our unarmed common people. In many situation, these collaborators had taken active part in killing, raping, looting and burning down houses in the name of the religion and of the security. The charges of crime against humanity brought about against them many years back , but that was not paid any heed. Did they do any crime against humanity?

Discussion Question

Explain your opinion with law and logic.

JOB ANALYSIS AND DESIGN

4

The resourcing of the organisation begins with an understanding of the organisation's jobs and the plans to fill those jobs with qualified people. Then, the human resource management recruits and selects the qualified and talented persons required for the job to perform efficiently to meet organizational objectives. This unit will deal with job analysis and job design to understand jobs and its nature.

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Lesson 1: Job Analysis

Objectives

After studying this lesson, you would be able to -

- Explain what a job is and what job analysis is.
- State the information that are required to collect for doing job analysis.
- State uses of job analysis in HRM.
- Discuss the process of conducting job analysis.
- Describe job information collection methods.
- Discuss various job analysis techniques.
- Define job description and make a specimen of job description.
- Define job specification and draw a specimen of job specification.
- Explain the problems of job analysis.
- Understand the concept of jobless organisation.
- Explain why companies are becoming jobless.

What is a Job?

A job is a group of positions that are similar in their duties. It is viewed differently by different agencies and experts. Let us see a few of those below:

A job as a collection of activities or tasks that comprise the work assignment of one or more workers.- The U.S. Department of Labour (1997:3).

A job is a pattern of tasks, duties, and responsibilities that can be done by a person.- William B. Wrether and Keith Davis (1996:117).

A job is the tasks, duties and responsibilities that are required to perform by a person in a position of an organization.

A job is a type of position within the organization, while a position is one or more duties performed by one person in an organization. - DeCenzo and Robbins, 1997:99).

Sociologists view a job as a status placing the performer within a hierarchy of statuses comprising the social structure.- Merton (1968).

Industrial engineers frequently use the term job in a job shop sense, i.e. as a piece of work to be done or a part of a product to be made.-Davis and Taylor(1979:39).

In this dilemma, we take the definition of **a job as the tasks, duties and responsibilities that are required to perform by a person in a position of an organization.**

What is Job Analysis?

Job analysis is the procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it.

Job analysis is a purposeful, systematic process for collecting information on the important work related aspects of a job. -Gatewood and Field (1994:285). The focal point here is the 'collection of job information' that perhaps confines the job analysis into a very narrow field of operation.

Job analysis is the procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it.- Gary Dessler (200:83) It emphasizes upon the determination of not only job contents but also the characteristics of the person who would better do these tasks and activities well and should be the person to be hired.

Job analysis is a systematic process of collecting data and making judgments about the nature of specific job. - Milkovich and Boudreau (1997:79). They view job analysis as something centers around the job content only.

Job analysis is a systematic exploration of the activities within a job to determine the tasks, duties and responsibilities needed for each job and the qualifications to be needed into a person to perform the job.

Job analysis is the systematic investigation of job contents, the physical circumstances in which the job is carried out, and the qualifications needed to carry out job responsibilities. – Wendell French (1997:166). It is comprehensive definition of job analysis covering all aspects that are made in job analysis.

Thus, **job analysis is a systematic exploration of the activities within a job to determine the tasks, duties and responsibilities needed for each job and the qualifications to be needed into a person to perform the job.**

Information Collected through Job analysis

The definitions of job analysis may be put in two categories – one focuses only on job information and job characteristics determination and the other focuses job information and the man information i.e. required qualities of the person who will do that job. For the practical purpose, job analysis should be termed as the procedure for determining the content of the job as well as the qualities required to be possessed by the person who should be hired for doing the job. Generally, the following information is more or less collected through job analysis (Milkovick, 1976):

Work activities. Information is usually collected on the actual work activities performed, such as cleaning, selling, teaching, or painting. Such a list may also indicate how, why, and when the worker performs each activity.

Human behaviours. Information on human behaviors like sensing, communicating, decision-making, and writing may also be collected. It includes also information regarding human job demands such as lifting weights, walking long distances, and so on.

Machines, tools, equipment, and work aids used. It includes information regarding products made, materials processed, knowledge dealt with or applied (such as finance or law), and services rendered (such as counseling or repairing).

Performance standards. It includes information about such matters as physical working conditions, work schedule, and the organizational and social context – for instance, in terms of the number of people with whom the employee would normally have to interact. Also included here might be information regarding incentives for doing the job.

Human requirements. Finally, information is usually compiled regarding human requirements of the job, such as job-related knowledge or skills - education, training, work experience, and required personal attributes- aptitudes, physical characteristic, personality, interest.

Job analysis is the cornerstone of human resource management (HRM) that influences most human resource activities

Uses of Job Analysis

Job analysis is the cornerstone of human resource management (HRM) that influences most human resource activities (Howe 1988:66-73) such as organization structure and design, human resource planning, job evolution,

1. Recruitment, Selection and Placement: Job analysis information is used for writing advertisements for job openings and in writing letters to people or organizations that are in a position to refer candidates. The selection activities such as employment test, interviewing etc are made on the basis of job analysis information so that the best qualified persons can be selected and be placed in the right job to use their skills and expertise effectively.

2. Orientation, Training and Development: Orientation, training and development are provided to bridge up gap between the existing knowledge, skills and expertise of new employees and the job demands. Job analysis will provide the job demands of different jobs in terms of job activities and the skills needed to perform the jobs successfully. Therefore, job analysis information will tell what shall be the content of orientation, training and development programs and how they can be effectively designed to make them successful.

3. Performance Standards and Appraisal: Job analysis information is the basis for setting job performance standards of employees in their respective job positions and after the job, we can measure how rightly jobs are performed on the basis of given standards. Future courses of changes will be made on this appraisal.

4. Career Path Planning: Job analysis information can be used to think through and develop the avenues for transfer and promotion to advancement in the organization. An individual employee can also plan for career advancement form the same information and may best anchor successfully in most fit job.

5. Job Evaluation and Pay Setting: Job evaluation is the process of determining the relative worth of jobs within an organization to establish pay that is wages and salaries of employees in different positions of different areas of jobs. Job analysis provides the basic information such as job content, working conditions, qualifications etc upon which compatible pay is set.

6. Employee Relations: Dialogue with individual employee or labour unions or collective bargaining agent is facilitated by the job analysis information which provides the benchmark information for negotiation and better understanding of what can and would be expected of employees holding jobs and how management can respond and come to a settlement.

7. Engineering Design and Methods improvement: Job analysis helps to set engineering designs for equipments and surroundings of a job conducive to employee performance and to meet environmental challenges. Moreover, need for work method improvements and actual improvements are made on the basis of information provided by job analysis.

8. Safety: Safety measures and equipments are designed on the basis of job analysis information so that employees can work without any hazards and physical threats.

9. Vocational Guidance and Rehabilitation Counseling: What practical skills will be needed to perform a job and how a retiring employee will get a second employment or independent profession can be understood from the job analysis information. So, fruitful counseling can be provided to the people so that they can be placed in right jobs is right skills.

Job Analysis Process

Job analysis process involves a number of steps. A general consensus is found about six steps involved with job analysis (Werther and Davis 1996, Dessler, 2000), Ivancevich 2001), though little variation is found in the activities and sequence of the process tasks. Here involve six steps in the process of job analysis. They are stated below:

1) Set job Analysis Objectives: First we are to set objectives of job analysis. Why shall we of job analysis? So, identify the use of the job analysis information which will be used to determine the type of data to be collected. The objectives of job analysis will be set first to design a blueprint for conducting job analysis.

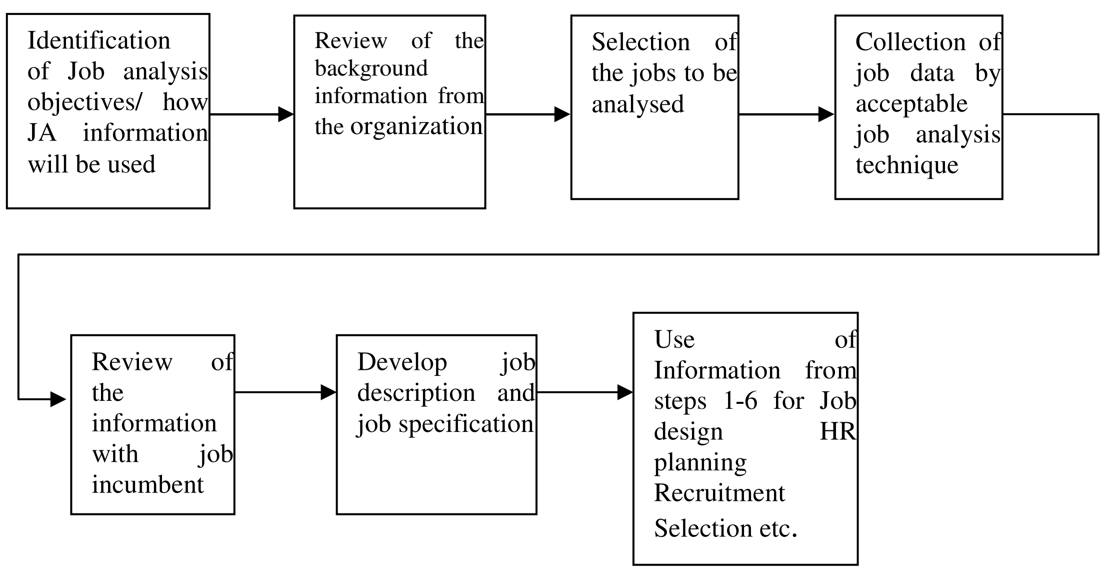
2) Review of the Relevant Background Information: This review is done from organization charts, process charts and other organizational documents to know how each job fit with the total fabric of organization;

3) Selection of Representative Jobs: For the purpose of job analysis, jobs from each category of job will be selected for the analysis. Selection of representative positions is vital for successful job analysis because it will help avoiding future problems.

4) Collection of Data: Collection of data on job activities, required employee behaviors, working conditions and human traits and abilities needed to perform the job. The analysts can use various methods of data collection to get real and fair picture of job activities and related qualifications of job incumbents.

5) Review Job Data: Collected job data will be checked and cross-checked with experts, job incumbents and other competent sources to verify their authenticity and reliability. This review of the information will make the information factually correct and complete.

6) Develop a Job Description and Job Specification: Now, at the final stage, two concrete products of the job analysis- job description and job specification will be drawn and be preserved for future uses.



Steps in job Analysis and its relationship to other HRM activities.

Data Collection Methods

There are different methods for collecting job information. Either method or a combination of methods may be used depending on the nature of the job under study. The methods usually used to determine job elements and the concomitant knowledge, skills and abilities necessary for successful performance are stated below :

Job analyst observes the job performance of the job incumbents and records the performance from which job contents and activities are identified.

1. Observation Method: Job analyst observes the job performance of the job incumbents and records the performance from which job contents and activities are identified. Here, job analyst must be trained to observe relevant job behavior and must remain as unobtrusive as possible. He or she must stay out of the way so that the work can be performed. Direct observation is used for jobs that require manual, standardized, and short-job cycle activities.

Face-to-face interview is an effective way to collect job information.

2. Interview Method: Face-to-face interview is an effective way to collect job information. The analyst has the job checklist as a guide, and it allows the interviewer to explain unclear questions and probe into uncertain answers. Both job incumbents and supervisors are usually interviewed. This interview may be **individual interview** where a single job incumbent or a supervisor is interviewed or may be **group interview** where a group of job incumbents or supervisors is interviewed. Group interview provides better information because if somebody forgets any job information, others will point it out and by this way, the analyst will get full job information.

Questionnaire includes specific questions about the job, job requirements, working conditions, and equipment to collect information from job incumbents.

3. Questionnaire Method: Questionnaire is the least costly method for collecting a large amount of information in a short period of time. Generally, a structured questionnaire is used for this purpose. It includes specific questions about the job, job requirements, working conditions, and equipment. A less structured, more open-ended approach of questionnaire may be used where job incumbents are asked to describe their jobs in their own terms. A questionnaire is given to the incumbent or incumbents or supervisors to fill it up with relevant answers of each question from which the job analyst will arrange required information in a systematic manner to achieve the purpose of the job analysis.

Technical conference method is used to collect job information from a panel of technical experts meeting for this purpose.

4. Technical conference Method: The conference method is used to collect job information from a panel of technical experts meeting for this purpose. This interactive session will all experts to discuss job related information and finalize the job description and specification through consensus. This gives such insight and detail information which job analyst might not get from any other way.

Diary or log is a method in which the job incumbent will record his/her job duties, responsibilities, authorities, working conditions, equipments used frequency of job time to accomplish the job.

5. Job Incumbent Diary or Log Method: The diary or log is a method in which the job incumbent will record his/her job duties, responsibilities, authorities, working conditions, equipments used for doing job, frequency of job performance, time to accomplish the job etc information in a diary or log given to him/her for this purpose. It provides good information about the job if the job incumbent keeps it up to date. This diary method is useful when attempting to analyse jobs that are difficult to observe, such as those performed by engineers, scientists, and senior executives.

6. Performance Method: In this method, the job analyst does the selected job by himself/herself and records all job information to get a true picture about job duties, responsibilities, working conditions etc.

> *Critical incidents methods is used to record only critical or exceptional items of the job that are done or that exist in the job conditions only.*

7. Critical Incidents Method: Critical incidents are the snapshot accounts of effective or ineffective job performance. This method is used to record only critical or exceptional items of the job that are done or that exist in the job conditions only as all other parts of the job are routine jobs and are known to the job analyst. Critical incident reports require the employee's supervisor to keep written records of the employee's activities that have contributed to success or failure on the job. Historical data or earlier earned knowledge about the job could be the source of such information.

Job Description

Job description is the outcome of job analysis that describes the activities to be done in a job position along with working conditions and other environmental conditions under which the job incumbent will perform his/her job.

The job description is a written statement that explains the duties, working conditions and other aspects of a specified job. – Judith A. DeLapa (1989).

> *The job description is a written statement that explains the duties, working conditions and other aspects of a specified job.*

Job description is a written and summarized statement of the basic tasks associated with a particular job.-Wendell French (1997).

It should accurately portray job contents, environment and conditions of employment. There is no standard format for writing job description. Generally either of the stated two approaches may be used. **One approach** is to write a narrative description in a paragraph and the **other approach** is to breakdown the description into several subparts, such as job title, job code, job grade, job location, date, author, status, supervisor, job summary, job duties and working conditions (Werther and Davis, 1996). However, typical job description contains three sections: (Milkvich and Bondream, 1997: 84), They are:

1) ***Identification:*** It may contain job title, number of incumbents location of the job, job number/ code, job grade and salary grade. Its purpose is to clearly identify the job and to distinguish it from those with similar job titles and duties.

2) ***Job activities/ performed:*** It shows the reasons for its existence. It contains relationship how it fits in with other jobs and with the organization, responsibilities and duties, behaviours of the incumbent, standard of performance etc. It ought to provide an accurate literary picture of the job. For managerial jobs, the size of the budget, people under the incumbent's supervision and reporting relations with other managers both higher and lower organization levels are mentioned.

3) ***Working conditions:*** It contains the context in which the action takes place. Clear statement of tools, equipments, hazards and noise levels, physical conditions of the workplace, working hours, and other relevant information about working conditions.

Specimen of Job description

Sunlife Insurance Company

Job Description

Job Title : Manager (Accounts and Audit)	Job Code: 213
Date : January 1, 2015	Author: Abdul Karim
Job Location: Accounts and Audit Department	Job Grade : 2
Supervisor: Ahsan Habib	Status:

Job Summary: Supervise the performance of accounting and auditing department. Train people up and get the job done by subordinates effectively. Report financial and audit reports to supervisor.

Job Duties : Design accounting and audit system for the firm.

Train concerned employees on it.

Monitor and supervise performance of others.

Report the accounting and audit information to the supervisor regularly and on special situation.

Prepare financial statements and audit report.

Report about the individual performance of employees.

Perform duties as assigned by the supervisor.

Authority: Approve expenditure on budgeted capital items upto Tk. 10 lac in one financial year.

Hire and fire subordinates in accord with company policies and procedures.

Approve expense accounts of subordinates as per company rules.

Authorize all non-capital item expenditures within the approved limit.

Exercise line authority over all direct reporting positions.

Working Conditions: Work in an air conditioned modern office with computer and other time saving machines and personal assistant. Working hours would be 10 a.m. to 5 p.m. . Transport facility for coming in and going out of the office.

The above information is correct as approved by :

Signature : Job Analyst Signature: Department Manager

Job Specification

Job specification is a written explanation of the knowledge, skills, abilities, traits, and other characteristics necessary for effective performance in a given job.- Bureau of Intergovernmental personnel programs(1973).

Job specification states the minimum acceptable qualifications that the incumbent of a given job must possess to perform the job successfully.- DeCenzo and Robbins (1997).

These requirements may include basic education, physical and health conditions, appearance, mental ability, previous work experience, maturity, human relations/ contact, special training, trade skills etc. Some experts argue for behavioral specifications, particularly for managers, suggesting job descriptions that focus on the varied behavior needed (Fondas, 1992: 47-58). When positions cross national boundaries, linguistic, legal, and cultural familiarities may become an important addition to the specifications (Werther and Davis, 1996: 131).

Job description and job specification may be prepared in two different sheets or in a single statement containing two separate part – upper part is job description and lower part is job specification. Both of the statements should be clear, specific, and brief.

Job analysis is a complex task. Only a person who has a good grasp of the nature and functions of organization in a modern society, a working knowledge of the existing methods and tools, a sound conceptual background on the relevant field can do the job analysis successfully (Ghorpade and Atchison, (1980)).

Specimen of job specification

Sunlife Insurance Company

Job Specification

Job Title: Manager (Accounts and Audit)	Job Code: 213
Date : January 1, 2015	Author: Abdul Karim
Job Location: Accounts and Audit Department	Job Grade: 2
Supervisor: Ahsan Habib	Status:

Education : BBA/MBA in Accounting /Finance / ACCA/ACA

Age: Not above 32 years.

Experience : 5- year experience in accounting, auditing or finance related job.

Resourcefulness: Good judgement and decision making capability, e-accounting knowledge, and reporting ability.

Mental Ability: Attentive, caring, sociable, quick responsive, analytical, rationality, integrity, dutifulness, committed, initiative and ingenuity.

Physical Ability: Strong physic, industrious, dexterity in using calculator and computer, ability to do frequent tour.

Special Skill : Statistical tools and computer language.

Language Skill : Fluent in speaking and writing in Bengali and English.

Contact : Good in routine staff interaction, public relations, interpersonal relations, and group communication. Tactful and courteous in telephone conversation.

Signature : Job Analyst   Signature: Department Manager

Organizations may take any of the three options: (1) hire specialized job analyst from outside, (2) employ full time job analysis experts, or (3) use supervisors, job incumbents or some combination of these (Ivancevich, 2001, Ghorpade and Atchison, 1980).

The choice of who should analyse a job depends on the location and complexity of the jobs, how receptive incumbents might be to an external analyst; the ultimate intended purpose of the results of the analysis (Ivancevich, 2001), the financial capacity and the scope of the organization.

Job Analysis Techniques

There are three techniques of job analysis by which systematically and quantitatively we can analyze job. They are :

1. Functional Job Analysis (FJA)

Functional Job Analysis (FJA) produces a description of a job in terms of data, people and things.

Functional job analysis uses standardized statements and terminology to describe the nature of jobs and to prepare job descriptions and job specifications. It produces a description of a job in terms of data, people and things. Functional job description is based on the following key assumptions (Stone, 2006:168):

- Jobs are concerned with data, people and things.
- A distinction must be made between what gets done and what employees do to get things done.
- Mental resources are used to describe data; interpersonal resources are used with people; and physical resources are applied to people.
- Each duty performed on a job draws on a range of employee talents and skills.

Functional job analysis has the advantages of being intuitively appealing, relatively easy to learn and based on a standardized format, but it has been criticized for being labour-intensive, subjective and difficult to use (Byars and Rue, 2000).

2. Position Analysis Questionnaire (PAQ)

Position analysis questionnaire (PAQ) is a structured questionnaire for quantitatively assessing jobs.

It is a job analysis instrument and scoring service that is marketed commercially (Stone, 2006:169). This technique of job analysis is developed by Purdue Univeristy, USA. Position analysis questionnaire (PAQ) is a structured questionnaire for quantitatively assessing jobs. It contains 194 questions divided into six major categories:

1. Information input. Where and how does the employee get the information needed to perform the job?
2. Mental processes. What reasoning, decision-making, planning and information –processing activities are involved in performing the job?
3. Physical activities. What physical activities does the employee perform and what tools or devices are used?
4. Relationship with other people. What relationships with other people are required in the job?
5. Job context. In what physical or social contexts is the work performed?
6. Other job characteristics. What activities, conditions or characteristics, other than those described above, are relevant to the job?

The big advantage of the Position Analysis Questionnaire (PAQ) is tht it can be used to analyse almost any type of job. In addition, it has been widely used and researched and appears to be both valid and reliable (McCormick, Nisi and Shaw, 1979)

Management Position Description Questionnaire (MPDQ) is a quantitative technique to analyse job containing 197 items which are behaviourally oriented, structured questionnaire for describing, comparing, classifying and evaluating management positions.

3. Management Position Description Questionnaire (MPDQ)

It is a quantitative technique to analyse job. It contains 197 items which are behaviourally oriented, structured questionnaire for describing, comparing, classifying and evaluating management positions (Tornow and Pinto, 1976). The latest version of the Management Position Description Questionnaire (MPDQ) is divided into ten sections : general information; decision making; planning and organizing; supervising and controlling; consulting and involving; contacts; monitoring business indicators; overall ratings; know-how; and an organization chart (Cascio,1991:136-138). It is useful for selecting managerial employee, planning careers, diagnosing training needs and evaluating jobs (Tornow and Pinto, 1976).

Problems of Job Analysis

Job analysis is a complex task. We need supporting service from different sections of people and functional departments. The techniques/method we use to conduct job analysis may in itself cause deterrence. However, Studies have found a set of problems that are mentioned below (Stone ,2008 , Byars and Rue, 2000):

Practical Problems

- Lack of top management support;
- The use of only one method of job analysis;
- The use of only a single source for collecting job information;
- Lack of participation by supervisors and job holders in the design of the job analysis exercise;
- The fact that the job analyst, the supervisor or the job holder has not been trained in job analyst;
- Employees' lack of awareness of the importance of job analysis;
- Employees seeing job analysis as a threat to their job and /or pay level , job security and workload;
- Lack of reward for employees for providing quality job information;
- Insufficient time allowed to complete the job analysis;
- Intentional or unintentional distortion of job content and job requirements;
- The absence of a review of the job to determine whether it is being done correctly or whether improvements can be made.

Theoretical Problems

- Many job analysis techniques fail to identify the importance of factors such as the need for teamwork or specific personality variables (Townley1994:58)
- Some techniques rely on what people say they do rather than on what they actually do.
- There may be no agreement regarding whether a task is actually performed as part of the job or the skill level required.

- Workers generate different information about jobs according to their sex, age and level of education. For example, older and less educated workers typically describe their work as less important and less complex (Townley1994:59) .
- Issues of hierarchy power, imbalance and socio-political determination of what constitutes activity and work are neglected.

However, the job analysis still deserves the attention of the human resource managers, both for its continuing contribution to human resource management and as a safeguard against litigation (Gatewood and Field, 2001, Voskuijl, 2005).

Jobless Organisation

The traditional concept of job, which is an outgrowth of the industrial revolution's efficiency demand is undergoing dramatic changes due to accelerating product and technological change, globalize competition, deregulation, political instability, demographic changes and trends toward a service society and the information age (Dessler, 2000). These forces have changed the playing fields of the competing firms, especially rapid changes, have increased the need for capable firms to be responsive, flexible, and capable of competing in global market (Dessler, 2000: 109). It is gradually difficult to define the jobs of human resource (HR) engaged in an organization due to enormous flexibility, dynamism and unforeseen character of the specific future conditions. It is a particular situation for managerial people and production and marketing people in particular.

Jobless or de-jobbed organizations are becoming a reality today. However, it is not altogether departure from job description but open statement of positional boundaries delineating least specific mention of activities. Workers still have been assigned to jobs and these jobs require job descriptions.

De-jobbing is broadening the responsibilities of the company's jobs, and encouraging employees not to limit themselves to only described jobs.

Definition of De-jobbing

De-jobbing is broadening the responsibilities of the company's jobs, and encouraging employees not to limit themselves to only described jobs. – Gary Dessler (2003:82).

Experts were critical to the traditional pattern of *dehumanizing* work in which workers had to engage in highly repetitive and specialized jobs. This criticism was started from mid 1900s and is growing with the expanding concern for people in the job. They are advocating for making job more humane –making jobs fit with human personality. This concern gives birth of the idea of making organizations jobless which means making jobs unspecified and open with greater autonomy to people to operate with innovation, creativity, wide spread responsibility, and commitment. This is de-jobbing.

Why de-jobbing?

There are a set of arguments in favour of this growing perception of de-jobbing the organization which are put forward by many experts (Dessler, 2003; French,1997;---). They are discussed below:

1. Flatter Organization: Companies are becoming interested to make flat organization structure with a few levels instead of traditional pyramid organization structure with many levels. This make span of supervision large and that calls for de-jobbing that gives the subordinates bigger jobs in terms of both breadth and depth of responsibility.

2. Work Team: Organisations are using ‘team work’ instead of individualized and specialized work. Managers replace traditional functional jobs with multi-skilled, cross-sectional, and self –directed teams that run a particular job with sole responsibility for all its resources and success. So, there exists no specific job for anybody, all team members do the job jointly with cross-sectional knowledge and skill.

3. Boundaryless organization: Boundaryless organizations foster responsiveness by encouraging employees to rid themselves of the “it’s –not-my-job” attitudes, but taking an attitudes that defines the task at hand in terms of the overall best interests of the organization. This reduces the idea of a job as a clearly defined set of duties.

4. Reengineering: Reengineering refers to the fundamental rethinking and radical redesigning of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed (Hammer and Champy,1993:32). It prompts the firms to combining tasks into integrated, unspecialized process assigned to teams of employees. In reengineered situations, workers are collectively responsible for overall results rather than being individually responsible for just their own tasks.

5. Globalised Competition: The world becomes one world today with one market concept that directs organizations to produce one product for the world as a whole and to compete globally with other global companies. This situation compels organizations to think differently about jobs and to make jobs open for running those with versatile persons with wider autonomy and responsibility.

Discussion questions

1. What is a job? What is job analysis?
2. State the information that are required to collect for doing job analysis.
3. State uses of job analysis in HRM.
4. Discuss the process of conducting job analysis.
5. Describe job information collection methods.
6. What are the various job analysis techniques?
7. Define job description and make a specimen of job description.
8. Define job specification and draw a specimen of job specification.
9. What are the problems of job analysis?
10. What is jobless organisation? Why are companies becoming dejobbed?

Case-1: Reducing Costs at Rift Airlines

'Let's get started. As you all know, I announced at the press conference yesterday out attack on Rift Airlines' cost structure. We have to better the competition or we are history. Our overall personnel numbers and expenses are way out of line with the competition. We have to recue costs. There is no alternative'. The dark expression of Kieran Mathieson, Rift Airlines' managing director, showed the mounting pressure that he was under.

'Kieran, I think we should tackle the cabin crew situation first. Our people numbers and labour expenses are way above those of the competition and our productivity is terrible. Rift Airlines' cabin crew expenses exceed our worst-performing competitor by more than 30 per cent '. Said Jeff Davis, manager of finance and accounting.

Bill Armstrong, Rift Airlines' operations manager, shifted uneasily in his seat as kieran's gaze focused on him.

'Is that correct, Bill?' questioned Kieran.

'Yes, Kieran, I'm afraid it is.'

'How in the hell did we get into such a situation?' barked Kieran.

Bill leant forward, his face flushed. 'Very easily, Kieran. We have given the unions everything they asked for over the years because we could pass on the extra costs. It was a nice sweetheart arrangement. We paid and they gave us no trouble. It worked well when there was no competition and we were protected by the government. Now, it is dog, eat dog and we are hurting.'

'Okay, l appreciate the history, but what do you suggest we do now?' asked Kieran.

'l recommend we reduce flight crew numbers to bring them into line with competitive practice - this will result in an immediate 20 per cent reduction in staff numbers. '

Next, l suggest we expand the job duties to be performed, which will also save us money by allowing more rapid turnarounds, further reductions in cleaning staff and lower costs.

'l'm not sure what you mean Bill', said Linda Church, HR manager.

'lt's simple. The cabin crew becomes multi-tasked. Instead of just the standard duties of serving and looking after passengers, they can also clean the plane at the end of each flight and take on check-in duties if required.'

'Bill, this is crazy. The unions will never accept it.'

'Linda, l don't see what the problem is. Our competition is already doing this. At Virgin Blue flight attendants clean the planes, including the toilets?" if our unions can't see the need for change, then we might as well pack up and go home now.'

'Why don't we fire the lot and simply outsource from New Zealand and the Philippines? questioned Jeff. 'We need more flexibility and lower costs, and outsourcing gives us that.'

'I agree with Jeff', chipped in the marketing manager, Stan Vines. 'Our flight attendants have developed very bad work habits over the years. They know that they can't be fired and that their pay increases are guaranteed. lt's no wonder we have a reputation for surly service. Our flight attendants are a major marketing problem.'

Linda snapped, 'You realise that there will be a major union backlash'

'So what, Linda?' retorted Stan. 'This company has been playing Father Christmas for too long. lt's about time people realised that we are a global company competing against airlines with lower costs. Lack of competition, government ownership and union power have given this company an unsustainably high cost base.'

'You forgot lousy management. This airline's problem is that its management was too bureaucratic and too resistant .to change. lt's the duality of our management that stinks, not our people', Linda flared.

Kieran interrupted the sharp exchange. 'Can we get back to business please? Picking up on Bill's suggestion, we can introduce a new job description for the flight attendants. lf the savings are as great as Bill indicates, we could pay the flight attendants more. We really need to look at how we can convince the unions to help us reduce costs. We must have the flexibility to manage our human resources properly. In case you haven't all noticed, time is running out for Rift Airlines'.

Discussion questions

1. Critically examine the various arguments proposed in this case. Who do you agree with? Why?
2. Discuss the viability of the various proposals made.
3. Identify the key stakeholders and their probable reactions to the proposals.

Lesson 2: Job Design

Objectives

After studying this lesson, you would be able to -

- Explain the concept of job design.
- Discuss the objectives of job design.
- Explain the approaches of job design.
- Explain the job design input-output framework.
- Discuss the techniques of job design.
- Describe the concept of and criteria of quality of work life.
- Explain the cautionary measures that one should take during designing quality of work life.

Human resource management (HRM) is oriented to utilize human talent and capability by offering stimulating and enriched jobs to the people. Here is the role of job design or redesign to make the job interesting and challenging to the people in which people will fit best. This will enable individuals to perform far more varied and skilled jobs resulting quantitative and qualitative performance improvements which will make organizations more competitive and sustaining in the market. Hence, one of the most important components of the organizational effectiveness and economic prosperity is to design jobs with more attention, detail and care. It is held that multi-skilled highly discretionary jobs will influence the critical psychological state of the employee promoting a sense of meaningfulness, responsibility, dedication and value (O'Doherty, 1998). Once an employee begins to experience a more positive psychological relationship with their job, manager, employer and organisation, it is expected that improved performance will follow (Hackman and Lawler, 1971; Hackman and Oldham, 1976). These tell us that all human resource managers should have a clear idea and practice of job designing technicalities. Therefore, let us go for that.

Job Design: Concept

Job design is specification of the content of a job, the material and equipment required to do the job, and the relationship of the job to other jobs.- Raymond J. Stone (2008:175).

Job design is the process of determining the specific tasks and responsibilities to be carried out by each member of the organisation.- Wendell French, 1997:157).

Job design is the process of determining the specific tasks and responsibilities to be carried out by each member of the organisation.

Therefore, job design is the complex task of events that establishes the responsibilities and tasks assigned to each member of the organization and the physical circumstances in which each employee carries out those responsibilities.

Goals of Job Designing

People come to work of the organization with their own expectations and organization takes people to achieve their own expectations. The gap between these two expectations is bridged up in job designing. Human resource managers must promote employee productivity by finding ways to unlock the potential that exists in the overwhelming majority of employees by making a perfect match between personality of the individual and the job.

> *Agency approach prescribes discrete and autonomous active interventions by the management in the employment relationship designed to increase performances by increasing motivation and commitment, placating discontent and alienation, and improving the flexibility of employee utilization.*

> *Structuralist approach emphasizes constraint and the economic necessity of restructuring and redesigning jobs. It assumes a consistency and inevitability in the designing and redesigning jobs which follows some predetermined logic of economic development.*

> *The job design input-output framework is a systems view of job design. The designing needs to consider certain factors like organizational elements, environmental elements, and behavioural elements that have influence upon the job.*

Thus, effective job design must fulfill the following standpoints:

1. Meshing jobs with organizational goals.
2. Maximizing employee motivation that is matching employee expectations with the job contents.
3. Achieving performance standards.
4. Matching a worker's skills and abilities with job requirements.
5. Unlocking human potentials through job demands.

Approached to Job Design

There are two approaches to design job that are generally being followed by the human resource managers /job designers. These are the outcome of differing theoretical and conceptual framework with which writers approach the subject. They are:

1 Agency Approach

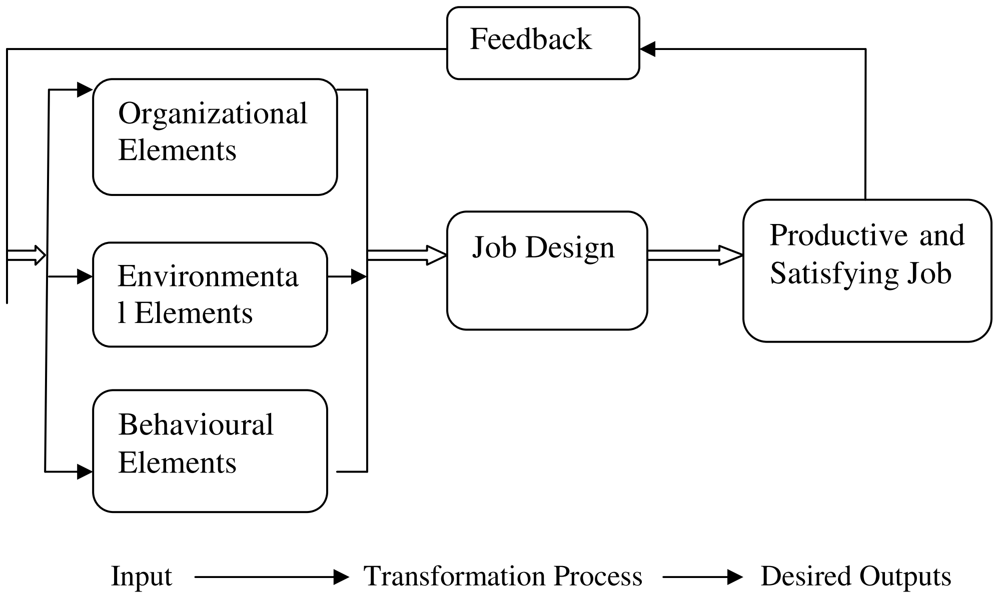
Agency approach prescribes discrete and autonomous active interventions by the management in the employment relationship designed to increase performances by increasing motivation and commitment, placating discontent and alienation, and improving the flexibility of employee utilization. It suggests considerable freedom for managers in the designing of jobs. The primary objective is not to increase efficiency and productivity but to limit or reverse the dehumanizing and degrading tendencies of the detailed division of labour. Agency approach ensures economic performances indicators of productivity, quality, efficiency and profitability through maintaining a match between employee satisfaction and performance.

2. Structuralist Approach

Structuralist approach emphasizes constraint and the economic necessity of restructuring and redesigning jobs. It assumes a consistency and inevitability in the designing and redesigning jobs which follows some predetermined logic of economic development. This approach involves with identifying every task in a job so that tasks can be arranged to minimize the time and effort expended by workers. Once task identification is complete, a limited number of tasks are grouped into a job. It assumes Thus, structuralist approach emphasizes restraint through correct /incorrect adaptations to the environment or the degree of consistency and matching between the external market and the internal market.

Job Design Input-Output Framework

The job design input-output framework is a systems view of job design. The designing needs to consider certain factors like organizational elements, environmental elements, and behavioural elements that have influence upon the job. The end result is productive and satisfying jobs. Feedback is a loop to understand the flaws and to improve the job by redesigning it. Poorly designed jobs may lead to lower productivity, employee dissatisfaction like absenteeism, complaints, sabotage, unionization, resignation, employee turnover and other problems. Let us go to the framework (Werther and Davis, 1996:137) and its elemental discussion now.



Job Design Input – Output Framework

Mechanistic approach involves with identifying every task in a job so that tasks can be arranged to minimize the time and effort to be spent by the workers.

1. Organisational Elements:

Organizational elements of job design are concerned with efficiency. The elements such as mechanistic, work flow, work practices and ergonomics are involved with it. **Mechanistic approach** involves with identifying every task in a job so that tasks can be arranged to minimize the time and effort to be spent by the workers. It promotes specialization that makes workers efficient in their jobs. It stresses efficiency in effort, time, labour, costs, training, and employee learning time so that jobs may be done with minimum wastage of resources and with higher output. **Work flow** is the sequential activities that are needed to complete a job. It suggests the sequence and balance between jobs if the work is to be done efficiently. **Work practices** are set ways of performing work. These methods are developed by scientific motion and time studies or from conventional practices of doing a job. **Ergonomics** is the study of how human beings physical interface with their equipment. We know that optimal productivity requires that the physical relationship between the worker and the work be considered in designing jobs. So, the location of switches, tools, and the work product itself is evaluated and modified for ease of use. For example, the locations of dashboard instruments in a car are ergonomically engineered to make driving easier.

Work flow is the sequential activities that are needed to complete a job. It suggests the sequence and balance between jobs if the work is to be done efficiently.

Ergonomics is the study of how human beings physical interface with their equipment.

2. Environmental Elements

Environmental elements are related to individuals and their social expectations. Jobs shall be designed by incorporating these perspectives to make them acceptable and productive. It consists of following two aspects: employee abilities and availability, and social and cultural expectations. **Employee abilities and availability** focuses on balancing jobs with the abilities and availability of the people who are to do the work. Jobs may be enlarged, shortened or enriched on the basis of the abilities of the job incumbents. **Social and cultural**

Social and cultural expectations of the people are also dominant considerations in designing jobs. This is more dominant today under the pluralistic context of industrial labour composition.

expectations of the people are also dominant considerations in designing jobs. This is more dominant today under the pluralistic context of industrial labour composition. Today's industrial workers are much better educated and have higher expectations about the quality of work life. So, jobs must meet the expectations of workers along with other efficiency considerations. In international job designing, social and cultural expectations of employees are only recourse to avoid job dissatisfaction, low motivation, low quality of work life and un-fulfillment of jobs by the competent persons because of multi-national origin of people.

Behavaioural Elements

Organizations need to provide a work environment that helps satisfy individual needs. There are certain dimensions of job that must exist into a job to have satisfaction to incumbents of jobs. They are: autonomy, variety, task identity, and feedback (Hackman and Lawler III , 1973: 231).

Autonomy is the freedom of job incumbents to work on their own good will, initiative and creativity.

Autonomy: Autonomy is the freedom of job incumbents to work on their own good will, initiative and creativity. It involves with responsibility for doing jobs and to have control over one's response to the environment. Jobs that give employees authority to make decisions provide added responsibility that tend to increase an employee's sense of recognition and self –esteem. The absence of autonomy can cause employee apathy or poor performance (Hertzberg, Mausner, and Snyderman, 1959).

Variety refers to various different components of task of a job.

Variety refers to various different components of task of a job. Variety reduces boredom which leads to reduction of fatigue and its related errors. Variety of tasks into a job contributes to employee satisfaction and effective performance (Farris, 1969:87-92; Stone and Porter, 1975:57-64).

Task Identity is the sense of attachment, accomplishment and involvement with the job.

Task Identity is the sense of attachment, accomplishment and involvement with the job. How much of a job an employee is doing will provide him task identity. The more the task identity, the more the job satisfaction. So, jobs shall be designed in such a way that ensures maximum involvement of the employee with the job.

Task Significance is the fact that the task that is performed by the job incumbent is important to others and to the organization.

Task Significance is the fact that the task that is performed by the job incumbent is important to others and to the organization. This will make the job meaningful to the employee and will cause job satisfaction.

Feedback is providing job performance result to the concerned employee. This component of the job design will inform job incumbent how well the employee is doing in the job that allows them to improve their work. Feedback leads to motivation.

Techniques of Job Design

1. Job Specialization or Simplification

Job specialization involves using standardized work procedures and having employees perform repetitive, precisely defined and simplified tasks.

Job specialization or simplification involves using standardized work procedures and having employees perform repetitive, precisely defined and simplified tasks (Stone, 2008:176). This method of job designing needs motion, time and fatigue studies to standardize tasks of doing a job in order to simplify job to perform with less hazards and complexity. It will save time, efforts, cost, skill requirements, and minimize controlling measures. Job specialization is de-motivating due to repetitive jobs, mechanical pacing, limitation of social interaction, no employee involvement, lack of flexibility. This method is not viable for dynamic and challenging jobs.

2. Job Enlargement

Job enlargement is method of job redesigning that increases similar tasks through horizontal loading that is adding variety of tasks with the existing tasks of a job.

Job enlargement is method of job redesigning that increases similar tasks through horizontal loading that is adding variety of tasks with the existing tasks of a job. The necessity of job enlargement comes due to downsizing the organisation that makes it flatter, need for multiskilling and increasing work interest. Job enlargement reduces monotony by expanding the job cycle and drawing on a wider range of employee skills (Werther and Davis, 1996:145). It also increases employee performance and satisfaction (Stone, 2008: 177).

Job enlargement is resisted because of the following reasons (Stone, 2008:177; Feldman and Arnold, 1987:231-34):

- The enlargement is seen as just adding more routine, boring tasks to the job.
- The advantages of job specialization are reduced.
- Some workers like repetitive tasks or, at least, express no real preference for changing things- repetitive work allows workers to daydream and socialize without improving their productivity.
- Unions think that it means more work and encourages reductions in the number of employees.

Job enrichment involves with adding superior tasks with the job.

3. Job Enrichment

Job enrichment involves with adding superior tasks with the job. It increases responsibility, autonomy and control through vertical loading. It gives the employee the opportunity to experience greater achievement, recognition, responsibility, and personal growth. Job enrichment builds motivating factors into the job content by –

- Combining tasks that increase skill variety and task identity.
- Creating natural work units with increased skill requirements and variety that make the job important and meaningful.
- Expanding jobs vertically that gives employees responsibilities and control formally reserved for higher-level positions. It also increases employee autonomy (Stone, 2008:179).

A survey of almost 100 research studies found job enrichment resulted in greater productivity, improved product quality, fewer employee grievances, improved worker attitudes, reduced absenteeism and labour turnover, and lower costs (Kapelman, 1985:237-55). It also beings job satisfaction, quality of work life and bottom-line benefits for the organisation (Stone,2008:179).

Job enrichment is not a cure-all and a panacea for all problems of job environment. It involves higher cost of job design and implementation (Schappe,1974:116-123). Enrichment of job alone cannot contribute most to the quality of work life and it may cause dissatisfaction with the unimproved aspects of the job environment (Werther Jr., 1975:438-442).

Job rotation increases task variety by periodically shifting employees between jobs involving different tasks.

4. Job Rotation

Job rotation increases task variety by periodically shifting employees between jobs involving different tasks (Stone, 2008:178). Here, the jobs are not actually changed but employees are rotated from one job to another. Job rotation breaks the monotony of highly specialized jobs by requiring different skills and abilities for different jobs. It gives versatile employees with multiple skills, expertise and experiences. Job rotation improves employees' self –images, provides personal growth, and makes employees more valuable to the organization (Werther Jr. and Davis, 1996:145).

Job rotation is subject to union antagonism and has the following drawback which has been identified by Robbins (2000:459):

- Increased training costs.
- Lower productivity when an employee is moved into a new job where they are less efficient.
- Disruption when members of a work group may not accept the rotated employees.
- Increased supervisory time spent answering questions and monitoring the work of rotated employees.
- Demotivation of intelligent and ambitious trainees who seek specific responsibilities in their chosen specialty.

5. Autonomous Work Teams

Autonomous work teams are a self-managed group of employees who are entrusted with attainment of certain widely defined jobs.

Autonomous work teams are a self-managed group of employees who are entrusted with attainment of certain widely defined jobs. It is also called self-directed work teams or leaderless work teams. This team sets its own objectives, operational process, rules and regulations, and quality standards. Team members may elect a team leader or they can work with joint decisions. Assignments are made within the group, often with members informally trading off among themselves to relieve boredom and fatigue.

Schermerhorn(1996:274-75) has listed the following benefits of autonomous work teams:

- Improved worker attitudes
- Improved quality of output
- Lower absenteeism and labour turnover
- Ease in covering absent workers
- Reduced numbers of supervisory personnel.

Quality of Work Life

Quality of work life (QWL) is an integrated approach of increasing work environment by incorporating the principles of job enrichment and sociotechnical enrichment in a comprehensive manner.

Quality of work life (QWL) is an integrated approach of increasing work environment by incorporating the principles of job enrichment and sociotechnical enrichment in a comprehensive manner. It is a concept that encompasses the entire range of organizational life. It seeks to integrate employee needs and wellbeing with the organizational desires for higher productivity. Quality of work life emphasizes cooperative relationships among employees, the union and management.

Quality of work life (QWL) involves the implementation of human resource management (HRM) policies and practices designed to promote organizational performance and employee wellbeing. – Raymond J. Stone (2008:183).

Thus, quality of work life can significantly change the way in which employee relations are conducted in an organization – conflict being replaced with cooperation (Pyley and Ball, 1982:27-29).

Criteria of Quality of Work Life (QWL)

Walton (1975:91-104) has mentioned eight criteria for improving the quality of work life in an organization. They are:

1. Adequate and fair compensation: Pay and benefits should be sufficient to maintain an acceptable standard of living and should be perceived as fair by the employees.

2. Safe and healthy working conditions: Physical conditions of the organization should be safe and free from all types of health hazard. This type of conditions will contribute to the employees' physical and psychological wellbeing.

3. Opportunity to use and develop human capacities: Work environment should enable employees to use and develop their skills, knowledge and abilities, and undertake tasks that are satisfying. The job must have substantial autonomy and self-control and provide opportunity to use a wide range of skills.

4. Opportunity for continued growth and security: Work environment should have sufficient scope for training and development to the employees for their self –development in terms of knowledge, skills and expertise. Reasonable job security shall also be there to the effect that jobs will not go without showing any reason and valid ground.

5. Social integration in the work organisation. This criterion includes opportunity for the freedom from prejudice, for upward mobility in the organisation. It also includes opportunity to have group support, relatedness with other people, merit –based advancement, a sense of community as well as equal opportunity for all in the organisation.

6. Constitutionalism: There shall be a just and fair practice of treatment to all, a culture of due process while taking any decision about any employee, a scope to express employee's opinion and to have treatment as adult. It also involves with ensuring individual rights of privacy and their protection such as the right to withhold information about off-the-job behavior and family matters.

7. Balanced role of work: This criterion holds that work environment should maintain a balance between work and other spheres of employees' lives, flexible work arrangements, job sharing, and absence of high job stress.

8. Socially beneficial and responsible work: This criterion of quality of work life (QWL) contains that organizations should undertake socially responsible activities which reflects their concern for society and social values. Organizational policies and practices concerning products, disposal of waste, service, customers, employees, competitors, and the community, and the world as a whole should maintain social, universal and ethical norms and values.

Cautionary Measures

The implementation of quality of work life (QWL) is not without any problem though substantial evidence supports the effectiveness of quality of work life program (Gordon, Pearce and Ravlin (1987:751-782). Mandell (1989:48-49) has mentioned the following cautionary measures form human resource managers while implementing the quality of work life (QWL) programs:

- Human resource managers need to recognize quality of work life (QWL) is an experiment that there is no guarantee of its success.
- They must ensure organisation-wide understanding and support as well as total commitment to its implementation.
- They must determine whether all employees are capable of participating in a quality of work life (QWL) program.
- They should share any gain out of increased productivity due to implementation of quality of work life (QWL).
- They must determine whether a quality of work life (QWL) program is culturally compatible.
- Human resource managers should prepare to accept any failure and criticism against their actions.

Discussion Questions

1. What is job design?
2. What are the objectives of job design?
3. Explain the approaches of job design.
4. Explain the job design input-output framework.
5. Discuss the techniques of job design.
6. Describe the concept of and criteria of quality of work life.
7. What cautionary measure will you take during designing quality of work life?

Case-2: Result –orientation of Rift Airlines

Sitting in Dhaka Airport , Nabila Hamid was surprised to see the familiar faces of Jashimuddin and Tahmida. All three have studied economics at Dhaka university . After some small talk, Jashimuddin asked Nabila what he had been doing.

'Well, as you know, I went to Melbourne and took a job as a marketing trainee with Rift Airlines. It was a disaster. Every year, six trainees joined the marketing department whether they were really needed or not. The result was that there wasn't much to do, and some of the more experienced people weren't interested in helping us because the turnover of new graduates was so high. Also, with the downturn in business, the graduate training program was cancelled and some of the new trainees were fired. I was given the job of understudying one of the sales representatives, which simply meant following him around and observing what he did. I was never allowed to say anything or try to make a sale myself,. If you ever did anything, you had to do it by the book and constantly check with the boss.

Another thing that really frustrated me was all the commotion that took place after I completed an assignment on customer relations for one of the product marketing managers. I was a great assignment and I really got involved- the only problem was that the previous marketing manager, tom Medley, thought the results were too controversial and reflected badly on the department. So, it was simply filed and nothing was done.

'After that , I was put in charge of expense reports, which meant calculating the expenses of all sales representatives and checking that they had dilled in their expense claim forms correctly. When I asked tom for something else to do, he told me not to be so impatient, that it had taken him 25 years to get where he was and I had better realize that my degree didn't make me anyone special. If he had his way, he said, he would do away with hiring university graduates and get some practical people who didn't expect to be made general manager in a week.

'One thing I did to fill in time was start reading everything I could on marketing -----unfortunately, Tom seemed to think I was "goofing off" if he ever saw me reading, so I stopped. Then I developed a new3 expenses claim procedure that was a lot simpler and meant I could do my job in less than two days if I really worked hard.

'Instead of being happy, tom was upset because I wanted to change the system. His exact words were: "I don't care if you say it is better – the present system is serving us well and I don't want it changed! If there are any changes to be made around here, I'm the one who will make them!"

'It seems strange, but although I had virtually nothing to do, I was starting to feel tired and suffer from insomnia. Worse, boy friend said my temper had become unbearable and ended our relationship. I can tell you, I was really at rock bottom. I only stayed because one of the sales representatives quit after an argument with Tom. Although they advertised the job, they couldn't get anyone to accept it because the money was so bad. So they offered it to me with the promise of a pay review in six months if I did okay.

'I really worked. I picked up several new accounts and increased the business with the existing clients by almost 20 per cent. In fact, I had the top sales performance in the group. So, you can imagine how I felt when Tom told me that I was going to get a cost -of-living increase plus 2 per cent. When I asked why my pay wasn't going to be increased in line with my performance, I was told I was already earning a lot for woman and not to be greedy.

'That was when I asked myself what sort of job I was in'

'Did you quit?' asked Tahmina.

'No', replied Nabila. 'There was a revolution. The old board of directors got thrown out and most of the senior managers, including tom, were fired'.

'What's your new boss like?' asked Tahmina.

'Douglas Aurther? Well, he's completely different from tom, that's for sure.

'how do you mean?' questioned Jashmuddin.

Nabila smiled. 'He is totally results oriented. Perform and Aurther gives you all the freedom in the world. I love it.'

'What happens if you don't perform?' asked Tahmina.

'Three strikes and you're out. Aurther allows you to make mistakes, but not the same ones. If you're a slacker or are not 100 per cent committed, you're dead. Some of the old timers brought up in a nine-to –five world can't stand the pressure and have either quit or been fired. But me, I love it. Every day is exciting in fact, it sounds crazy, but I can't wait to go to work. I really get a buzz. No one questions what I do or when I work. I am my own boss. I have all the responsibility I can handle. No one says you can't do it because you are too young or are a woman.'

'Sound good', smiled Jashimuddin, 'but what about the money?'

'Since Aurther took over, I've had three pay increases and a performance bonus. I actually feel that I'm making something of my life now. It makes such a big difference if you enjoy your work. I work like a dog, but I love it!'

Discussion questions:

1. what changes in job design have contributed to Nabila's new perception of her job at Rift Airlines?
2. Identify and discuss the demotivators and motivators present in Nabila's various jobs at Rift Airlines.
3. Would you prefer to work at the 'old' or the 'new' Rift Airlines? Why?
4. Do you think Nabila's new 'love of work' is the product of cunning management manipulation? Why or why not?

HUMAN RESOURCE PLANNING

5

Human resource planning is the most critical element of resourcing an organization with qualified and talented workforce. It is involved with forecasting the demand for workforce at various levels of the organisation in various positions, estimating possible supply required workforce and making other arrangements to fill up the positions. The motto is to keep organisation free from any situation of shortage of required workforce any time anywhere of the organisation.

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Lesson-1: Human Resource Planning

Learning Objectives

After studying this lesson, you would be able to -

- Explain the concept of human resource planning.
- Discuss why we do human resource planning.
- Discuss the process of human resource planning.

Human Resource Planning: Concept

HR Planning is the process of determining future human resource needs relative to an organization's strategic plan and devising the steps necessary to meet those needs (Walker, 1980, Lengnick-Hall and Lengnick-Hall, 1988). Human resource planning goes hand in hand with an organization's strategic planning. Strategic planning refers to an organization's decision about what it wants to accomplish (its mission) and how it wants to go about accomplishing it (Scharf, 1991). Once the strategy in set, the human resource management (HRM) function must do its parts to ensure the strategy's success, and thereby help the organization to achieve its objectives (Kane and Palmer, 1995). The acknowledgement of strategic view that human resource (HR) policies and practices have critical linkage with an organization's overall strategy is termed as strategic human resource management (SHRM) and acts as central philosophy (Torrington and Hall, 1995, Ivancevich 2001). Merging strategic and human resource planning activities has become a critical source of competitiveness for all organizations. (Ulrich, 1992:47). Stuart (1992) pointed out this while he quotes Chuck Nielson, the vice-president of Texas Instruments. "The fact is, the only thing that differentiates us from our competition is our people. The equipment, the building- they're all the same. It's the people who make the difference". In the wake of increasing globalization, and technological similarities, human resource (HR) is becoming the only resource that can bring about competitive advantage for an organization. HR planning is also perceived in the context of organizational need for and supply of people or employees.

Human resource planning is the process of assessing the organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed.

Definition of human resource planning

'Armed with information about jobs and their design, human resource (HR) planning systematically forecasts an organization's future demand for and supply of employees (Werther and Davis, 1996:155).

Human resource planning is the process of assessing the organization's human resources needs in the light of organizational goals and making plans to ensure that a competent, stable workforce is employed. – Wendell French (1997:129)

Human resource planning is the process of analyzing an organization's human resource needs under-changing conditions and developing the activities necessary to satisfy these needs. – J.W. Walker (1980:177).

Human resource planning (HRP) is an effort to anticipate future business and environmental demands on an organization and to provide personnel to fulfill that demand. - Cascio (1982:145).

Human resource planning is the process of formulating plans to fill future openings based on an analysis of the positions that are expected to be opened and whether these will be filled by inside or outside candidates.

Human resource planning (HRP) is the process by which an organization ensures that it has the right member and kinds of people, at the right places at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. - David A. DeCenzo and Stephen P. Robbins (1988:79)

Human resource planning is the process of formulating plans to fill future openings based on an analysis of the positions that are expected to be opened and whether these will be filled by inside or outside candidates.- Gary Dessler (1997:119)

Thus, human resource planning translates the organization's objectives and plans into the number of workers needed to meet those objectives (Decenzo and Robbins, 1988). It has direct effects on an organisational profitability (Werther and Davis, 1996). One thing should be kept in mind that the effectiveness of human resource planning practices depend largely on how relevant they are to practical managerial concerns and prevailing demands on an organization (Walker, 1983). Human resources are considered the most valuable yet the most volatile and potentially unpredictable resource, which an organization utilizes (O'Doherty, 1995). If an organization fails to plan and direct human resources in the right areas of the business at the right time and at the right cost (Bramham, 1990: Smith, 1971), serious inefficiencies are likely to arise creating considerable operational difficulties and likely business failure. Management can avoid the shock of unexpected shortage of labour, inefficient and costly surpluses and needless redundancies (O'Doherty, 1995). Planning for human resource needs is more than a set of techniques and a system that is part of the human resource management functions.

Importance / Benefits of Human Resource Planning

Human resource planning is both a process and a plan (Ivancevich, 2001). It is how organization assesses the future supply of and demand for human resources. Human resource planning allows the organization to get the following benefits:

Human resource planning is a mechanism to eliminate any gap that may exist between supply and demand for manpower.

1. Gap elimination: Human resource planning is a mechanism to eliminate any gap that may exist between supply and demand for manpower. It estimates the need for human resources in different positions within the organisation and the existing position of human resources available within the organisation from whom needs can be met up. Then, plan is made to fill up the gap from external sources.

Human resource planning integrates strategies of the organization to 'fit' strategically with the mission of the organization.

2. Integration with organizational strategies: Human resource planning has to be integrated with the organizational strategies as human resource must 'fit' strategically with the mission of the organization. It must also be integrated with human resource strategies of the organisation. This integration is done by the human resource planning with systematic thinking and arrangements.

3. Matching with future: Planning is made for future work. Human resource planning is made to match human resource activities and future organizational objectives efficiently. This matching will align the human resource management with the future situations to generate the best performance and to sustain in the competitive environment.

4. Economy hiring: Hiring of human resources is costly. If we know future needs of different types of human resource well ahead of time, then we could hire them at low cost and hazards. We know that anything is hurried, that is buried. So, we can achieve economy in hiring new workers/employees through planning.

Human resource planning collects internal and external information to project future demands for and supply of human resources.

5. Expands the HR information base: Human resource planning collects internal and external information to project future demands for and supply of human resources. A well founded data base is developed through the process of human resource planning. This will assist other human resource activities and other organizational units to make their plans and to take actions.

6. Coordination of programs: Human resource planning coordinates different departmental needs of human resources and compliance with various legal and voluntary action programs such as affirmative action plans and hiring needs. It keeps contact with different sections/departments of the organisation, gets their requisition for workforce, gives them feedback, and maintains organisation-wide coordination network to ensue uninterrupted supply of required human resources on time.

Human resource planning ensures on-time supply of required workforce to the various sections/departm ents of the organisaiton.

7. Ensures more effective and efficient use of human resource (HR): Human resource planning ensures on-time supply of required workforce to the various sections/departments of the organisaiton. It makes sure that right persons with right qualifications and talents are sent to the right positions. This optimizes the use of human resources efficiently and effectively.

8. Satisfaction of workforce: Human resource planning ensures getting right persons on time and placing them in their appropriate positions where they would get maximum possible satisfaction in jobs. Thus, it brings about more satisfied and better developed employees.

Human resource planning takes into account all factors, internal and external, to make plan for resourcing organizational positions with qualified workforce.

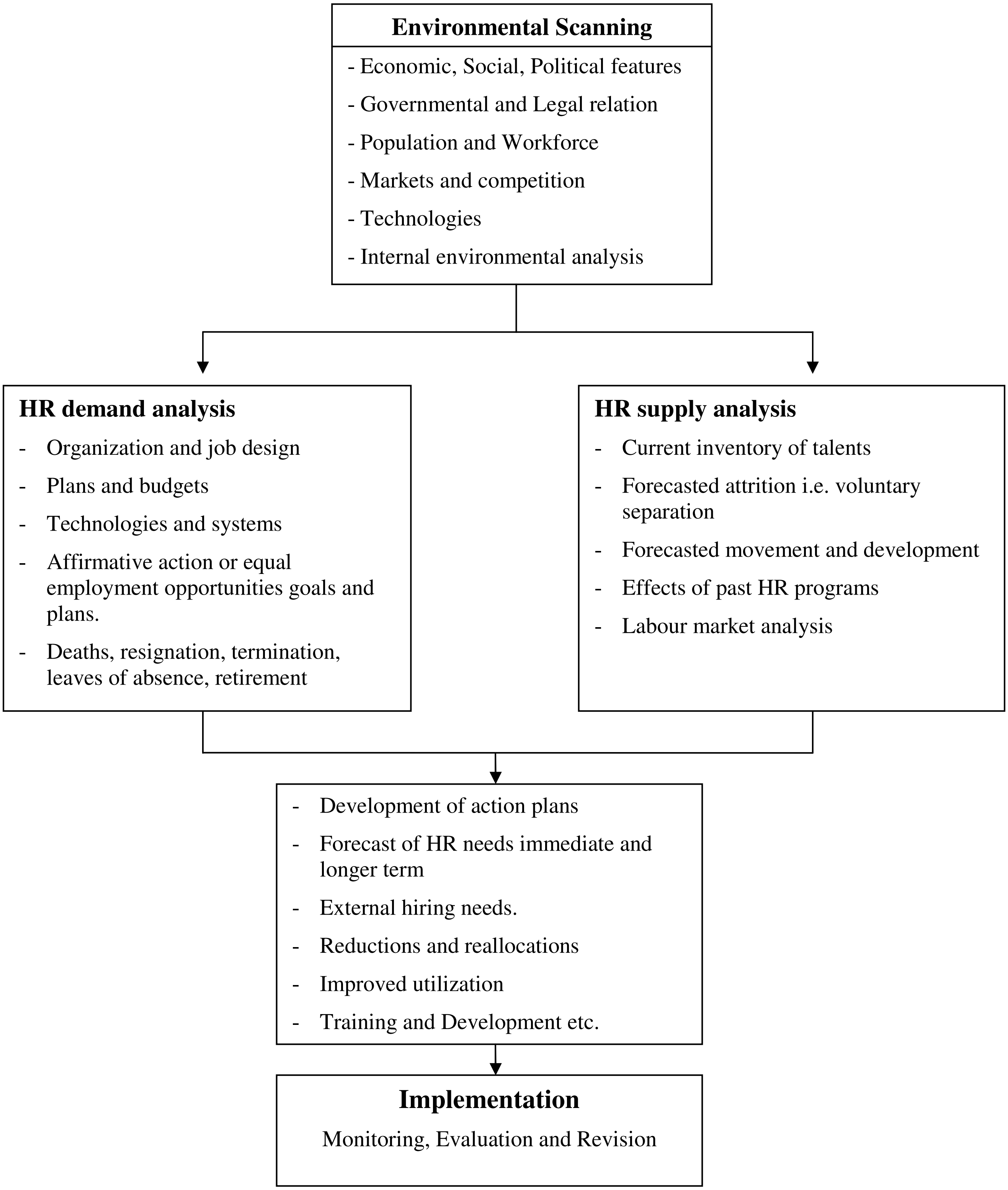
9. Ensure equal opportunity: Human resource planning takes into account all factors, internal and external, to make plan for resourcing organizational positions with qualified workforce. It maintains legal and voluntary requirements to ensure equal opportunity to all prospective candidates without any discrimination to anybody on the count of caste, colour, religion, ethnicity, nationality, language and other unrelated criteria.

Human Resource Planning Process

HR planning is an on-going planning that will work under the dynamic of organization's human resources philosophy, policies and programs in the context of the overall strategies, plans and the changing conditions within and outside of the organization (French, 1997).

All effective human resource planning shares certain features. It is generally agreed that human resource planning involves four phases or stages (Page and Van De Voort 1989, French, 1997, Walker, 1980). They are: 1) Situation Analysis or environmental scanning; 2) Forecasting demand for human resources; 3) Analysis of the supply of human resources; 4) Development of plans for action. Milkovich and Boudreau (1997), Bartol and Martin (1994), and Werther and Davis (1996) suggest three basic phases of employment planning similar to above.. They are 1) analyzing HR demands, 2) analyzing HR supply, and 3) reconciling important discrepancies between demand and supply by maintaining and changing HR activities. All these phases of the HR planning will try to answer the following questions: where are we now? Where do we want to be? How do we get from here to there? How many employees, on an average, leave the organization every year?

The following chart exhibits the HR planning process with essential components:



Human Resource Planning Process

Step-1 : Environmental Scanning

Human Resource Planning is done under the umbrella of macro environmental factors. One has to adjust /adapt its human resource plan with the given macro conditions. Social, political, legal challenges are easier to predict but their implications are seldom clear (Werther and Davis, 1996). Economic conditions determine the skills and education level of a country. Legal situation may affect HR plan because it can restrict the capacity of the organization from many directions, such as, the recently declared minimum wages of workers in Bangladesh would affect the hiring capacity of small businesses.

Human Resource Planning is done under the umbrella of macro environmental factors economic social, political, technological and legal challenges.

Technology may radically alter strategic situation and therefore, HR plan. It may also reduce the employment in one area and may increase in another area. Downsizing, amalgamation, layoff, refreshment etc. may happen due to unpredictability of the technological changes. Same is the case of market and competition. All these conditions will affect both demand and supply of the HR. The problems associated with changing environments are greater today than ever before because success now depends on the ability of environmental scanning of a firm -national and global.

Step- 2: HR Demand Analysis

Demands for HR will be affected by organizational strategies, plans, budgets, sales and production forecast, new ventures, organization and job design as well as employees' actions such as retirements, resignations, terminations, deaths, and leaves of absence etc. Management policies and philosophies regarding growth, expansion, new product, customer service, market -all will dictate the number and types of employees needed in the future. Affirmative actions, voluntary or legal obligations will create new requirements for HR. Existing technologies and production systems and the potential expansion, obsolescence, renovation, and Balancing –Modernizing- Rationalizing (BMR) are another key contributors to the requirements of numerous skills and abilities that count the number of HR requirements. Budget increases or cuts have got significant short run influence on HR need (Werther and Davis, 1996).

Demands for HR will be affected by organizational strategies, plans, budgets, sales and production forecast, new ventures, organization and job design as well as employees' actions such as retirements, resignations, terminations, deaths, and leaves of absence etc.

Step – 3: HR Supply Analysis

Once the future demand for Human resources is projected, the next concern is filling projected openings. There are two sources of supply: internal and external. The internal supply consists of present employees who can be promoted, transferred, or demoted to fill expected opening. This is a case for an old on - going firms. A new firm will have only external sources of supply at its very inception. Internal supply may be estimated from current inventory of talents, forecasted movements and development of employees, succession planning i.e. the process that HR planners and operating managers use to convert information about current employees into decisions about future internal job placements (Werther and Davis, 1996). External supply is estimated from labour market analysis to ascertain the availability of the skills being sought.

Human resources supply projection considers internal and external sources of human resources.

Step- 4: Development of Action Plans

Comparison of demand and supply can produce three outcomes: (1) demand and supply are closely matched; (2) demand exceeds supply indicating possible

Comparison of demand and supply can produce three outcomes: (1) demand and supply are closely matched; (2) demand exceeds supply indicating possible shortages; (3) supply exceeds demand indicating possible surpluses.

shortages; (3) supply exceeds demand indicating possible surpluses (Milkovich and Bondream, 1997). From this comparison, qualities of employees, their competitive diversity, cost levels and other related factors would come out. Immediate and long-term plans are needed to make adjustments of HR situations. HR shortages give planners very little flexibility in the short run and put them in external staffing process to decide upon new employees. These include recruiting from new sources, more aggressively pursuing job candidates, lowering entrance requirements, expanding the use of temporary or older workers, and expanding the level of productivity per employee or time worked through training, job design, compensation, benefits and employee relations (Milkovich and Boudreau, 1997). This decision can also include recalling employees who were previously laid off (Ivancevich, 2001).

Intense global competition, rapid technological change, and fear caused by recent workforce reductions have also led many organizations to increase their use of part time workers, subcontractors, and independent professionals in response to changing demands (Ivancevich, 2001). The policy of using contingent workers gives many organizations more flexibility in dealing with temporary shortages of labour than maintaining more traditional full time employees. Existence of human resource surplus would be handled with encouraging attrition, early retirement on a voluntary basis, layoff -a measure of short-range surplus, demotions, terminations, reducing overtime or work hours, sabbaticals, reducing hiring for the vacant positions, using less costly temporary employees, formal outplacement system (Werther and Davis, 1996, Ivancevich, 2001, Milkovich and Bondrean, 1997, Decenzo and Robbins, 1997, French, 1997, O' Doherety, 1995). These action plans will guide the organization to adjust the futures situations. Even if in the situation of 'no difference', Human resource management (HRM) will prepare the contingency human resource (HR) plans to accommodate any future unforeseen changes in any facet of HRM scenario. Human resource (HR) planning requires preparing action plans of job analysis, recruitment, selection, human resource (HR) movements -promotion, demotion, transfer.

Implementation involves with allocating resources, clarify roles and responsibilities of human establishes a time frame, defines measures of performance, conducts monitoring of performance and evaluates it on the basis of given jobs to find out the gaps and gives feedback to the human resource manager to take corrective action.

Step-4 : Implementation

Implementation of human resource plan requires top management support for the plan. It involves with allocating resources, clarify roles and responsibilities of human resources to implement the plan, establish a time frame for its implementation, define measures of performance of the human resource engaged in implementation of human resource plan, conduct monitoring of performance and evaluate it on the basis of given jobs in order to find out the gaps, if any and gives feedback to the human resource manager to take corrective action during the implementation of the plan and at the next planning phase.

Discussion Questions

1. What is human resource planning?
2. Why do we do human resource planning?
3. Discuss the process of human resource planning.

Case-1: The New School of Business

Kings University College is the product of a merger between the 15-year-old Coppertone University and 10-year-old Oldtown institute of Technology. The merger has been promoted by the government as part of its economic rationalisation program. Copperstone University has a traditional academic emphasis, which is reflected in its courses of study. Its graduates mainly enter academia, the public service, banking and consulting. In contrast, Oldtown institute of Technology offers applied programs of study oriented to the needs of business. Its graduates primarily enter the private sector across a diverse range of industries. As part of the amalgamation, the School of Economics at Copperstone University is to combine with Oldtown's School of Business. The School of Economics teaches economic theory, economic geography, economic history, statistics, mathematical economics, labour economics and industrial relations. Student demand for its courses (especially in industrial relations) has been in long-term decline, and students and local businesses have been pressuring the school to introduce more business-oriented subjects into the curriculum. Reflecting its different background and focus, Oldtown's School of Business offers majors in finance, marketing and HRM. Currently, the School of Economics employs 35 academics and has 700 students. Copperstone's student body is predominantly full-time and young (the average age is 21), while Oldtown's is predominantly part-time, mature-age students (the average age is 33).

Copperstone University staffs are highly qualified (90 per cent hold a PhD) and see themselves as research-oriented academics. Only a few have had any work experience outside of academia. All are members of the left-wing Tertiary Academics Union and have their terms and conditions determined by a collective agreement negotiated by the union and the university. Eighty-five per cent have tenure, and the use of casual and part-time staff is opposed by the union. Pay is determined by seniority and all employees in the same classification receive the same rate of pay. Recently, the university lost two of its top professors and five of its most promising junior academics to universities in Singapore and the United States. Staffs at the university are upset at being merged with a teaching university, and fear that their high academic standards, research output and prestige within the community will suffer. Oldtown's staffs of 28 are less well qualified academically (only 20 per cent have a PhD) and only 20 per cent have tenure. The rest are on individual contracts varying from one to three years. To obtain flexibility and control costs, the use of casual and part- time academics is widespread. Most Oldtown staffs have had extensive work experience, take great pride in their reputation for teaching excellence and aim to prepare their 1000 students to go into the 'real world'. It is felt that Copperstone staffs are too theoretical and divorced from the needs of business. Oldtown courses have proved highly popular with students and the local business community and its students are in high demand. Only 20 per cent of Oldtown staff being belong to the University Teachers Union and have their terms and conditions set by individual agreement .Private consulting is encouraged, and this, along with the performance –related pay system, means that it is possible for top-performing academics to earn significant incomes.

It is anticipated that the newly created School of Business at University College will experience an increase in student enrolments of 20 per cent per year for the next three years. Fifty per cent of these new enrolments are expected to come from Nepal and India.

Discussion Questions

1. To formulate a Human Resource plan, what further information would your need to gather about the existing academic staff and student as well as future students; and about University College and its new School of Business?
2. How would you estimate the internal supply of academic staff in each department?
3. How would you predict the number of academic staff that will be needed?

RECRUITMENT AND SELECTION

6

Requirement is the next logical step of the resourcing the organization. It is one of the first active stages of the resourcing process of the organization that attempts to deal with shortages in its human resources needs.

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Lesson-1: Recruitment

Learning Objectives

After studying this lesson, you would be able to -

- Explain the concept of recruitment.
- Discuss the constraints that exist in the way of recruitment.
- Explain the recruitment process.
- Explain why internal sources of recruitment are used and why not.
- State the sources of internal recruitment.
- Explain why external sources of recruitment are used and why not.
- Discuss in a nutshell various sources of external recruitment.
- Describe innovative sources of external recruitment.
- Make a comparative study of various methods of advertisement.

Definition of Recruitment

Recruitment is the process of finding and attracting capable applicants for employment to fill the positions in the organization structure.- Werther and Davis, 1996, Douglas, Klein, and Hunt, 1985, Weihrich and Koontz, 1994).

Recruitment is the process of finding and attracting capable applicants for employment to fill the positions in the organization structure.

Recruitment refers to organizational activities that influence the number and types of applicants who apply for a job and whether the applicants accept jobs that are offered. – Ivancevich (2001:186), Milkovich and Boudreau (1997:181).

Recruitment is the process of seeking and attracting a pool of qualified applicants from which candidates for job vacancies can be selected. – Raymond J. Stone (2008:197).

Recruitment is searching for and obtaining potential job candidates in sufficient members and quality so that the organization can select the most appropriate people to fill its job needs.- Dowling and Schuler (1990).

Recruitment is a process of attracting individuals to apply for jobs that are open.- Ricky W. Griffin (1996:391).

Recruitment is an exercise for not only filling the existing vacancies but for discovering of potential candidates for actual or anticipated organizational vacancies too.- DeCenzo and Robbins (1997).

Recruitment is a process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies.- Bartol and Martin (1994:350)

Recruitment is a process of searching, finding, identifying and attracting capable and qualified candidates sufficient in number for applying for the present or future job vacancies so that organization can select the appropriate people to fill job needs.

Therefore, recruitment is a process of searching, finding, identifying and attracting capable and qualified candidates sufficient in number for applying for the present or future job vacancies so that organization can select the appropriate people to fill job needs. However, recruitment is a process of searching candidates from both inside and outside the organization to fill vacant positions. Thus, recruitment plays a linking job –bringing together those who seek jobs and those who want to fill jobs.

Constraints of Recruitment are social system constraints, policy constraints, financial constraints, legal constraints, job requirements and incentives union requirement.

Constraints of Recruitment

Recruitment is a two way communication process. It is the front end' of the employer- employee relationship. Both desire accurate information about one another and send signals about the employment relationship. Applicants signal that they are attractive candidates and should receive job offers and try to get organizations to give them information to determine if they want to join organizations. Organisations, on the other hand, want to signal that they are good places to work; they want to get signals from applicants that give true pictures of their potential values as employee (Milkovich and Boudreau, 1997). Both parties to the relationship will attempt to influence each other's expectations through a process of mutual exchange of negotiation (Herriot, 1989).

Certain elements of the organization may limit the capacity of the organization to influence prospective candidates. These constraints may be roughly categorized as social system constraints, policy constraints, financial constraints, legal constraints (Douglas, Elein and Hunt, 1985), job requirements and incentives (Werther and Davis, 1996) union requirement (DeCenzo and Robbins, 1997). These are discussed below for better understanding:

1. System Constraints: System constraints are the values, attitude and norms as well as organizations self-concept that critically limits the choice of recruitment source.

2. Policy Constraints: Policy constraints includes compensation policies, employment status policies, promote from within policies, hiring part time temporary employees only etc. that may deter potential candidates not to apply for the vacancies.

3. Financial Constraints: The cost of identifying and attracting recruits is an ever-present limitation (Werther and Davis, 1996). Study reveals that the average cost of employment is over $7000 per new employee, even college recruiting can cost as much as $ 6000 per hire, higher level recruiting cost $ 30,000 per hire (Hallett, 1986:22). This financial involvement deters many organizations not to go after an optimum recruitment process.

4. Legal Constraints: Laws have become increasingly restrictive with respect to an organizations' ability to recruit. Quota, equal opportunity legislation and others have made constraints in getting the options available to recruiters.

5. Requirements and Incentives Constraints: Job requirements, qualifications requirements, special offers as inducements etc act as deterrent as these are not satisfactory or compatible with the labour market conditions or not competitive. These restrict many prospective candidates from applying.

6. Union Constraints: Unionized organizations may have the union screening and approval for asking prospective job applicants to apply. This situation creates serious restraint in management's freedom to open vacancies for a wide range of applicants.

Recruitment Process

The process of recruitment begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. Enterprises with a favourable public image find it easier to attract qualified candidates but small firms, which often offer excellent growth and development opportunities, may have to make great efforts to communicate the applicant about potentials of the enterprise to attract them. (Weihrich and Koontz, 1993). We shall now discuss the steps involved with the recruitment:

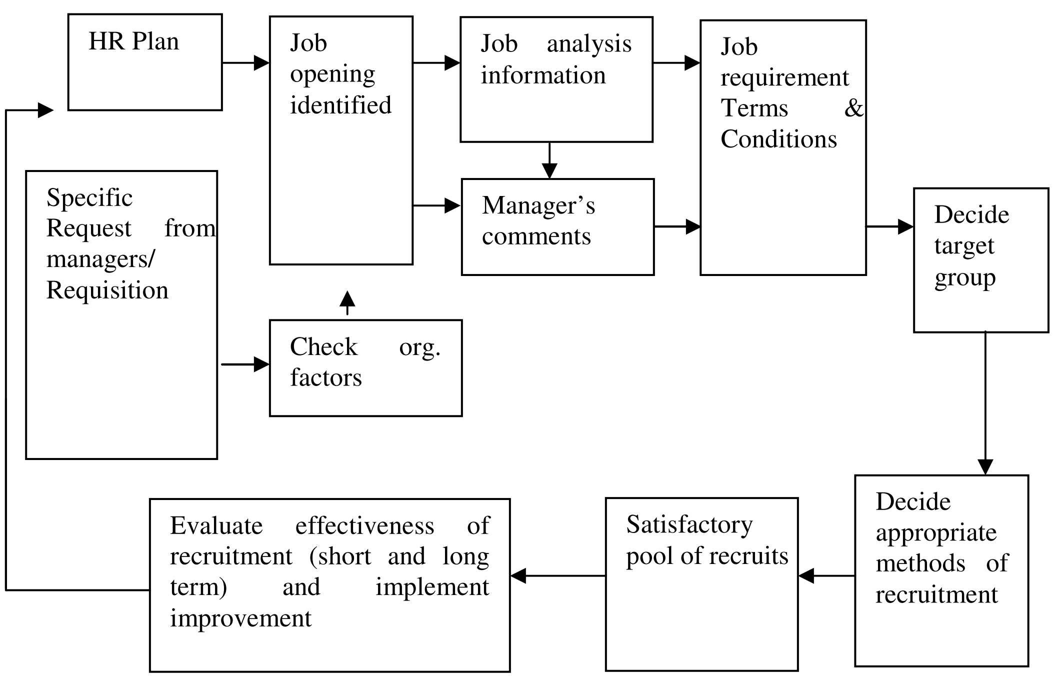
Recruitment is a process that starts with specific requisition of human resource from departmental managers or starts with the execution of human resource (HR) plan that will identify the job openings.

1. Requisition: Recruitment is a process that starts with specific requisition of human resource from departmental managers or starts with the execution of human resource (HR) plan that will identify the job openings. It will include the job titles, job descriptions, qualifications needed, working conditions, pay structure and number of employees needed.

At this stage, job analysis information from job description and job specification of each job position will be verified and updated with comments of manager's to incorporate revised expectations.

2. Verification: At this stage, job analysis information from job description and job specification of each job position will be verified and updated with comments of manager's to incorporate revised expectations. This will make the job requirements up dated and compatible with the demand of the day.

3. Projection: A concrete form of job requirements will be set and that will be projected through communication. At these points, terms and conditions and salary relevant to inducement shall be agreed upon. Survey reveals that 64% of respondents do not apply to an advertisement that does not state a salary (Golzen, 1988). We design the copy of advertisement at this stage.



Recruitment Process

The probable job applicants may be spread over various geographical areas or they may concentrate in a few institutions.

4. Decide Target Group: Now, we are to decide upon the target group of applicants who fulfill the expected qualities for the job openings. The probable job applicants may be spread over various geographical areas or they may concentrate in a few institutions. So, the target group to whom the advertisement will be given shall be decided at this stage to make the communication effective and to get quick response.

Deciding appropriate method or methods or source or sources of recruitment would pinpoint the potential target applicants..

5. Deciding about method of Recruitment: We are to decide now which source or sources would be utilized. We know that there are two sources of recruitment

Ensuring a satisfactory pool of candidates is the responsibility of the human resource management people engaged in recruitment.

– internal and external and there are many methods within these two sources. Deciding appropriate method or methods or source or sources of recruitment would pinpoint the potential target applicants.

6. Develop a Pool of Candidates: It is expected that effective communication will make a satisfactory pool of applicants. Ensuring a satisfactory pool of candidates is the responsibility of the human resource management people engaged in recruitment.

This will provide information about the flaws in the recruitment that are to be improved.

7. Evaluation: This stage actually is an administrative exercise by which management evaluates the effectiveness of its recruitment along with their short and long-term implications. This will provide information about the flaws in the recruitment that are to be improved.

Feedback is made to the top of the human resource management about evaluation outcomes.

8. Feedback: Feedback is made to the top of the human resource management about evaluation outcomes. On that basis, new course or courses of action would be developed, the implementation of which will improve the recruitment process by modified human resource (HR) plan. (Douglas, Klein and Hunt, 1985:211).

Sources of Recruitment

Organization may tap many sources for getting sufficient job applicants to get a satisfactory pool of recruits.

Organization may tap many sources for getting sufficient job applicants to get a satisfactory pool of recruits. Most organizations have to use both internal and external sources to generate a sufficient member of applicants (Ivancevich, 2001:193).

Internal Sources of Recruitment

Internal sources are the potential candidates for the vacancies within the existing employees of the organization. The use of this source depends on organizational policy for recruiting from within the firm. If organizational policy does not permit, internal sources may not be of use. If there is a union, and the jobs are covered under union contract, the situation is routine- notification among the current employees is given for application; otherwise, the procedure is more complex and varies considerably from organization to organization (Douglas, Klein and Hunt, 1985).

Methods of Internal Sources

It calls for informing employees about job vacancies or openings and required qualifications along with experiences and inviting qualified employees to apply

However, there are four methods used for searching internal candidates. They are:

1) Job posting: It calls for informing employees about job vacancies or openings and required qualifications along with experiences and inviting qualified employees to apply. Bulletin board, notices, personal letters, printed bulletins, or by computerized posting programs etc. can be used for this purpose. Any employee who is interested may bid on the job i.e. enter the competition for the job.

2) Employee referrals: Informal communications among managers can lead to discover the best candidate for a job already working in a different section of the organisation.

Internal employee records are used in developing inventory of talents within the organization.

3) Skills inventories: Internal employee records are used in developing inventory of talents within the organization. Today, computerized skills inventories of employees are used for this purpose. Human resource management (HRM) searches this inventory to identify most qualified job candidates.

4) Inside moonlighting: It refers to enticing people by offering bonus, overtime etc. to take up the additional job or second job. Thus, some people will clearly be motivated to accept the additional work if they are fairly compensated (Ivancevich, 2001).

Advantages of Internal Sources of Recruitment

1. Candidates are already oriented to the organization. So, there is no need for orienting to the new recruits. This reduces cost, time, effort and hazards of the organisation.
2. Reliable information is available about candidates. Candidates are already working in the organisation and their information is with the organisation. Moreover, long-term interaction also gives reliable information about the personality characteristics of the candidates that will make the selection more correct.
3. Recruitment costs are lower. Here, involves no or very little cost as no external communication is needed.
4. Employee morale is increased due to upward –mobility opportunities. Internal sources allows the internal employees to get promotions to the higher positions . This recognition to the long standing service of the employees to the organisation will obviously increase satisfaction and morale of the employees.
5. Good performance is rewarded. Use of internal sources is a mechanism by which good performers are rewarded with promotion. This reward for good deeds will increase commitment and motivation of the employees to the job and the organisation.

Disadvantages of Internal Sources Recruitment

1. There may be fewer new ideas. The internal candidates are already exhausted their ideas, thoughts, creativity and innovation. Thus, there shall be no scope to get new ideas which will inject new momentum to the organisation.
2. Unsuccessful contenders may become upset. The internal candidates who will not be selected for higher position will be upset and demotivated. Therefore, they may be the possible source of problem in the organisation.
3. Selection is more susceptible to office politics. This source is susceptible to internal politics and conflict. Thus, the selection may be biased and be ineffective. If some specific persons are not selected, they can make disturbance in the organisation. This fear also will make selection more bias and ineffective.
4. Extensive training may be necessary. Internal candidates will require extensive training and development to make them rightly fit with the higher positions and challenges. They will be thoroughly developed with new thoughts and techniques; otherwise they would not be able to be innovative, creative and sustainable.
5. Candidates' current work may be disrupted. Internal candidates are competently working in their current positions. If they are promoted,

then current work efficiency will jeopardize. These positions should also be filled in with external candidates.

External Sources of Recruitment

External recruitment is the process of getting people from outside the organization to apply for jobs (Griffin 1998:391). It is the process of finding potential external candidates and encouraging them to apply for and /or be willing to accept organizational jobs that are open (Bartol and Martin, 1994:351). There are many external sources used by various organizations. The sources are:

Advertising is the most familiar form for attracting job seekers. Normally, the most useful advertisement in one that specifies the exact nature of the job, the qualification required and the salary range.

1) **Advertising:** It is the most familiar form for attracting job seekers. Normally, the most useful advertisement in one that specifies the exact nature of the job, the qualification required and the salary range. As a source of recruitment, advertising has got many attractive merits but it is not free from drawbacks. However, effective job/employment advertisement must be attractive, interesting, desire creating, prompt action generating and non-discriminatory and legal. Different media can be used to advertise the job vacancies. Each medium of advertisement has relative merits and demerits. Stone (2008:210-211) has presented a tabular description of those in a comparative manner which is shown below:

Type of Medium	Advantages	Disadvantages	When to use
Newspaper	• Short deadlines. • Ad size flexibility. • Circulation concentrated in specific geographical areas • Classified sections well organized for easy access by active job seekers. • Corporate branding opportunity.	• Easy for prospects to ignore. • Considerable competitive clutter. • Circulation nor specialized. • Poor printing quality.	• When you want to limit recruiting to a specific area. • When sufficient numbers of prospects are clustered in a specific area. • When enough prospects are reading help-wanted ads to fill hiring needs.
Magazines	• Specialized magazines reach pinpointed occupation categories. • Ad size flexibility,	• Wide geographic circulation. • Long lead time for ad placement.	• When job is specialized. • When time and geographic limitations are not of utmost

	• High quality printing. • Prestigious editorial environment. • Long life – prospects keep magazines and reread them.		importance. • When involved in ongoing recruiting programs.

Type of Medium	Advantages	Disadvantages	When to use
Direct mail	• Most personal form of advertisement. • Unlimited number of formats and amount of space. • Names can be selected by geographical area, professional skills and other demographics, permitting precise targeting.	• Difficult to find mailing list of prospects by occupation at home address. • Cost of reaching each prospect is high.	• This is potentially the most effective medium, if the right mailing list can be found. • Particularly valuable in competitive situations.
Outdoor bill board and transit posters	• Difficult to ignore. • Can reach prospects as they are literally traveling to their current job. • Precise geographic selectivity. • Reaches large number of people many times at a low cost.	• Only very brief message is possible. • Requires long lead time for preparation and must be in place for long period of time.	• When there is a steady hiring need for large numbers of people that is expected to remain constant over a long competitive situation.
Directories	• Specialized audience.	• Not timely. • Often have	• Only appropriate

	• Long life.	competitive clutter.	for ongoing recruiting programs.

Type of Medium	Advantages	Disadvantages	When to use
Radio and Television	• Difficult to ignore. • Can reach prospects who are not actively looking for a job better than newspapers and magazines. • Can be limited to specific geographic areas. • Creativity flexibility. • Can dramatize employment story more effectively than printed ads. • Little competitive recruitment clutter.	• Only brief , uncomplicated messages are possible. • Lack of performance ; prospects cannot refer back to it. • Creation and production of commercials can be time consuming and costly. • Lack of special interest selectivity; paying for waste circulation.	• In competitive situation when not enough prospects are reading your printed ads. • When there are multiple job openings and there are enough prospects in a specific geographic area. • When a large impact is needed quickly. • Useful to call attention to printed ads.
Point of purchase	• Calls attention to employment story at time when prospects can take some type of immediate action. • Creative flexibility.	• Limited usefulness, prospects must visit a recruitment location before it can be effective.	• Posters, banners, brochures, audiovisual presentations at special events. • As part of an employee referral program. • At outfitting placement offices, or whenever prospects

			visit an organization's facilities.

Type of Medium	Advantages	Disadvantages	When to use
Internet	• Can target a global or local pool of labour. • Increasingly not limited to high-tech positions. • Short lead times and comparatively low cost. • Job postings can target active job seekers. • Banners, news letters and email can target passive job seekers. • Niche sites can target prospects with unique skills. • An employment homepage can provide detailed employment information to prospects and serve as the center of recruitment activities.	• Prospects must be computer literate and /or have access to the internet. • Increasing competitive clutter. • May discriminate against economically deprived social or ethnic groups and /or those who are computer illiterate.	• When there is a need to attract high-tech computer literate personnel or run high-volume recruitment campaigns. • When a quick response is needed. • When there is a need to target a global labour pool.

(2) **Placement agencies:** They are the head hunters acted on behalf of the appointing firms. Today educational institutions, ranging from high schools to universities, generally have placement offices to assist their graduates in finding work (French, 1997:217). There are various placement agencies engaged in clientele service. They are public agencies, private agencies, management consultants, temporary help services, schools, colleges and universities, professional organizations, executive recruits.

Placement agencies are the head hunters acted on behalf of the appointing firms. Today educational institutions, ranging from high schools to universities, generally have placement offices to assist their graduates in finding work.

Public placement agencies are also known as employment exchange, unemployment office, employment service or employment security agency, act

Public placement agencies act as job bank and provide service with little or no charge. These agencies suffer from a poor image.

as job bank and provide service with little or no charge. These agencies suffer from a poor image (Werther and Davis, 1996:195) as a source of unskilled or poorly qualified works. But study in USA reveals that more than 70 percent of the company surveyed made use this service (Lynton, 1979, Bureau of National Affairs, 1988).

Private Placement Agencies receive requests from the employer and search capable candidates and send them to the employment organization for interview with or without any screening. They are paid either by employer or by job seekers.

Management consultants are executive search firms supply executive on a continuing basis under contract. They undertake screening tasks too. They are specialized in searching.

Schools, Colleges or universities have their own placement offices where prospective employers can review credentials and interview graduates

Schools, Colleges or universities have their own placement offices where prospective employers can review credentials and interview graduates (DeCenzo and Robbins, 1997). Vocational technical schools provide lower level applicants; business or secretarial schools provide administrative staff personnel, while graduate schools and universities provide managerial level personnel. Organization may directly contact with these academic institutes for the applicants for their vacancies.

Temporary Help Service (THS) is a viable source of employees when individuals are needed on a temporary basis. It is useful to meet short-term fluctuations in personnel needs.

Temporary Help Service (THS) is a viable source of employees when individuals are needed on a temporary basis. It is useful to meet short-term fluctuations in personnel needs. Many employers today are supplementing their permanent employee base by hiring contingent workers i.e. temporary workers, part time workers, just in time employees, badli workers etc and thus, the contingent work force is big and growing (Thomson, 1995: 45). Survey reveals that 84% employers under study use such agencies or services (Bureau of National Affairs, 1998: 1 –10) and part-time workers numbered 21 million or about 17% of the U.S labour force in 1993 (Thomson, 1995:46). This reflects that benefits of contingent workers are obviously are higher than the difficulties involved with it.

Professional organizations like Institute of cost and Management Accountants of Bangladesh (ICMAB), Institute of Chartered Accountants of Bangladesh (ICAB), Institutes of Personnel Management Bangladesh (IPMB)

Professional organizations like Institute of cost and Management Accountants of Bangladesh (ICMAB), Institute of Chartered Accountants of Bangladesh (ICAB), Institutes of Personnel Management Bangladesh (IPMB), Engineers Institute of Bangladesh, Labour organization, Military organization and other like organizations in Bangladesh and elsewhere of the world act as standing source of supply of qualified professionals to their respective disciplines.

(3) Internship is a part of academic programme in which students are placed in an organization on temporary basis under part-time or full-time employment in a job of interest to the students. Both organization and student exposed one another through this internship and organization may use it as a strong source of qualified applicant for the vacancies open or to be opened.

(4) Unsolicited applicants such as walk-ins, write-ins through letter ,e-mail etc are one of the major sources of recruitment. Usable applications are kept in an active file until a suitable opening occurs. A high proportion of firms consider walk in applicants an important source of recruits, particularly for office- clerical and production positions (Bureau of National Affairs, 1988:6-7).

(5) Relatives and friends are also a very intimate source of recruitment. It is a very old and traditional source for getting qualified job applicants.

(6) Innovative Sources: Employers are turning to relatively non-traditional sources of applicants (Wender, 1990:6-15). The table contains some of those innovative external recruiting methods generally are used for screening and attracting people to apply for the vacancies (Fyock, 1991:32-35):

Employers are turning to relatively non-traditional sources of applicants.

Telerecruiting Phone calls to potential candidates, with names obtained from mailing lists of professional associations, schools, and mailing list companies.
Direct Mail Using lists from above sources.
Point of Sale Recruiting Messages Posters, literatures, messages on the back of cash register are useful if customers are potentially qualified applicants.
Talent Scout Cards A card containing job information is given to managers to distribute it to exceptionally friendly, helpful customer service personnel, they encounter while doing their own shopping.
Posters Displayed on community bulletin boards, parks, Laundromats, banks, etc.
Door Hangers Useful for recruiting in a specified geographical area.
Radio Refer candidates to open houses or large newspaper advertisements.
Billboards Fixed highway displays or electronic billboards with varying messages.
Hotlines and 800 Numbers Telephone lines with either recorded job vacancy messages or live interviewers. Live lines are increasingly being made available on Sunday, when most newspaper advertisements appear and candidates have the time to follow up on openings.
Information Seminars It is for hunting skills or on topics specific to one's industry, such as new developments in artificial intelligence. The latter may attract qualified professionals who would be reluctant to attend an open house or job fair, where the recruiting purpose was more explicit.
Welcome Wagon, Relocation consultants, Realtors Organizations are aware of newcomers to the community. Increasingly, spouses of individuals transferred into the community are seeking work, and can be located through these sources.
Referral Programs Employee referral systems are common, but now some firms are encouraging their customers and suppliers to refer candidates as well.
Outplacement Firms and Local Layoffs Skilled employees who have lost their jobs through no fault of their own may be found by contacting outplacement firms and by monitoring the local paper for layoffs at other establishments in the community.

Innovative External Recruiting Methods

> *Electronic recruiting also known as cyber-recruiting or recruiting on the Internet presents a major change to the way in which companies traditionally recruit personnel.*

7. Electronic Recruiting: Electronic recruiting also known as cyber-recruiting or recruiting on the Internet presents a major change to the way in which companies traditionally recruit personnel. It is recruiting via internet and intranet. Here, there is a web site address of a company and the company posts their vacancies by location and occupation via their own web site or online job centres. It can include detailed and comprehensive information about the job and the company; reach large numbers of potential applicants and expect an almost immediate response. Candidates, in turn, enjoy the speed, accuracy, and convenience of instantly seeing only those vacancies that match their requirements.

Advantages of External Source of Recruitment

1. Candidates are potential sources of new ideas. They can introduce new blood into the organisation with their innovative and creative thoughts and actions. This will give new momentum, competitiveness and sustainability to the organisation.
2. Candidates may have broader experience which they get from their work experience in other organizations in various levels. This broad – based experience will inject new style of operations, competitive pace of work, time and resource saving techniques into the organizational work. Therefore, they may be the sources of cost effective and higher productive change agent.
3. Candidates may be familiar with competitors. People who are coming from the external sources may have knowledge about competitors and their operational practices. This may give new competitive edge to the organisation.
4. Candidates may have new specialties. External sources will give people with new technical and specialized knowledge and skills that could not be available among internal candidates.

Disadvantages o External Source of Recruitment

1. The probability of mistakes is high because of less reliable information. The organisations do not have reliable information about the totality of candidates' characteristics as it knows about internal candidates. This may make lead to wrong selection which will jeopardize the purpose of the resourcing and may be a problem to the organisation.
2. Potential internal candidates may be resentful. Use of external sources for filling vacant positions will obviously reduce the possibility of internal candidates to get placement. This will cause resentment among the internal candidates and may lead to employee turnover and reduction of productivity.
3. The new employee may have a slower start because of the need for orientation to the organization. External candidates will need orientation and familiarization with the organisation culture and job environment. It requires a gestation period for which the organisation will not get satisfactory performance at the early stage of employment from the new recruits.

4. The recruitment process may be expensive. Recruitment is always costly. External recruitment will be costlier than internal recruitment.

Both of the sources of recruitment can be used depending on circumstances. Organizational policy, philosophy as well as reality of the organization are the determinants for the selection of internal or external sources.

Discussion questions

1. What is meant by recruitment?
2. What are the constraints that exist in the way of recruitment?
3. Explain the recruitment process.
4. Why will you use internal sources of recruitment and why not? What are those sources?
5. Why will you use external sources of recruitment, and why not?
6. Discuss in a nutshell various sources of external recruitment.
7. Describe innovative sources of external recruitment.

Case-1: Recruitment issues for Rift Airlines

'So we are all agreed', said Kieran Mathieson, managing director of Rift Airlines. 'We need to change.'

Stan Vines, marketing manager, leant forward. 'Kieran, it is imperative. We are losing market share. The competition is killing us. We are seen as a safe but boring way to fly. Our in-flight service at best is average and our crew is seen as surly and not service-oriented. We are just not competitive.'

'l agree with Stan', growled operations manager, Bill Armstrong. 'Our present cabin crew is not with it - they're too old. They don't present a modern image. We need people who are young, attractive, cheerful and dynamic. If we are going to turn around this airline, we need to do something. Some of the male crew looks like absolute slobs with their beer guts and some of the women have backsides the size of a barn! lt's no wonder we can't compete with Virgin and Singapore. Their crews are attractive, cheerful and service-oriented. As a passenger, you get greeted with a smile, not a snarl.'

'lt seems to me', snapped Linda Church, HR manager, 'that this sorry state of affairs is a reflection of our bad management.'

'For heaven's sake, Linda. We're trying to run a business not a social welfare organisation. Face reality, customers prefer to be served by young, attractive cabin crew. Our competition realises it. Listen to this. This is what Malaysia Airlines corporate services senior general manager,

Mohammadon Abdullah, was reported as saying in the press: "Customers prefer to be served by young, demure and pretty stewardesses, especially Asian ladies."Who wants to be served by a_ bunch of ageing couch potatoes and old boilers?'

'I can't believe you said that!' snapped Linda. 'What you are saying is so blatantly discriminatory that it is not funny.'

'lt's not just me Linda. Look at this newspaper clipping.

The writer makes it clear what passengers want.'

'What does it say?' questioned Kieran.

'To quote', smiled Bill 'a charming face with a captivating smile has a more positive impact than a wrinkled face with a forced smile.'

'Really Bill, you are being ridiculous', sighed Linda.

Kieran interrupted. 'Please let's remain focused. We have a problem and we have to do something. We are losing market share and money. We can't continue with the old ways or we will be out of business. Now, what do you suggest?'

'Hire all new cabin crew', enthused Stan.

'l'm prepared to explore the option, Stan, but it seems to me that Linda has raised some valid objections, responded Kieran. 'Linda?' questioned Kieran.

'Alright, l'll go along with the exercise. But first we need to clearly define the type of people we need'

'Well, if our aim is to be the fastest-growing, most profitable airline in the Asia Pacific region, that means we need people who are motivated and have a strong service orientation. They must fit with our image as a young, dynamic, "with it" Australian airline that has an international outlook and is going places', said Stan.

'So, we are the young, confident, progressive airline that proclaims its "Australianness" but at the same time communicates its cultural diversity', said Kieran. 'Mmm, sounds interesting. You three get together and articulate the specific qualities we should look for and identify where we are going to find such people', requested Kieran.

Discussion question

Critically review the points raised. Which manager(s) do you agree with and which do you disagree with? Why?

Lesson-2: Selection

Learning Objectives

After studying this lesson, you would be able to

- Explain what selection is.
- Discuss the selection process.
- Explain the initial screening phase of selection.
- Explain the issues of application blank.
- Understand the concept of employment test.
- Discuss various types of employment test.

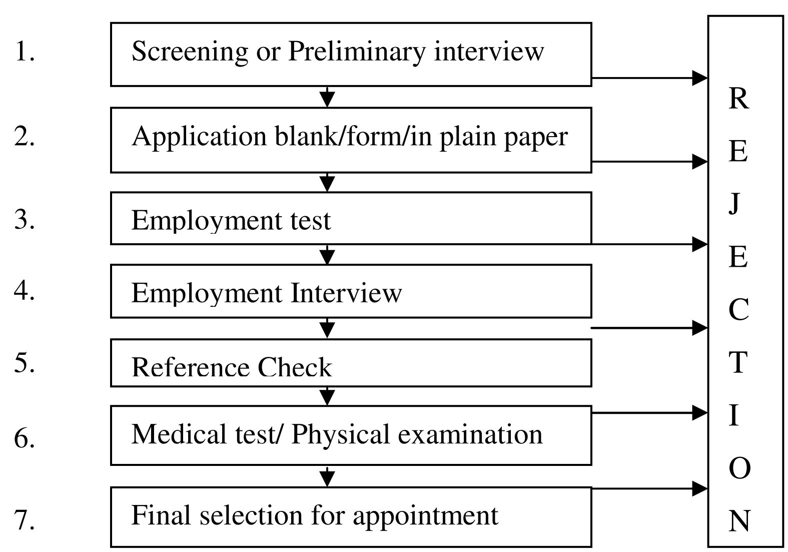
Once an effective recruitment programme has supplied enough job applicants, the organization faces the task of choosing the best ones for specific jobs (French, 1997:221.) The choosing is the selection of applicant to be appointed in the vacant positions.

Selection is the process by which an organization chooses from a list of applicants.

Selection is the process by which an organization chooses from a list of applicants the person or persons who best meet the selection criteria for the position available considering current environmental conditions. - Milkovich (2001)

Selection Process

The selection process involves judging candidates on a variety of dimensions, ranging from the concrete and measurable to the abstract and personal (French, 1997). A number of selection devices are used in this purpose to identify the applicants who have the highest chance of meeting or exceeding the organization's standard of performance. Generally, a selection process involves a series of steps, which applicants pass. A typical set of steps is shown in figure below. The sequence of steps may vary from firm to firm, with some steps taking place simultaneously (Werther and Davis, 1996). Such as step 3 and 4 may be performed concurrently or at about the same time or some firm may start with step 2, thus this series is not universal (Ivancevich, 2001:219). Each of these steps represents a decision point requiring some affirmative feedback for the process to continue.



The Selection Process

Each step in the process seeks to expand the organization's knowledge about the applicant's background, abilities and motivation and it increases the information from which decision makers will make their prediction and final choice (Decenzo and Robbins, 1997).

Initial screening or preliminary interview is an opportunity to the organizations which have formal application blank or form for the vacancies to screen out at the first instant without further cost on the part of the organization and of the individual applicants.

Initial screening or preliminary interview

It is an opportunity to the organizations which have formal application blank or form for the vacancies to screen out at the first instant at this stage without further cost on the part of the organization and of the individual applicants. Candidates with inadequate or inappropriate experience and /or education can be eliminated. Moreover, this interview allows sharing and/ or discussing job description information and of salary with the potential applicants which helps organization to modify or improve the initial proposal and the candidates to reconsolidate their interests to apply

Application blank or form

Application blank or form is now given to the candidates passed the preliminary interview or initial screening of enquires.

Application blank or form is now given to the candidates passed the preliminary interview or initial screening of enquires. If organizations do not have any such form, ask directly the job candidates to apply on plain paper or send bio-data or curriculum vatae (CV) or resume, stating personal information. Sometimes, the required information is disclosed in the job openings – advertisement or circular.

Its purpose is to supply the organization with basic information about the candidate's work experience, previous salary and so forth. This makes the selection process far more efficient first, by reducing the number of applicants that need to be interviewed as some of the candidates will screen out due to unfavourable personal data and, second, by allowing interviewers to focus on other kinds of information e.g. personality, communication skills etc. that is perhaps more difficult to obtain.

Care must be taken to design application blank, as it is subject to the legal standards, violation of which may bring about legal suit or punishment. Only that information can be asked that will help the organization to make a better job-related assessment of the applicant. Applicants also like application blank as it is free from inappropriate questions; they feel more positively about pursuing the job; it exhibits the fairness of employee treatment; and they can recommend the organization to friends.

The traditional application blanks are replaced by two new forms: biographical information blank (BIB) and weighted application blank (WAB). The first one is designed to have more information about prior behaviour and experiences believing that these will be strongly related to an applicant's future behavaiour (Nickels, 1994). The second is designed to be scored more systematically and is more like the BIB (Ivancevich, 2000:221). Applicants who will pass the stage of screening and found minimally qualified will then proceed to the text phase of the selection process – the employment test.

An employment test is a mechanism that attempts to measure certain characteristic of individual applicants such as aptitudes, intelligence, etc.

Employment test

An employment test is a mechanism that attempts to measure certain characteristic of individual applicants such as aptitudes, intelligence, etc. Though it is costly and difficult to design and develop a valid test for a particular job vacancy, it is widely used selection device. Written tests are most widely used but reliance on it has decreased significantly in recent years in developed nations (DeCenzo and Robbins, 1997). In our country, it is used by almost all organizations particularly large private and public organizations. It is favoured because test results seem to be objective, free from personal bias; and they are usually expressed numerically, so that they lend themselves to statistical analysis and thus can be validated .

Types of Test

Various kinds of tests are used for selecting employees. The types of test or a combination of tests that is ultimately used will depend on a number of factors, including the budgetary constraints of the organization, the complexity and difficulty of the job, the size and quality of applicant population and of course the knowledge, skills, abilities, and other characteristic required by the job (Ivancevich, 2001:224).

(1) Achievement or Proficiency or Knowledge Test: This test is undertaken to measure the depth of job relevant knowledge possessed by the candidates. It is taken as written or oral test. It verifies the claim made by the candidates about their acquired knowledge or achievement or proficiency in any particular area of discipline.

(2) Aptitude or Potentiality Test: This test is undertaken to assess the candidate's ability to learn new skills which includes short term memory test, spatial perception test, discrimination test, and motor ability test.

(3) Mental Ability or Intelligence Test: This test will assess person's abilities with words, numbers, logical reasoning and spatial relationships. Generally it is known as intelligence quotient (IQ).

(4) Personality Test: This test is undertaken to construct a profile of a person's attitudes, behaviour and habits. It gives candidate's level of introversion, stability and motivation.

(5) Interest/Knack Test: This test is undertaken to discover a person's likenesses and dislikenesses and gives an interest profile of the candidate that enable the recruiter/management to place him in best-fit position. This also ensures success of the candidate in his/her new job

(6) Physical Ability Test: This test is undertaken to assess the static strength, dynamic strength, body coordination, stamina, reaction time and other body traits.

(7) Substance Abuse Test: This test is undertaken to measure the presence of illegal or performance affecting drugs into the candidates. It is usually done by urinalysis. In recent years, more and more organizations have required applicants to be tested for substance abuse (French 1997:233).

(8) Work samples: This is undertaken to measure the practical work performance ability of the candidate in a real world situation. Work samples are miniature replicas or simulations of actual on-the-job behaviour such as shorthand, work processing (Milkovich and Boudreau, 1997:271). This improves selection and also provides a realistic preview of the job and saved training cost to a large extend.

(9) Polygraph Test: The polygraph or lie detector is an instrument used to record bodily changes that take place when an applicant is subjected to pressure. Stressful questions such as 'Do you take drug?' and 'Have you ever stolen anything?' are interposed with neutral questions. The test is undertaken to measure truthfulness of a person regarding his/her given information. It is also known as honesty test. It helps to identify habitual liar. But it is now severely restricted in many countries by the law and by the verdict of the court.

(10) Honesty Test: Honesty test is a written test to evaluate a candidate's honesty and integrity. It is undertaken after curtailment of polygraph test. Honesty test is designed to ask applicants about their attitudes towards theft and dishonesty or about admissions of theft or illegal behavior. A study shows that professionally developed honesty tests are valid predictors of dishonest and counterproductive behavior in the workplace (Murphy and Luther, 1997:17).

Organization may select the test method or methods on the fair analysis of the job requirements, company policy and financial capacity. Whatever the selection method is or methods are; it is a wonderful mechanism to identify the right traits of the candidates that fulfills the job specification.

Discussion questions

1. What is selection? Differentiate selection from recruitment.
2. Draw a selection process and discuss each step in short.
3. What is employment test? What are the various employment tests?

Case-2: Selection at University College

Professor Mizanur Rahman sipped his soft drink and savoured the flavor.

'Enjoying that?' the questioning voice belonged to Farid Ahmed, Professor of Economics. Farid seated himself decide Mizan. 'What's on your mind, Mizan? You look like you're deep in thought'.

'Actually, I was thinking about a telephone call I received earlier from Anna Rashid at Asia Pacific University. She is interested in applying for the Vice – Chancellor's job.'

Farid smiled. 'Anna would be an ideal candidate. She is highly qualified and has an outstanding reputation as an administrator. But tell her no to waste her time. '

'What do you mean, Farid?

'The new Vice-Chancellor has already been selected.'

'How can that be? The advertisements appeared in the press only last Saturday.'

'Really, Mizan, for someone who has worked at University College for as long as you have, you really are wet behind the ears.'

Mizan stiffened, 'What you do mean?'

'Come on, Mizan, you mean you really don't know?'

'Know what ?' snapped Mizan.

'The new Vice –Chancellor is going to be Dean of Arts – Akter Hamid .'

'Farid, you're kidding me? Akter hasn't published anything for years. And his reputation as an administrator is nothing to write home about.'

'Ah ah, you don't understand, do you?'

'What do you mean?' Mizan asked.

'You may be correct in your assessment of Akter but you have ignored three important factors. First, he is favoured by the government. Second, he has all the necessary political connections with the university power brokers. And third, he will maintain the status quo. No one will be threatened'.

'I don't believe you Farid. That's just rumour.'

'Well, Mizan, my friend, you forget who is heading the selection committee. Sobhan Habib, the Dean of Engineering. And who is the Dean of Engineering's best friend? The Dean of Arts. I suggest you read the job description more carefully, Mizan. You will see it fits Akter to a tee. Scholarship is downplayed and things like knowledge of the university, an understanding of its educational values and so on are all highlighted. Akter has been with this university for more than 20 years. Who's going to outscore him? No one.'

'Farid, if what you say is true, it's most disappointing. Particularly as this university needs to undergo major change if it is to become anything but second rate.'

'Uh! Uh! ' smiled Farid.

'What are you smiling at, Farid? I think what you have told me, if it is true, is most depressing.'

‘Mizan, the best is yet to come.’

‘What do you mean?’

‘As a “reward” for doing his job so well, our good friend Sobhan Habib will be promoted to the exalted position of Assistant Vice-Chancellor when Zakaria Aziz will retires next year’.

Farid, now I know you’re kidding me. Akter’s reputation is terrible. He’s lazy and an obstacle to change. Everyone knows that to survive in his department you have to be a “yes man”.

‘All ture, Mizan, but such is life at University College. Another glass of red, Mizan?’

Discussion Questions

1. What issues are raised in this case?
2. If you were the HR manager at University College, what would you do (given that HRM is a profession)?
3. Do you think that the situation described represents common or uncommon organizational behaviour ? Explain your answer.

Lesson–3: Interview

Learning Objectives

After studying this lesson, you would be able to

- Understand the concept of interview.
- Explain the benefits of interview.
- Discuss various types of interview.
- State various techniques of interview.
- Explain different errors of interview.
- Explain the measures of overcome the errors of interview.
- Discuss how to take interview successfully.

The selection interview is a formal, in-depth conversation conducted for the purpose of assessing a candidate's knowledge, skills, and abilities, as well as providing information to the candidate about the organization and potential jobs.

Interview is one of the steps of selection process. The candidates who get the favourable score in employment test will be asked for interview.

What is Interview?

An interview is a procedure designed to solicit information from a person's oral responses to oral inquiries.- Gary Dessler (2000:217).

The selection interview is a formal, in-depth conversation conducted for the purpose of assessing a candidate's knowledge, skills, and abilities, as well as providing information to the candidate about the organization and potential jobs.-William B. Werther and Keith David (1989)

Thus, the interview offers a chance for the managers to fill in gaps in the information provided by application forms and tests . It may lead to completely new types of information as well. In particular, interviews are used to assess intangible enthusiasm that can't be shown on an application form . Selection interviews are most widely used selection technique. A survey reveals that 90 percent of the responding organizations place more confidence in the selection interview than in any other selecting method (Bureau of National Affairs, 1976, Hakel, 1982). From 70% to 99% of organizations under study use interviews as a selecting tool (Dipboye, 1992, Ulrich and Trumbo, 1965).

Benefits of Interview

The popularity of interviews stems from their flexibility.

Interview allows for two-way exchange of information: interviewees learn about the applicant, and the applicant learns about the employer.

1. Discover Hidden Characteristics of Candidates: There are matters like oral communication skill, gesture, posture, etiquette, manner many other characteristics of a candidate can be understood from the interview. Here, direct face-to-face conversation and physical appearance give that opportunity to the organizational members to know about those which are not generally disclosed or understood from documentations or tests.

2. Flexibility: The popularity of interviews stems from their flexibility. They can be used for the selection of unskilled, skilled, semi-skilled managerial and staff employees.

3. Two-way communication: Interview allows for two-way exchange of information: interviewees learn about the applicant, and the applicant learns about the employer. It helps taking right employment decision to both the parties.

Types of Interview

However, recent studies indicate that the key to an interview's usefulness is the manner in which it is administered. There are many ways of taking interview. They are discussed below:

One person takes interview of one job applicant at a time in One-to-one Interview.

1. One-to-one Interview: One-to-one interview between the applicant and the interviewer is the most common interview. Here, one person takes interview of one job applicant at a time.

In panel interview, one candidate meets with a panel of two or more representatives of the firm.

2. Panel Interview: In panel interview, one candidate meets with a panel of two or more representatives of the firm or interviewers. It allows all interviewers to evaluate the applicant on the same questions and answers at the one time. . One of the panelists may act as a chairperson, but each of the interviewers takes part in the questioning and discussion. It is also widely used. It overcomes any idiosyncratic biases that individual interviewers might have.

Group interview is a method in which a number of applicants interact in the presence of one or more interviewers.

3. Group Interview: Group interview is a method in which a number of applicants interact in the presence of one or more interviewers. Generally, interviewees are allowed to discuss job related matters among themselves and interviewers listen and observe applicants individual performance and rate them on their performance. This gives scope to evaluate and compare the answers and interactions of different applicants immediately. This type of interview intends to understand a candidate's personality, attitudes, and social and communication skills and intellectual capacity (Stone,2008:256). This type of interview is usually considered most appropriate in the selection of managers.

Video-interactive interview uses Skype or web camera to conduct direct conversation between interviewer and interviewee.

4. Video-interactive Interview: This type of interview uses Skype or web camera to conduct direct conversation between interviewer and interviewee while both parties can see one another and exchange views with the help of computer or mobile phone. By this method, interviewer can take interview of interviewees sitting in two different geographically distant places of the world. This method is becoming popular day by day.

It uses computers to screen applicants via résumé scanning and to conduct preliminary screening interviews and online testing.

5. Computer Screening: It uses computers to screen applicants via résumé scanning and to conduct preliminary screening interviews and online testing. The typical computer-aided interview has about 100 questions and can be completed in less than 20 minutes.

Interviewing techniques

The most common interviewing techniques are the structured interview, the unstructured interview and the situational -problem interview. These techniques are stated below:

In the structured interview, the interviewers have a predetermined standardized list of questions to ask to all applicants.

1. Structured Interview: In the structured interview, the interviewers have a predetermined standardized list of questions to ask to all applicants. The technique produces uniformity of data and guarantees that all applicants are treated in the same way.

Unstructured interview does not have any predetermined set of questions and interviewers ask questions as they individually feel relevant and important.

2. Unstructured Interview: Unstructured interview does not have any predetermined set of questions or script to ask to interviewees. Interviewers ask questions as they individually feel relevant and important. It enables the interviewer to pursue, in depth, the applicant's responses. There is no similarity among questions asked to the candidates. There are strong evidences in support of the view that structured interviews are more valuable than unstructured interview.

Situational-problem interview offers the candidate a specific problem to solve or a project to complete.

3. Situational-problem/Behavioural Interview: Situational- problem interview offers the candidate a specific problem to solve or a project to complete (French, 1996:237). This interview seeks to identify whether an applicant possesses relevant job knowledge and motivation, quality of ideas, leadership capacity and the ability to work with others. Sometimes, hypothetical questions or situations, which they might encounter in future, are asked or given. Researchers showed that questions about past experience have higher validity than the future oriented questions (Pulako and Schmitt, 1995:269-308) but the proper use would make future – oriented questions a useful mechanism to identify the desired quality into the candidates.

Mixed interview is a combination of structured and unstructured questions.

4. Mixed Interview: It is a combination of structured and unstructured questions. Here, a set of structured questions are set and circulated among the members to ask besides allowing members to ask questions on their own that they feel compatible with what is usually done in practice and relevant to dig out hidden qualities of the applicant. A realistic approach is used to yield comparable answers plus in-depth insights.

Stress interview attempts to learn how the applicant will respond to job pressures.

5. Stress Interview: Stress interview attempts to learn how the applicant will respond to job pressures. This interview uses a series of harsh, rapid-fir questions intended to upset the applicant to understand the capacity of a person to withstand stressful situations in stressful jobs.

Nondirective Interview maintains the interviewer's questions open-ended and candidates talk freely.

6. Nondirective Interview: In this interview, the interviewer's questions are held to a minimum, and they are open-ended. Rather than asking about specific details of the candidate's last job, the interviewer may say, "Tell me about your work in this field." The aim is to follow the applicant's own lead, to let him or her express thoughts and feelings that might be relevant to the job. The nondirective technique can reveal information that would never have come up in a structured interview.

However, interview provides a solid body of information on which the candidates are selected and passed on to the next phase of selection – the medical or physical examination.

Errors in Interviewing

Bias is considering a factor irrelevant to decision situation.

1. Bias: Bias is considering a factor irrelevant to decision situation. Interview is a selection method in which efforts are made to understand the hidden qualities to nominate competitively better candidate for the vacant position. Any personal prejudice, nepotism, favouratism, regionalism, religious belief, ethnicity etc. which is not a factor for selection decision, if affects the decision, then it would be bias. It will not make selection effective.

Halo effect refers that one good performance in one area of a candidate is considered by the interviewer as altogether good in all other areas.

2. Halo Effect: Halo effect refers that one good performance or characteristic in one area of a candidate is considered by the interviewer/interviewers as the interviewee is altogether good in all other areas too. This is a false notion about the candidate and is a deterrent to right decision.

Here, one bad performance or characteristic in one area of a candidate is taken by the interviewer/ interviewers as the interviewee is altogether bad in all other areas too.

3. Horn Effect: Horn effect is opposite to halo effect. Here, one bad performance or characteristic in one area of a candidate is taken by the interviewer/interviewers as the interviewee is altogether bad in all other areas too. This is equally a false notion and is a deterrent to right decision.

Interviewer takes decision any time during the interview abruptly after hearing/ observing a few performances.

4. Snap Judgement: Interview is a systematically done efforts at the end of which interviewers take judicious unanimous decision after discussing among themselves and when it is individually done, the person will think about the overall performance of the candidate, then will finalise the decision. But if the decision is taken any time during the interview abruptly after hearing/observing a few performances, the decision would be incomplete. This error is known as snap judgement and would obviously make selection decision faulty.

5. Leading questions: Leading questions are those which will indicate a desired answer into the question like 'Do you agree that profit is necessary?'. This type of questions does not help to being out the hidden talents, qualities, or other characteristics that the interview intends to uncover. It will make the purpose of interview lost.

interviewer talks the interviewee down with talking more about the company.

6. Interviewer Domination: It is expected that the interviewer will talk less and the interviewee will speak more to exhibit his/her talent. But if the interviewer talks the interviewee down with talking more about the company, importance of his/her job in the company, the incentive and benefit package of the company etc. in the board, then the purpose of interview will not be achieved.

The interviewer interrogate the interviewee like what an advocate does in the court with a defendant.

7. Playing Attorney : Interview is a two-way communication that will help both the parties to know, understand, and to convince one another. But if the interviewer interrogate the interviewee like what an advocate does in the court with a defendant, then the purpose of the interview is lost without any positive result for making effective selection decision.

Interviewer takes decision in favour of the candidate if he/ she speaks, believes, projects like him or her.

8. Similar to me: Interviewer sometimes takes decision in favour of the candidate if he/she speaks, believes, projects anything which has got strong resemblance to that of the interviewer. This 'similar to me' error also makes the selection decision incorrect and faulty.

9. Improper phrasing of questions: The questions should be specific enough to draw out the necessary information and they should not prematurely reveal what answer the interviewer would like to hear. So, improper phrasing and timing of questions is a difficult problem in getting desired result of interview.

How to Overcome the Errors of Interview

In order to overcome those errors to interviewing, experts have suggested actions that will help making interviewing effective. They are:

A systematic and programmed learning will make a person competent to take interview.

1. Interviewers' Training: Interview is an effective communication. It is not learnt automatically. A systematic and programmed learning will make a person competent to take interview. So, the interviewer or interviewers shall have to take training on 'how to take interview' to make oneself competent and knowledgeable about the interviewing system, effective question framing, logical judgment and evaluation system.

Interviewing needs a plan about where and how to take interview, the seating arrangement, who will speak about what, the sequence of questioning etc.

2. Interviewing Plan: Plan precedes all courses of action. Interviewing also needs a plan. So, before interviewing, a plan will be made about where and how to take interview, the seating arrangement, who will speak about what, who will be the chairman/coordinator, the sequence of questioning and other relevant issues and matters. It will make the interviewing successful.

A set of ethical standards or norms will be set and interviewers will be convinced to maintain this standard throughout the interviewing.

3. Ethical Standards: Interviewing helps taking effective selection decision. So, utmost commitment to the purpose must be maintained by all the members. A set of ethical standards or norms will be set and interviewers will be convinced to maintain this standard throughout the interviewing. Interviewers must be chosen who have strong morality and neutrality. To make interviewing effective, the ethical question shall not be compromised.

No discrimination on any count to any one shall be maintained with utmost good faith.

4. Neutrality: The interviewers should have strong personality and commitment to be unbiased and neutral in evaluating applicants' suitability for the given job vacancies. No discrimination on any count to any one shall be maintained with utmost good faith.

How to Take Successful Interview

The successful interview will have certain elements and sequence which is generally accepted by the experts throughout the world. Stone (2008:253) has prescribed an ideal structure of interviewing that contains all elements of a successful interview. Let us go to that now-

1. Know the job: The interviewers shall know the job to be filled, otherwise how can an accurate match be obtained? So, they should go through job description that contains the key job responsibilities, reporting relationship, working conditions etc. to know clearly the job. Research indicates that when job information is used to develop interview questions as well as to evaluate the applicant's answers, the validity of the interview is enhanced (Spector, 2000:109-12). Moreover, interviewers who are given more complete job information make selection decisions with higher inter-rater reliability.

2. Know the personal characteristics, skills and qualifications: The interviewers must know the relevant and job-related personal characteristics, skills and qualifications required for the job, otherwise, interviewers may not assess the right characteristics and thus not hiring the best candidates. Questions and other quarries will be irrelevant and interview result would be worthless.

3. Set specific objectives: Human resource manager must establish the objectives that should be achieved by the interview. He/she must set what information they wish to get and give, and what topic they wish to cover. The objective will lead the interview toward the destination. We know that the purpose of the employment interview is to give and get information that will help the interviewer to make a decision about the applicant's suitability for the vacant position. If the interviewers know what they are looking for , they are more likely to detect its presence or absence in applicants.

4. Provide the proper setting for the interview: The interview should be conducted in private and in a setting free from interruptions. Lighting, temperature, seating arrangements and accessibility for applicants with disabilities must also be considered. Not to do so, creates a negative image to applicants by communicating that the interviewer does not really think that they are important enough to justify the courtesy of a professionally conducted interview. Let we not forget that the interview is equally important to the applicant and to the image of the company.

5. Review the application form or résumé: The interviewer should review the written application to determine whether additional information is needed. This may reveal the unexplained gaps in employment history. This will be made clear with the applicant during interview and will solve the confusion.

6. Beware of prejudice: Most people have prejudice of some sort. It is important that these prejudices do not impinge on the selection decision. So, the interviewers must know their prejudices and recognize when they exist. They should take care to keep those aside while appraising candidates objectively. Otherwise, the interviewer runs the risk of losing good candidates and leaving the way open to charges of discrimination.

7. Don't make snap decision: Research indicates that interviewers make a judgement about an applicant in the first three to five minutes of the interview (Cascio,1998:195-96). From that point on, they hear and see only information that confirms their initial impressions. Interviewers must be alert to this tendency to make instant judgement about the suitability of a candidate. Judgement must be reserved until all relevant information about the applicant has been gathered. There shall be no sudden immature judgement.

8. Put the applicant at ease: The interviewee shall be given a suitable chair to seat at ease so that he/she should feel comfort and pleasure. The interviewer should develop a rapport with the applicant by asking neutral familiar questions until the ice has been broken that permits the interviewer to move comfortably into the interview. Don't be arrogant, do not act superior and be overly formal. Be soft, gentle, sober and friendly with the applicant.

9. Ask questions: The interviewer will start with non-conventional questions. Questions should be relevant to the job and other desired characteristics which will unveil the inner unearthed capabilities of the candidates. Use same questions for all candidates. Don't ask questions that can be answered by yes or no ; don't put words in the applicant's mouth or telegraph the desired answer; don't interrogate the candidate as if the person is a criminal; don't be patronizing , sarcastic, or inattentive; don't monopolize the interview. Do ask open-ended questions; do listen to the candidate; draw out the applicant's opinions and feelings by repeating the person's last comment as a question. When you ask for general statements of a candidate's accomplishments, ask for examples.

10. Watch the body language: The interviewer should look for non-verbal signals such as facial expressions, fidgeting, arm movements and the like which can give important clues as to what the applicant is really thinking or feeling. In this case, the interviewers must be alert to cultural differences, because culture shapes the meaning of a particular expression.

11. Encourage the applicant to do most of the talking: The more the interviewee talks, the more the interviewer is going to learn about them. Interviewers can never probe enough. So, the interviewer should encourage the applicant to talk by asking open-ended questions. This will be reinforced if the interviewer makes sure of being an attentive and sympathetic listener. An occasional 'Uh-huh!', 'Really', 'Is that so', or 'I see', by the interviewer is very effective in keeping the applicant talking.

12. Keep control on the interview: The specific objectives that have been set for the interview must be constantly kept in mind. This ensures that the applicant talks about the relevant subjects. The interviewer must make certain to get all the facts needed to make a decision. Don't ignore information that needs to be explored. To do so will mean that employment decisions will be made on incomplete and /or inaccurate information, thus increasing the probability of selection failure.

13. Explain the job: The interviewer must explain the key aspects of the job, the terms and conditions of employment and where the job fits in to the applicant. This should be done without overselling the job, the employment conditions or the company but in a realistic accurate manner. Otherwise, this will lead dissatisfaction in future.

14. Close the interview: Interview should be closed in a friendly manner. If the applicant is found not suitable for the job, he/she should be told tactfully without making him/her seriously shocked with bad news. If the applicant is found suitable and is eligible to go to the next step of the selection process, the interviewer should say so. If the interviewer is not in a position to say immediately, he/she should say when the applicant may expect the hear from the company. Interviewers will courteously say goodbye with best wishes to the applicant.

15. Write up the interview: Interviewers should right up the results of the interview while it is still fresh in their minds. Accuracy is increased if facts and impressions are recorded as soon as possible. Let us not forget that the accurate records are vital in proving that the selection decision was not discriminatory. Assessments supported by objective, accurately recorded evidence give credibility to the selection interview process and ensure that any questions regarding a selection decision can be justified if subject to external scrutiny.

16. Evaluate the interview process: Human resource management shall assess the effectiveness of the interview process to remove any flaw if is found in the way of its success. It will see that interview objectives are achieved; that the interview and the interviewing technique are evaluated and that most potential competent best-fit applicant is selected. This can be done by looking at labour turnover figures and by comparing performance appraisal assessment against the assessments made during the employment interview.

Discussion questions

1. What is interview?
2. What are the various benefits of interview in getting right candidate?
3. Discuss different types of interview.
4. What are the various techniques of interview?
5. Describe errors of interviewing.
6. How to overcome errors of interview.
7. How can you make successful interviewing?

Case-3:

Salina Perveen , a graduate from the Department of Management, University of Dhaka received an interview card from the Bangladesh Bank to appear before a interview board on 4 May, 2017 at 10 a.m. . She was staying at Kalabagan in Dhaka. She thought that she could be able to reach Motijheel Bangladesh Bank office within 1 hour from her residence by a CNG transport. So, she started at 9a.m. and took a CNG transport. But due heavy traffic jam she could not reach due time. When she reported the reception, she was informed that she missed the call from the board and she had to wait till the last interviewee completed his/her the interview. At last her term came and she entered into the interview room and took her seat.

‘Why are you late?’ the chairperson of the board asked.

‘I did not come on time due to traffic jam’. She replied.

‘It’s regular feature of the city. Why did you not start early?’ Asked one member.

‘I started one hour before the time of interview. But today, traffic jam was unexpectedly heavy.’ Explained Salina.

‘You must know that sometimes it could happen. So, this shall not be an excuse’. Said one member.

‘OK. Let us start. But this would affect your rating’. Said the Chairperson.

Discussion question

Explain what made Salina late and how she could avoid the situation.

Lesson- 4: Reference check, Medical examination, Hiring decision

Learning Objectives

After studying this lesson, you would be able to

- Understand the concept of reference check.
- Explain various techniques of reference check.
- Discuss the issue of medical examination.
- Discuss the matter of hiring decision.

Reference check is done to verify the background information that the applicant has given to the organization.

Reference check may be done directly through personal call and verify the authenticity of the information given by the applicant.

The human resource manager gives telephone call directly to the referee and verify information about the applicant.

Reference may be checked with a structured reference form with questionnaire and sent to the referee requesting him/her to fill up with comments.

An unstructured reference form with only open-ended questions is sent to the referee requesting him/ her to fill up with comments.

Reference Check

The candidates who withstand the interview will be selected for the interview subject to favourable reference information. Reference check is done to verify the background information that the applicant has given to the organization. Most employers try to check and verify the background information and references of the job applicants. Study reveals that on an average 87 percent of the surveyed companies checks dates of recent job, reasons for leaving the job, the past salary and position, and professional references/ referees (Bureau of National Affairs, 1988; 22).

Techniques of Reference Check

The techniques that are used for reference checking are many. Just look at the discussion below to know about those techniques:

1. Personal call: Reference check may be done directly through personal call where the human resource manager personally meet with the referee and verify the authenticity of the information given by the applicant and collect such other information deemed required for making selection decision.

2. Telephone call: The human resource manager gives telephone call through land phone or cell phone and directly talk with the referee about various matters related to applicant's various given information and characteristics. He/she acknowledges the contribution of the referee and gives him/her sincere thanks for helping selecting best candidate for the vacant position. One survey reveals that about 80% uses telephone inquiries to verify the reference (Beason and Belt, 1974)

3. Structured reference form: Reference may be checked with a structured reference form with questionnaire made for this purpose with closed and open-ended questions about intended area of characteristics of the applicant and sent to the referee requesting him/her to fill up with comments. It may be sent by postal mail or by e-mail. The comments of the referee are then systematically arranged to draw a conclusion about the potentiality and suitability of the applicant for the vacant position.

4. Unstructured reference form: Reference may be checked with a unstructured reference form with only open-ended questions about intended area of characteristics of the applicant and sent to the referee requesting him/her to give a write up about his/her feeling and judgment about mentioned characteristics such as give comments about the honesty, commitment, sociability etc of the applicant. It also may be sent by postal mail or by e-mail. The comments of the referee are then systematically arranged to draw a conclusion about the potentiality and suitability of the applicant for the vacant position.

5. Re-reference check: This is technique in which the human resource manager asked the person referred by the applicant in his/her application to give the name of another person who knows the applicant and uses any of the above mentioned technique to verify the information and to get more information about the applicant.

This is technique in which the human resource manager asked the person referred by the applicant in his/her application to give the name of another person who knows the applicant and uses any of the above mentioned technique to verify the information and to get more information about the applicant.

Reference check is a very useful means to confirm the given information. Studies reveal that organizations found discrepancies between given and actual reality in many occasions (Hershey, 1971, 36-39, Goldstein, 1971:491-92, Lefkuwitz and Katz, 1969:445-55).

A built-in bias in favour of the applicant is precisely the reason for criticizing the reference check as a source of useful information. Moreover, law suits against this sort of enquiry have made it increasingly difficult to obtain information about applicants beyond simple factual data. This dilemma puts the reference check into a big question as to its effectiveness in getting valid and required information about the candidates.

Medical Examination

Medical examination provides health information such as height, weight, disease, defects, drug habits, AIDS, etc. of the candidates that help the organization to screen out unfit candidates, place candidates in suitable jobs, and to reduce future compensation liability/ claim against the organization. Medical examination is cost and because of that some organizations give applicants a medical questionnaire to complete. If not serious medical problems are indicated by the questionnaire, the applicant is not required to have a physical examination. Selection process includes this medical examination of the applicants before the preliminary hiring decision is made.

Hiring Decision for appointment: The final step of the selection process is to decide about the candidates as selected for employment or rejected. are finally selected Telephone, letter or face- to –face conversation are used to convey the appointment message to the selected candidates. Others, not selected are also communicated through general notice or personal letter. The finally selected candidates are generally given probationary appointment and they will not be eligible for permanent appointment and all the benefits of the organizations until the expiry of a stipulated probation period. The applications of rejected candidates are retained (panel of candidates) either for future job openings or for the same vacant posts if the finally selected candidates do not accept the employment offer or goes away after certain period of service. If some recruits prove to be unsatisfactory after they are hired, they are terminated and the candidates are chosen from this panel.

Medical examination provides health information such as height, weight, disease, defects, drug habits, AIDS, etc.

Discussion Questions

1. What is reference check? Why do we do that?
2. What are the various methods of reference check?
3. What do we do with medical examination?
4. Discuss hiring decision.

Lesson–5: Orientation and Placement

Learning Objectives

After studying this lesson, you would be able to

- Explain the concept of orientation.
- Discuss the benefits of orientation.
- State the content of orientation program.
- Explain the problems of orientation.
- Discuss the matter of placement.

Orientation

The appointed candidates are then placed in the orientation programme before placement in the assigned job. Orientation is also known as indoctrination, induction or socialization. A few experts separate socializations from orientation and make it a small part of the socialization (Dessler, 2000:247, Werther & Davis 1997, DeCenzo and Robbins 1997:213).

Definition of Orientation

The orientation is acquainting with the existing situation or environment.- Sloane(1983: 167).

Orientation or socialization is designed to provide new employees with the information needed to function comfortably and effectively in the organization.- (Stoner, Freeman and Gilbert, 1997:389).

Orientation is a procedure for providing new employees with basic background information about the firm.- Gary Dessler (2000).

Orientation is a program designed to help new employees get acquainted with the company and make a productive beginning on the job.

Orientation is a program designed to help new employees get acquainted with the company and make a productive beginning on the job. – Wendell French (1997:249).

It covers the activities involved in introducing a new employee to the organization and to his or her work unit . Socialization is the ongoing process through which an employee begins to understand and accept the values, norms and beliefs held by others in the organization . The socialization process helps the organization meet its need for productive employees while enabling new employees to meet their needs (Werther and Davis, 1996: 255). Keep aside the debate that whether employee orientation is a part of the socialization or an independent programme, it is well recognized that orientation helps reduce the new employees' first-day jitters and the reality shock.

Orientation programmes may range from brief informal introduction to lengthy formal programmes. Systematic orientation programme may last only a few hours or may extend over several weeks. Information may be given through interviews, group meetings and discussions, handbooks, videotapes, tours or combinations of these or other methods as well as informal lecture by the supervisor or HRM manager or chief executive. Sometimes, a follow up programme is included into the orientation programme.

In most small firms, new employees received their entire orientation from their supervisor . In many small organizations, orientation may mean that the new member reports to his /her supervisor, who then assigns the new member to another employee who will introduce him /her to those persons with whom he/she will be closely working. This may then be followed by a ‘quick’ tour to show where the lavatory is, how to make his/her way to the cafeteria and how to find the coffee machine. Then, the new employee is shown his/her desk and left to fend himself or herself.

Benefits of Orientation

A typical orientation provides new employees information about benefits, compensations, working hours, office time, personnel policies etc. and introduces newcomers with the incumbents.

1. A typical orientation provides new employees information about benefits, compensations, securities facilities, vacations, working hours, office time, daily routine tour, organizations and operations, personnel policies, promotion methods, safety measures and regulations.

2. Well-oriented newcomers need less attention from coworker and supervisors, perform better and are less likely to quit.

Contents of an Orientation Programme

1. New employees sign up. New employees will be received by an assigned person of the organization and welcome them to the organization. The new employees will put their signature to the attendance register and will enter into the orientation venue.

2. Refreshment tea. The new employees will be offered refreshment tea and be introduced with other new employees as well as company incumbents.

3. Orientation information session. It includes address of the key executives, supply of information handbook, leaflets etc., exhibiting video / movie show, and question –answer session. New employees are free to ask any question about the company, pay, incentives, benefits, promotion, disciplinary codes or any other matter. Executives give answer with information to make new employees satisfied with the company and to build up a good image of the company into the minds of them.

4. Complimentary lunch. During the break, all attending employees, new and old, will have lunch. Generally, this lunch is offered in the name of the chief executive.

5. Home office tour. Under this program, new employees are taken and introduced with all the departments and existing employees of each department to make them familiar with the office environment.

6. Factory site tour. If the company is a manufacturing concern, then new employees are taken to the factory site or sites. It may be within the country or in foreign country. It may take days or months, but it is undertaken to make new employees complacent with the organizational activities and to orient them with the production mechanism, products, quality and environment of the factory so that they can feel themselves a part of the organizational image.

7. Orientation interview. It is taken at the end of a certain period to know the opinion of the employees about the orientation program and its various facets. The aim is to improve the orientation program by making desirable changes to make it more effective.

8. Follow-up. The human resource manager will make necessary improvement of the existing orientation program with the findings of the interview and other observations.

Problems of Orientation Program

8. Too much or too little information may overwhelm or annoyed the newcomers.
9. Non-cooperation of supervisors by not releasing employees for the program, or not conveying information to new employees.
10. Lack of support from the key executives. It key executives do not take orientation program seriously, then they will not provide necessary support for successful operation of the program.

Employee Placement

Employee placement is the assignment of an employee to a new job. After general orientation and /or foundation training, new recruits are placed to the position where he/ she will work which is normally the opened vacancy.

Placement is the assignment or reassignment of an employee to a new job.

Placement is the assignment or reassignment of an employee to a new job.- William Werther and Keith Device (1996:261).

Placement is a critical task. It is not only putting a person in a position but it needs a match between the skills and the demand of the job wherein the person will be placed. Not only so, his/her personality shall match with the job nature. This could be understood from the personality test, intelligence test, aptitude test and the achievement test that whether a new employee will best fit with the job or not. The result of the orientation program and the foundation straining will also help human resource manager to decide upon the suitability of a new recruit with the job. The decisions of placement are made by line managers. The human resource department advises the line managers about the company's policies and the fitness of the person with certain job (Werther and Davis, 1996:261).

Discussion questions

1. What is orientation?
2. Why is orientation important for the new entrants and for the organisation?
3. State the contents of an orientation program.
4. Discuss the problems of orientation program.
5. Write about the placement decision.

EMPLOYEE MOVEMENT

7

Employee movement involves with the movement of human resources within an organization and with the separation of individual employee from the organization. Sometimes, it is called internal staffing (French, 1996, Cascio, 1986) or employee placement (Werther and Davis, 1996).

There are four broad types of internal moves in any organization: up, down, over and out, the corresponding titles are promotion, demotion, transfer and relocations and separation- layoffs, retirements, discharges dismissals and resignations. These are the activities through which an adjustment in the size of work force of an enterprise is made to cope with the changing situations; it calls for a careful planning and use of fair and systematic procedures. Inadequate or shortsighted attention can have negative effects on morale and productivity, which in turn can seriously impair the organization's ability to attain objectives (French, 1996:253).

These are promotion, demotion and transfer, all internal movement of employees from one position to another within the organization. These are given as recognition of performance –positive and negative. Let us know one by one in detail.

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Lesson–1: Promotion, Demotion and Transfer

Learning Objectives

After studying this lesson, you would be able to

- Explain what promotion is.
- Discuss the reasons for the promotion.
- Discuss various types of promotion.
- Discuss various bases for promotion with their relative merits and demerits.
- Understand the concept of demotion.
- Explain the objectives and problems of demotion.
- Explain the concept of transfer and its reasons.
- Discuss the problems associated with transfer.

Promotion

What is promotion?

A promotion is a vertical movement of an employee from a job to another job-position that is higher in pay, responsibility privileges, benefits, potential opportunities and / or organizational level. – William Werther and Keith Davis (1996:261).

Promotion is a type of transfer involving the reassignment of an employee to a position that is likely to offer higher pay and greater responsibilities, privileges and potential opportunities. - Wendell French (1996).

Promotion is a type of transfer involving the reassignment of an employee to a position that is likely to offer higher pay and greater responsibilities, privileges and potential opportunities.

Why Promotion

1. Promotion recognizes good performance; initiative, enterprise, and ambition of an employee that will make him/her feel happy with the organization and encourages them to stay with the organization for long. It also minimizes discontent and unrest within the organization.

2. Promotion gives higher pay and benefits and thus, helps satisfying physiological needs, security needs, and esteem needs of incumbent.

3. Promotion provides a career ladder to the incumbents and therefore, will affect the employees' motivation, performance and commitment to the job and to the organization.

4. Promotion attracts qualified, talented, brilliant and high achievement motivation persons to apply for the jobs of the organization as it there exists an advancement opportunities and recognition for quality job performance.

5. Promotion will build up morale, loyalty, and a sense of belonging on the part of the employees when it is brought home to them that they would be promoted if they deserve it.

6. Promotion conserves proved skills, training and ability into the organization that makes output and performance of the firm consistent.

7. Promotion creates among employees a feeling of contentment with their present conditions and encourages them to succeed in the firm.

Dry Promotion is the promotion to higher position with increased duties and responsibilities but with no increased pay and benefits.

Types of Promotion

1. Benefit Promotion: This promotion will place the incumbent in higher position with increased pay, benefits, duties, and responsibilities.

2. Dry Promotion: This promotion will place the incumbent in higher position with increased duties and responsibilities but with no increased pay and benefits. When pay and benefits are already increased to keep pace with the cost of living and length of service, then promotion will not bring up any increase in pay and benefits but in position only.

Bases of Promotion

Promotions are usually based on seniority, merit or performance and on mixed criteria i.e. merit and seniority together are used.

Seniority Based Promotions

Seniority based promotions occur when an employee is promoted because of his longest length of service with the organization.

Seniority based promotions occur when an employee is promoted because of his longest length of service with the organization.-William Werther and Keith Davis (1996).

Merits

1. This is an objective basis. It eliminates biased promotions. Labour organizations often seek this type of promotion to prevent employers from discriminating among union members and believe that it is the most objective and observable factor.

2. It recognizes the contribution of long standing service of the employees to the organization.

3. It motivates employees to stay in the organization for a longer period and thus, reduces employee turnover.

4. It ensures commitment and engagement of the employees into the jobs as they know that their length of service would be the benchmark for the promotion.

5. It is much more economical as organization knows the employees over a long time and selection will not have any cost due to easy counting of seniority.

De-merits

1. Seniority based promotion gives absolute security to the job, but evidence suggests that job security may not predict future performance and training times as well as the similarity between past and future jobs and performance.

2. It may seriously deter the promotion decision as in unionized situations; the collective bargaining contract/agreement will determine the relative importance of the bases for promotion.

3. It decreases innovative, enthusiastic and active participation of the employees into the organizational development and prosperity because employees are rest assured of their pay and protection.

4. It is de-motivating to the brilliant, talented and creative persons because there is no incentive for higher productivity, innovation or for excellence.

5. Internal source of required human resources for the higher positions may not be adequate and this shortage will hamper filling up positions on right time and thus, performance of the organization will be negatively affected..

Merit based promotion

Merit based promotion is gradually getting popularity among organizations due to its inherent qualities of promoting excellence.

Merit based promotion is a vertical advancement decision in which superior performance in the current job of the employee is taken as a basis for giving promotion.- Dr. Muhammad Mohiuddin (2015).

Merit based promotion is a vertical advancement decision in which superior performance in the current job of the employee is taken as a basis for giving promotion.

There are diversified methods used to identify promotable employee on the basis of merit. How merit/ competence will be defined and measured is a critical task. Past performance and potential will determine the competence. Past performance is used as the basis for extrapolating potential or tests are administered to evaluate promotable employees and to identify those employees with executive potential, or assessment centers are used to assess management potentials.

Benefits

1. Merit based promotion brings rewards for meritorious work, extra competence, achievement, and initiative;

2. It is motivating as it encourages talented employees to work hard so that they can get early opportunities for advancement;

3. It increases productivity as it leads to increased productivity and thus, increases organizational performance.

4. Merit based promotion gives recognition of performance and therefore, brilliant and meritorious employees are encouraged most for giving innovative and creative performance for the organization.

5. It attracts meritorious and brilliant persons to apply for the jobs of the organization as merit and higher performance would be the only criteria for getting promotion.

6. Merit based promotion enhances organizational dynamism, creativity and innovation that ensure its sustainability in the industry and competitiveness in the market.

Flaws

1. Loss of Objectivity due to the problems of distinguishing strong performance from weak ones objectively.

2. Effects of Peter Principle as the ‘Peter Principle’ states that in a hierarchy, people tend to rise to their level of incompetence i.e. good performance in one job gives no guarantee for good performance in another (Peter and Hull, 1969).

3. It decreases the morale and commitment of the employees to the organization and to the job as there is not recognition to the long standing contribution of the employee and thus will increase labour turnover.

Mixed criteria based promotion integrates the seniority and merit standards into one unified standard to get benefits of both seniority and merit bases promotion and to eliminate demerits of both.

Mixed Criteria based Promotion

Mixed criteria based promotion integrates the seniority and merit standards into one unified standard to get benefits of both seniority and merit bases promotion and to eliminate demerits of both.- Dr. Muhammad Mohiuddin.

It is the most widely used basis for promotion. Here, with the equal seniority, merit should be the deciding factor, and with the equal merit, seniority should be the factor upon which promotional decisions would be taken. Both seniority and merit will be given proportional weight for deciding upon promotable candidate.

This policy is satisfactory to both the management and to the union or employees.

Demotion

Demotion, though not good for the incumbent or for the organization, but is practiced as an option for restructuring employees or for giving punishment to the employee.

A demotion is a downward transfer that involve with a cut in pay, status, privilege and opportunities.

A demotion is a downward transfer that involve with a cut in pay, status, privilege and opportunities. – Dr. Muhammad Mohiuddin.

Demotion occurs when an employee is moved from one job to another position that is lower in pay, responsibility, and /or organizational level.- William B. Werther and Keith Devis (1996: 263).

Thus, demotion is a practice to put an incumbent down to a lower position, status, salary and responsibilities due to address a special situation.

Objectives of demotion

1. Demotion is made to meet the need for organizational staff reduction because of sustaining in the competitive environment through merger or acquisition.

2. It is undertaken to execute a disciplinary action against a guilt employee.

3. It is done to make remedy of a previous mistake in staffing. If it is found that an incumbent has got inadequacy in terms of job performance, attitude and capability, the decision of placement shall be corrected by demoting that incumbent to a position where he/she will best-fit.

4. It is done to execute a mutually satisfactory arrangement that stem from an employee's health problems or changing.

Problems of Demotion

1. Demotion is a shock to the affected employee and brings about the kinds of reaction associated with a career crisis.

2. The demoted employee will be a problem child in the organization.

So, it is better not to demote anybody on the ground of offence but to terminate him/her. It shall be made in consensus with the incumbent, not shall be imposed upon the person. It will be counterproductive.

Transfer

Transfer of employee is regularly done for the multi-various purposes, some are positive and some are negative. Generally, transfer is a development tool by which employees are made versatile and competent in all respect to deal with the situations that needs to have a company-wide view.

Transfer is a lateral shift causing movement of individuals form one position to another usually without involving any marked change in duties, responsibilities , skills needed or compensation.

Definition

Transfer is a lateral shift causing movement of individuals form one position to another usually without involving any marked change in duties, responsibilities , skills needed or compensation. – Yoder

Transfer is a reassignment of employees from one job to another,, one department to another, one shift to another or one geographic location to another. – Wendell French (1997:253).

Why transfer?

1. Utilize the employee's service. Transfer is executed to reassign an employee with a history of poor performance or problem behavior whom the department head does not want to keep on staff , while management feels that he/she may be more useful or suitable elsewhere.

2. Match job with person. It is done to ensure a close match between an employee's qualifications and the demand of the new position. The job requirements fit the merit and experience of the person.

3. Adjust pay and position. It is undertaken to relate the employee's present wage or salary to the compensation offered in the new position.

4. Make employees versatile. It is done to make an employee versatile or knowledgeable about the various jobs of the organization with varied and broader experience of work.

5. Meet employee's own request. It is done to meet an employee's own request, when he/she feels uncomfortable on the job because of his/her dislike of boss, or fellow worker or because of better opportunities for his/her future advancement does not exist in the present place of work or for any other family problem. It enables employees to feel at home in the place of work.

6. Work convenience. It is done to help employees work according to their convenience, like shifting a person from night to day shift of work to a woman employee to help her caring her child.

7. Penalise an employee. Transfer is executed to penalize an employee for his/her misdeed.

8. Adjust workforce. Transfer of workers from one plant to another is executed to adjust the shortage of one plant with the surplus of another plant without making layoff.

Problems of Transfer

1. Transfer is costly. It is estimated that $37,000 is needed per transfer within USA in 1991.

2. It creates human problem. Families with school going children face relocation of children in new schools. They also face the family adjustment problems with the new community.

3. It is creates special problem to dual career couples. Dual career refers to a situation in which husband and wife doing jobs in different firms in a locality or

in the same firm. The transfer of one causes special problem for them. One has to lose job.

Discussion questions

1. What is transfer? Why is transfer given?
2. What are the problems of transfer?
3. What is demotion? Why is demotion given?
4. What problems may be caused due to demotion?
5. What is promotion and what are the various types of promotion?
6. Discuss various bases of promotion with their merits and demerits.
7. Why is merit basis promotion getting importance today?
8. Why is promotion a desirable human resource management action?

Case-1 : Jahangir Alam's Promotion

Jahangir Alam is a senior officer in the Agrani Bank Limited. The bank has a policy to give weight to the merit, seniority and score of performance appraisal. The bankers need to take diploma in banking from Institute of bankers. It has two parts – 1 and II. This diploma will have 2 points and to be added with the total points. The annual performance appraisal has 100 marks. Foundation training along with other trainings will have weights. If anybody has Master of Bank Management from the Institute of Bank Management, he/she will get additional 5 points. There is no interview system to get promotion to the upper level. There is a board to seat and decide considering overall results and performances for giving promotion to the higher level.

Discussion Question

What is the promotional basis of the bank ? write with arguments.

Lesson–2: Separation

Learning Objectives

After studying this lesson, you would be able to

- Explain the issue of separation.
- Understand the concept of resignation.
- Explain various policy issues associated with resignation.
- Explain what layoff is and reasons thereof.
- Discuss the benefits and effects of layoff.
- Explain the standard procedure of termination.
- Discuss retire concept and its policies and programs.
- Explain the concept of discharge and its causes.
- Explain discharging procedures as adopted in Bangladesh.
- Explain the issue of dismissal.

Separation of employee from the organization is natural. When a person entered into an organization for work, it is the dictate of the nature that he/she will leave the organization one day due to no other reason but age or death. Separation may happen other willful reasons too, such as resignation or dismissal etc. Whatever the reason, separation of employee is inevitable. Human resource management has to deal with it with necessary policy and rules to make the separation comfortable and convenient to both the employee and the organization.

What is Separation?

Separation means cessation of service contract with the organization which will make a person apart.

A separation is a decision that the individual and the organization should part.

A separation is a decision that the individual and the organization should part.- William B. Werther and Keith Davis(1996,264).

Employees may leave the organization voluntarily i.e. attrition like resignation or involuntarily i.e. lay off, discharge, dismissal, retirement with the fixed age limit of the service. Employees may take early retirement voluntarily too. Now, we go to learn about resignation.

Resignation

Resignation is the voluntary separation of an employee from the organization

Resignation is the voluntary separation of an employee from the organization.- Wendell French (1997:262).

Resignation may a result of job dissatisfaction for any work related issue or for personal reason. If it is a personal reason, human resource management has nothing to do with but if it is due to job dissatisfaction, human resource management has to take necessary actions to reduce it.

Resignation is costly from the point of view of investment made after the employee in recruiting, selecting and training and the cost of the impact on efficiency, morale and output. The rate of resignation can be reduced by satisfying work environment, a challenging job, high-quality supervision, and opportunity for personal growth. Managers and human resource management are involved with these issues through supervisor training, career planning and other activities.

What actions would be needed that may be known by taking exist interview or post employment survey (French, 1996) that help the organization to identify the mistakes and to correct it with a qualified staffing. Realistic job preview and orientation programs are the other ways to reduce voluntary resignation.

Resignation Policy

Human resource management should set a resignation policy should specify the process in clear terms without any ambiguity and should contain such provisions that will help the organization to know it early to make a suitable replacement on time. The policy should have the following provisions:

i) The minimum period of service required for the execution of the resignation.

ii) In case an employee does not serve the minimum service period, the amount of compensation to be given to the company by the jobholder for the resignation.

iii) The period of notice. A period is mentioned in the policy such as 1/2/3 months before which the incumbent must inform the company about his/her intention to resign.

iv) The financial compensation/burden that must be paid or surrendered by the incumbent if he/she fails to give notice on time.

v) Any other financial compensation to be paid by the resigning employee

vi) The exit interview. It is taken to identify the mistakes, faults or any shortcomings in any policy or physical environment of the organization that must be improved to prevent unwanted resignation.

Layoff

Layoff of employees is widely used to sustain under down turn situation of an organization. It is also called restructuring / downsizing of workforce. ‘No layoff’ policy is no more a tenable option in any country of the world today under the dynamic economic environment. So, layoff is a viable option to sustain under economic and financial hardship. Let us see what lay off is.

A layoff frequently called downsizing is the temporary or indefinite removal of employees from the payroll.- Wendell French(1996,260).

A layoff frequently called downsizing is the temporary or indefinite removal of employees from the payroll.

Lay off means the failure, refusal or inability of an employer to give employment to a worker on account of shortage of coal, power or raw material or the accumulation of stock or the break-down or going out of order of machinery whose name is borne on the muster rolls of his shop, commercial establishment or industrial establishment.- Bangladesh Labour Code (GOB, 2006).

It entails the separation of employees from the organization for economic or business reason. It is resorted to as a result of such bonafide reasons, which are beyond the control of the employer, and that operation of the organization has to be stopped. Layoff may last from few days to few months or years.

Reasons

1. Organisations face shortage of supply or fall of demand or sudden breakdown of machinery or any situation that compels the organization to stop production in which workers or employees are temporarily retrenched.

2. Reduction of burden of excess labour costs when human resources cannot be used effectively.

Under reverse seniority basis, junior most employees will be laid first and then gradually senior most employees will be laid off.

3. Avoidance of bankruptcy. The stoppage of work or disruption in inward or outward supply line or loss of market will increase shortage of working capital and will increase debt. The serious financial crisis will make the bankrupt and to avoid it, layoff is undertaken to reduce the financial burden.

Bases of Layoff

Layoff of human resources is generally done either of the following bases :

1. Reverse seniority basis: Under this basis, junior most employees will be laid first and then gradually senior most employees will be laid off. Layoff is most popular among operating workforce, not among managerial employees. When laid off workers will be recalled, most senior worker will get the recall first.

Under inverse seniority basis, the most senior workers are given the first opportunity to elect layoff.

2. Inverse seniority basis: Under this basis, the most senior workers are given the first opportunity to elect layoff. The senior employees are motivated by special package of incentives such as unemployment compensation plus supplemental unemployment benefits.

3. Bumping system basis: This system permits employees with greater seniority to accept a demotion and to replace less senior employees who are laid off. Bumping can work effectively only when the more senior employee is qualified and able to perform the work of the less senior employee.

Under bumping system basis, employees with greater seniorityis permitted to accept a demotion and to replace less senior employees who are laid off.

Layoff Benefits

1. Supplementary unemployment benefits: Companies pay a part of the wages, accrued vacation pay, continued health and life insurance to employees affected by a layoff. In our country, Bangladesh , workers shall be paid half of the total of basic pay, dearness allowance and the full amount of housing allowance; for the next 15 days and onward, the laid off workers shall be paid one fourth of the total of basic pay and dearness allowance and the full amount of house allowance; and for any subsequent period, the employer may pay on such manner or may retrench the workers.

2. Severance pay: A lump sum amount of payment is paid at the time of permanent separation. It is paid to the laid off higher level managers /white collar employees due to merger and acquisition of firms. It is known as golden parachute or golden handshake. It is indeed golden such as the CEO of Revlon, Inc. was paid $34 million when the cosmetics and health care company was acquired by Pantry Pride.

Effects of Layoff

1. Layoff is demoralizing and therefore, handle tactfully to reduce its effects and to keep experienced workforce with the organization after the expiry of the layoff

period. Most developed nations cushion the blow of layoffs and terminations with unemployment insurance (Werther and Davis, 1996, 268).

2. It reflects an organization's serious financial problem and thus credit line may be affected which will cause disruption in supply of inputs and thus production will be affected negatively.

3. It depletes organization's valuable human resources. Layoff may create a sense of uncertainty among the efficient human resources due to which they may leave the firm creating further damage to the organizational efficiency and effectiveness.

Termination

Termination refers to forced separation of employee from the organization due to the fault of workers or to the desire of the employer. In its broad sense, it encompasses permanent separation from the organization for any reason. Usually, this term implies that the person is fired as a form of discipline.

Termination is forced separation of employee from the organization on the ground of serious fault of the employee or of any unavoidable condition of the organization. – Dr. Muhammad Mohiuddin

Termination is forced separation of employee from the organization on the ground of serious fault of the employee or of any unavoidable condition of the organization.

The termination of services made for reasons of physical or mental incapacity or continued ill health or such other similar reasons not amounting misconduct is discharge and for the misconduct is dismissal.- Bangladesh Labour Code 2006. Termination may be made for closure of shift of business or reduction of operation on economic reason. In this case, the workers / employees are paid severance pay or outplacement assistance. This effort not only helps the former employee but also assure remaining employees of management's commitment to their welfare.

In case of termination, human resource management must follow the **standard procedure** that includes –

1. Prepare and inform all employees the termination process and rules.
2. Document unsatisfactory performance of the employees.
3. Follow the law, rules and regulation regarding termination strictly.
4. Provide all termination benefits to the employees to be terminated.

Retirement

Retirement is the separation of older employees from the organization due to attainment of age limit or of certain given conditions. Retirement is the natural exit but layoff, discharge, dismissal, termination and death are unnatural exit /separation. It is always a shock to the working people. It makes a radical change in the lifestyle of the incumbent. It sets a person at the end of his/her meaningful relationships and experiences with the organization.

Retirement is the separation of older employees from the organization due to attainment of age limit or of certain given conditions.

Human resource management needs to set retirement program to make the departure comfortable and dignified so that the retiring employee will feel honoured and proud for the organization where he/she works for a long time. The other employees also feel motivated and encouraged to stay in and work with commitment for the organization. Their morale will increase and involvement with the organization will enhance too.

Retirement Policies and Programs

Retirement involves with certain policies and programs related to issues that will make retirement favourable to both organisation and employees. They are discussed below :

1. Age of retirement: Retirement policy should specify a certain age for all types of employees or different age for different types of employment.

2. Minimum service requirement: The policy should specify the minimum period of service to get the retirement benefits for the employees. It may vary with the variation of employment.

3. Retirement program: The reality of the retirement gives a shock to the employees. Many organizations handle the issue in various programs. The policy may specify either of the options or a combination of options. The options are:

i) Phased Retirement : The policy is designed to give retirement rehearsal to the possible retiring employee. It prepares the employee for the retirement. It allows the employees nearing retirement to reduce gradually the number of hours they work per day, week, month or year. The program starts much ahead of time i.e. 2/3 years ago of retirement. The may have the following versions:

a) Gradual Reduction of Workweeks. It reduces the work weeks of the retiring person, such as 50 weeks instead of 52 weeks in the first year and 45 weeks in the second year etc.

b) Progressively Longer Vacations with Pay. The retiring person will get longer vacation like 10 days instead of 5 days during Eid or Puja festival.

c) Progressively Longer leaves without Pay. The retiring person will be given longer leave without pay during convenient occasion like summer or winter seasons so that he can have some experience with passing leisure time.

ii) Deferred Retirement: The policy refers to a system of 1 year or 6 months leave before retirement given at a time after which the final retirement starts. This long time leave puts the retired person in a situation with which he/she does not know how to deal with.

iii) Direct Retirement: This policy directly gives an employee retirement without any leave. This sudden absence of work puts the employee in a burdensome situation. He/she does not have any mental preparation for such a long leisure time. This may cause frustration.

4. Retirement Benefits: The policy shall contain the benefits and the conditions for getting each benefit. The general benefits are:

i) Gratuity. It is generally expressed in terms of time of last drawn basic salary or wage. In case of daily basis workers or piece meal wage system, it should be a lump sum amount. The entitlement for the gratuity is conditional to a specific period of service. So, that service period must be mentioned in the policy.

ii) Provident fund: Generally two types of provident fund policy are followed widely among the firms. (1) Contributory Provident Fund where employee and employer both contribute to the fund at a fixed rate fixed by the agreed upon decision by both the parties. Government rule sets 10 percent of the basic salary as a contributory share of both employee and employer to the fund by the provident fund Act. (2) Non-contributory Provident Fund where only employees contribute at a rate agreed upon by both the parties.

iii) Group insurance benefit. If the company has a group insurance policy for the employees, it is generally mentioned as a lump sum to be payable to retiring employees. It is also conditional to certain amount of period of service. It also varies with the variations of service.

iv) Pension. The entitlement of the pension is conditional to a specific period of service. The policy should specify the minimum period of service required for voluntary retirement and the amount of pension to be entitled. The variation of service will vary the amount of pension. Generally, pension is given as a percentage of the last drawn basic salary. The policy should also contain the way of calculating basic pay, the provision for selling the pension, and the amount of purchase price of per taka pension.

v) Encashment of leave. The incumbent is entitled to get certain amount of Earned Leave. The Bangladesh Labour Code 2006 has specified the days of earned leave, which is 22 days in a year. The government, semi- government or autonomous organizations' employees are also entitled to such days of earned leave. The pension policy should mention -

- Whether the earned leave which has not been taken by the employees would be accumulated or not.
- The days of accumulation. Such as, the earned leave could be accumulated up to 3/6/12 months.
- The provision of the encashment of the accumulated earned leave. Such as 3/6/12 months accumulated earned leave will be paid by the firm in terms of the basic pay of the concerned employee.

5. Retirement ceremony: The retirement policy should mention in clear term that any ceremony would be held for the retired employees to give them formal farewell. This will maintain consistency in giving formal farewell.

Discharge

Definition

Discharge is a management action in which an employee is separated from the organization for violation of company rules or inadequate performance. - French, 1997.

Discharge, in case of workers in Bangladesh, is meant as termination of the service of worker by the employer on account of physical or mental disability. - Bangladesh Labour Code, 2006.

Discharge, in case of workers in Bangladesh, is meant as termination of the service of worker by the employer on account of physical or mental disability.

Discharge is a traumatic shock. So, it must be dealt with utmost care and attention so that there shall be no irregularity, discrimination or injustice to the employee. The discharged employees are also to be paid severance pay along with other benefits as per Bangladesh Labour Code (GOB,2006)).

Causes of Discharge

1. **Regular causes:** Inefficiency, dishonesty, drunkenness, carelessness, and violation of rules.
2. **Irregular cause:** Accident, insubordination, personal conduct, lack of cleanliness, infraction of rules, destructive negligence, wastefulness, and physical unfitness.
3. **Other causes:** Lack of cooperation, laziness, tardiness in starting work, frequent absences without leave, lack of specific skill, adverse attitude towards the organization.

Discharge Procedures

Discharge shall be made following legal code, rules of the organization, court verdict and with the dictate of natural justice. As it may be a pretext for discrimination, human resource management and as such all managers should follow the understated procedures (French, 1997: 262; Memoria 1987):

1. Establish a well thought-out procedure for settling the discharge case.
2. Document unsatisfactory performance of specific individual employee.
3. Keep all employees informed about the quality of their performance.
4. Give all deficient performers reasonable opportunities to improve their work performance.
5. Inform all employees about company policies and rules governing employee behavour and about the contents of their job descriptions.
6. Be consistent in the application of punishment/rules and administer the same punishment /rule to all employees who violate rules.
7. Keep adequate provision for review of the discharged employee’s case.

Dismissal

Dismissal is the termination of service of an employee for misconduct for which the employee is awarded punishment.

Dismissal is the termination of service of an employee for misconduct for which the employee is awarded punishment. Bangladesh Labour Code 2006 (Section 2(39) mentions that dismissal is the termination of services of a worker by the employer for misconduct. The dismissal shall be made after exhausting all provisions of disciplinary procedures or rules and shall ensure natural justice and human rights to the employee. The disciplinary procedure is discussed in the relevant chapter.

Discussion questions

1. What is discharge? What are its causes?
2. State the procedure for discharging an employee.
3. Write in short about dismissal.
4. What is retirement? Discuss retirement policies and programs.
5. What is termination? State the standard procedures for termination of an employee.
6. What is layoff? Why is layoff done?
7. What are bases upon which layoff of workers /employees are done?
8. Discuss the benefits of layoff and the effects of layoff.
9. What is separation?
10. What is resignation and what policy will you take regarding resignation of an employee?

Case-2: Changing Celia

Celia Jones had worked for United Airlines for 22 years as administration manager. Because of the company's poor performance and heavy financial losses, she had seen major changes in its board and senior management, many of Celia's colleagues had 'resigned' and been replaced by outsiders. Three weeks after the appointment of Linda Church as HR manager, Celia was called to her new boss's office. Linda told Celia that her position was secure , and that she was being given the new title of human resource manager – operations. Celia was also told that she would no longer be responsible for payroll as the company's new accounting policy required that payroll and HR be separated .Celia would now report administratively to Bill Armstrong, operations manager, and functionally to Linda.

Celia accepted the rationale for the change but soon became frustrated with head office reporting requirements and policy changes. In particular, Celia felt upset when some programs that she had personally introduced were replaced by head office initiatives.

Although consulted by Linda and Bill, Celia increasingly sensed that she wasn't fitting in. Everyone was under pressure to lower costs and to match Rift Airlines' new performance goals. More and more emphasis was being given to achievement, academic qualifications and potential. Younger employees began to be promoted over those with more seniority. Long-time employees began complaining that the company was not the same. The close family culture was dying.

Celia increasingly found herself resenting the changes and the relenting focus on the bottom line. She furiously argued that the new performance appraisal program with its emphasis on goal setting and individual accountability was not suitable for Rift Airlines. Linda replied bluntly that to survive Rift Airlines had to change and that the new performance program was part of the change process. Celia reluctantly accepted the decision. She began to share her frustrations with other long-serving employees.

Two months later, reorganization was announced. Celia's position (together with those of several other old timers) was declared redundant.

Discussion questions

1. What career mistakes did Celia make?

2. What advice would you give to Celia?

DEVELOPMENT

8

Employee capabilities are balanced through career planning, training and development. With ongoing trends toward greater workforce diversity, flatter organizations, and increased global competition, career planning, training and development efforts enable employees to assume expanded duties and greater responsibilities. Career planning is a deliberate effort to set career goals and actions requires to achieve goals to make oneself compatible with the needs of the organisation and the needs of the job market. Training and development are processes that attempt to provide an employee with information, skills, and understanding of the organization and its goals (Ivancevich, 2001, 379). Wexley and Latham (1981), and Hall and Goodale (1986) opine that training and development is a planned effort to facilitate employee learning of job-related behaviours in order to improve employee performance. Though the terms ‘training' and 'development' frequently used as synonyms or mutually exclusive, (Goss, 1994), experts and practitioners separate and treat them as two distinguished terms having different connotations (Bartol and Martin, 1994, 356). Training denotes efforts to increase employee skills on present jobs while development refers to efforts relevant to future jobs (Schuler and Huber, 1990). Therefore, training is both a part and a precondition for development. Goss However, HRM literatures present career planning, training and development separately (Stone, 2008; Werther and Davis, 1996, French, 1997, DeCenzo and Robbins, 1997, Ivancevich, 2001, Dessler, 2000, Goss, 1994, Douglas, Klein, Hund, 1985, Cascio, 1986, Beardwell and Holden (ed), 1995,Jucius, 1979). We shall also discuss career planning , training and development separately.

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Lesson–1: Career Planning and Development

Learning Objectives

After studying this lesson, you would be able to

- Explain the concepts of career, career planning and career development.
- Discuss career planning factors.
- Explain career development actions.
- Explain career plateau.
- Discuss the dual career issues.
- Explain various career concepts

Introduction

Organisations are now under continuous flux of changes due to environmental changes in national and international horizon.

Organisations are now under continuous flux of changes due to environmental changes in national and international horizon. Global competition and changes in economic environment cause restructuring of many organizations. Thus, as organisations change, so do their employees. It means that organisations today must be more aware than ever before of how best to utilize the talents of employees at all levels of the organization. This new dimension has brought about changes in philosophies and functions of human resource management (HRM) too. New talents are to be found or developed to get the best performances from the employees. Employees also keep learning new skills on their own to change jobs and to retain jobs. Therefore, career planning and development is now more a responsibility of individual employee than that of human resource management.

Career planning and development is now more a responsibility of individual employee than that of human resource management.

In the industrially developed countries, traditional lifelong employment relationships with a single employer are becoming less likely today. It takes out by short –term employment relationship. Even, part -time work is becoming more important than full –time work. Some experts predict that soon full time careers will no longer be the norm (Herriot, 1978:469-71). People do not like to work for and stay in a single organisation for long time. Though this is not a case in developing nations like Bangladesh where people prefer long-term, secured employment, but they also have to go through retraining or re-educating themselves with or without the help of organization to maintain their competitiveness and competency with the changing environment to retain their progressive job advancement in the same organisation or to create job opportunities in other organisations. Either of the situations demands self learning and organizational learning on the part of employees to sustain in job market. So, managers and employees should be involved with their own career planning and development under the ever-changing work environment in which they are vulnerable to career disruption or stagnation as well as to competitive market. With these in mind, let us go to learn issues of career planning and development.

A career is a series of work-related positions, paid or unpaid, that help a person grow in job skills, services and fulfillment.

What is a career?

A career is a series of work-related positions, paid or unpaid, that help a person grow in job skills, services and fulfillment.- Gary Dessler (1999).

A career is a sequence of positions occupied by a person during the course of a lifetime. – Donald E. Super and Douglas T. Hall (1978).

A career is all the jobs that are held during one's working life.

A career is all the jobs that are held during one's working life.- William B. Werther Jr and Keith Davis (1996:311).

A career is the pattern of work-related experiences and activities over the span of the person's work life. – Jeffrey H. Greenhaus (1987:6-7).

It is observed from these definitions that career is understood as work-related activities done and positions held by a person over his/her work life. But a person's non-work life and roles also a significant part in his/her career. It could be noted that career is a sequence of jobs that may or may not be in the same organisation but in other organisations too. Thus, **a career is work and non-work related positions held, jobs done and experiences gathered by a person over lifetime.**

What is Career Planning?

Career planning is an employee-centered concept. The individual employee has to update his/her skills to keep pace with the changes of technology; otherwise he/she would face retrenchment.

Career planning is an employee-centered concept. The individual employee has to update his/her skills to keep pace with the changes of technology; otherwise he/she would face retrenchment. So, in order to avoid career disruption or stagnation, every employee should engage in career planning. Realistic career planning forces employees to be proactive and to anticipate problems and opportunities. So, he/she should establish career objectives and should review those periodically with the changes of external and internal environmental factors. This will keep them fit with the employee requirements of the organisation and compatible with the labour market. Let us now go to the concept of career planning.

Career planning is the process by which one selects career goals and the path to those goals.

Career planning is a deliberate process through which someone becomes aware of personal skills, interests, knowledge, motivations and other characteristics; acquires information about opportunities and choices; identifies career –related goals; and establishes action plans to attain specific goals.- Gary Dessler

Career planning is the process by which one selects career goals and the path to those goals.- William B. Werther and Keith Davis (1996:311).

Career Development

Career development is an organisation-centered approach that assist employees to identify the issues upon which the employee needs to acquire knowledge and skills to be competent and fit with the organizational demands.

Career development is an organisation- centered approach that assist employees to identify the issues upon which the employee needs to acquire knowledge and skills to be competent and fit with the organizational demands. Human resource management should take actions to help employees to help themselves in order to uplift their talents, skills and knowledge to sustain in changing capacity demands of the organisation. Now, let us see what career development is.

Career Development is the lifelong series of activities that contributes to a person's career exploration.- Gary Dessler.

Career development focuses on assisting individuals to identify their major career goals and to determine what they need to do to achieve these goals.- David A. DeCenzo

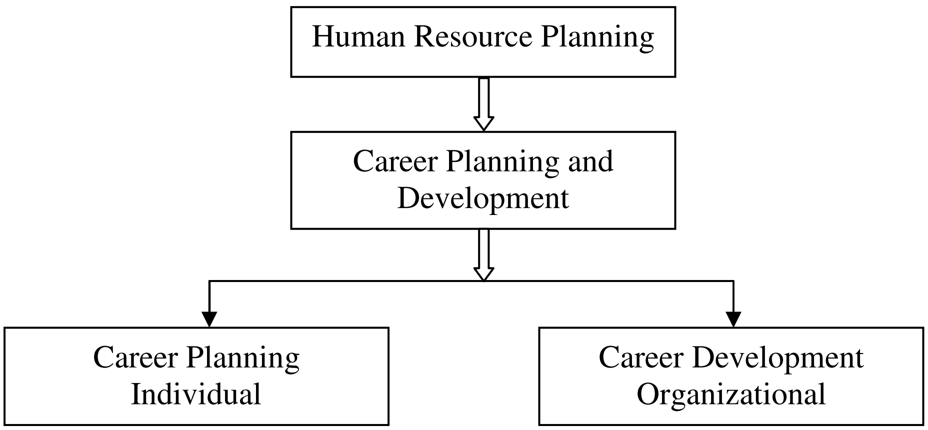
Career development involves with tracking career paths.- David A. DeCenzo and Robbins.

Career development consists of the personal improvements one undertakes to achieve a personal career plan. - William B. Werther and Keith Davis (1996:311).

Career planning and development should be seen as a process that aligns the interests and skills of employees with the needs of the organization.

Therefore, career planning and development should be seen as a process that aligns the interests and skills of employees with the needs of the organization (Stone:2008: 391). It is a mechanism to assist employees to develop realistic career goals and to provide opportunities to realize them.

Career planning and development is a double loop effort –one is made by the individual employee and the other is done by the human resource management of the organization. The following diagram exhibits this concept clearly.



Career Concepts

Career concept is the conceptual structure underlying a person's thinking concerning his/her career.

Career concept is the conceptual structure underlying a person's thinking concerning his/her career. The structural elements refer to the way in which one's ideas on career are organized. The critical structural elements are time, permanence of career choice and direction of career change. On these elements, career concept is of four types. They are:

1. **Steady State Career Concept:** This concept entails that person selects a job or field early in life and stays with it for life. It does not have any movement except to higher positions or professional skill.
2. **Transitory Career Concept:** This concept entails that a person does not set any fixed job or field permanently but move along from job to job with no particular pattern. The individual is indifferent in choosing jobs and rolls over many types of job in life.
3. **Linear Career Concept:** This concept is one in which individual chooses a field early in life and stays in the field lifelong and moves upward within that field through the organizational hierarchy or within a relevant reference group , such as professional association.
4. **Spiral Career Concept:** This career concept involves a view that one develops in a given field for a period of time; then one moves on to a related or a totally new area.

Career Planning Factors

Human resource management, today, perceives career planning as a way to meet its internal staffing needs. Therefore, human resource managers provides support and advices to the employees to set their individual career goals so that employees may set goals in their favour – to pursue further education, training and other areas of individual development associated with organizational work. This gives the organisation a larger internal pool of qualified persons. So, human resource managers should be oriented to employee needs so that they can make a successful blend of organizational demands and employee needs for knowledge and skills while engage in advising the employees for career planning. Effective career programs must consider different perceptions and desires of employees. In this direction , let us see what employees generally want. Researchers have found the following career factors that employees want to achieve (Rothenbach, 1982:43-46):

- **Career equity.** Employees want equity in the areas of promotion, in-house training and out –house training opportunities, participation in various organisational bodies, and such other areas where employees have chance to participate.
- **Supervisory Concern.** Employees want their supervisors to play an active role in career development and provide timely feedback on performance. They feel that this will give them understanding about their areas of knowledge and skill improvements.
- **Awareness of Opportunities.** Employees want their organizations to help their career advancement in terms of knowledge, skills and position along hierarchy. Organisations should have scope for promotion and employees will get it without any discrimination with regular interval. Moreover, they feel that organisational functional and line managers have got competence and perception about potential knowledge and skills to be required in future. So, they can them best advice.
- **Employment Interest.** Employees need different types of information regarding organisational and extra-organizational matters that affect their careers. They want organisation to provide them these information that will help them to make plan for career development.
- **Career Satisfaction.** This is a vital factor today. Employees want satisfaction in jobs and in careers regarding job autonomy, scope of taking self initiatives, leisure, participation in decision making and other areas of concern. Though this satisfaction varies with different levels of career, but employees give primary concern for career satisfaction.

Benefits of Career Planning

Career planning, particularly involvement of human resource management with it, gives manifold benefits to the organisation and to the individual employee. Here is the list of a few of those benefits (Werther and Davis (1996:317), :

Aligns strategy and internal staffing requirements. Human resource management can better prepare employees for anticipated job openings. It can make a better mix of the talents needed to support company strategies.

Develops promotable employees. Career planning helps develop internal supplies of promotable talent to meet openings caused by retirement, resignation , and growth. It ensures organizations to have competent and knowledgeable workforce in stock.

Facilitates international placement. Global organizations use career planning to help identify and prepare for placement across international borders.

Assists with workforce diversity. Employees with diverse backgrounds can learn about the organisation's expectations for self-growth and development while human resource managers participate in assisting employees for career planning. This would benefit the individuals to choose rewarding targets and help the organizations to get right talented persons in time.

Lowers turnover. Human resource management gives increasing attention to and feels concern for the career planning of employees which in turn generates more organizational loyalty and lower employee turnover.

Taps employee potential. Human resource managers through interactive career planning can understand hidden potentials of the employees and can encourages employees to set targets to increase their potential abilities. This will, at the end, help organisation to tap most potential employee for future placement in competent positions.

Further personal growth. Support and counsel of human resource managers to employees for career planning motivate employees to grow and develop in right direction to assume prestigious status in future.

Reduces hoarding. Participation of human resource managers in career planning makes open the qualifications, talents, skills and potentials of employees to decision makers. This deters selfish managers to hoard key subordinates and refrain him/her them from getting right positions on time.

Satisfies employee needs. Employees get right training and development while they are assisted by the human resource managers to make their career plans. This ensures employees to get recognition and accomplishment of their desired status and needs.

Assist affirmative action plans. Organisation can assist employees from disadvantaged section of the society to set career plans for the upliftment of their qualities to get higher positions. It helps organisation executing affirmative action plans to comply with the legal and social obligations.

To realize these benefits, companies are supporting career planning through career education, information and counseling.

Career Development Factors

Career development consists of the personal actions one undertakes to achieve a career plan (Werther and Davis, 1996:325). These actions may be assigned by the human resource manager or may be independently undertaken by the person concern. Individual employees must accept responsibility for their own career development, failure of which will prevent smooth and optimal career development. Career development requires following actions/factors for its successful and unobstructed growth:

Performance. Performance is the foundation of career success. Good and ethical job performance will expand the organization's expectations of you and then you will get scope to exceed them to justify your excellence and talent which will make you indispensible to the organisation. It also needs full understanding of manager's expectations and perform the job accordingly. Any misunderstanding will cause career meltdown. The willingness to stay in the organisation and to do what organisation expects you to do is the basic for career success too. Career progress rests largely on performance.

Exposure. Career success vastly depends on and furthered by exposure. Exposure means becoming known by those who decide on promotion, transfers, and other career opportunities. Even good performers can miss out on important career opportunities if they lack exposure. Many employees may think that self-promotion is unnecessary or demeaning and that the quality of their work should speak for itself. It won't. To be successful, employees must play the game of self-promotion. They must beat their own drums. Managers gain exposure primarily through their performance, written reports, oral presentations, committee work, and involving in organization's social responsibility.

Institutional reputation. Degrees acquired from reputed and quality academic institutions will have more opportunity to succeed in terms of getting jobs, higher pay, and status. Top universities of a country, of a region or of the world have built in reputation in the employment market due to the belief that the students of these universities have broad-based, reliable and dependable knowledge, expertise, competence and capability. So, graduates from reputed universities and colleges will stand out in the job market than that of lower profile universities and colleges.

Networking. It is extremely important for employees to build a network of contacts who are likely to be useful for the employees' career development. Networking is using informal contacts inside and outside an organisation to keep one visible. It is a process for letting people know who you are and what you are doing. Experts recommended that networking should be regarded as an ongoing lifetime project, requiring consistent effort and commitment (Stone, 2008:399). Personal note, thankyou letters and recognition of special occasions are the ways to maintain networking with persons who decides. Business, government, trade associations, professional bodies, universities, commercial associations, social organizations, friends etc. are the sources of network contacts.

Employer reputation. Organisational reputations are also strong factor for career success and ling-term employability. Some organizations have a star reputation as breeding grounds for high-potential employees. They are highly marketable for their age-old existence and operations, reputation for quality product, good human environment, attractive compensation and benefit package, intelligence, ambition, aggressiveness and team culture. Therefore, people who are working in these firms have competitive edge in the job market.

Mentors and Sponsors. Employees will have quick development if mentors or sponsors help their career development by offering advice, giving instruction and opening up new opportunities.. A mentor is someone who offers informal career advice. He/she is generally an older experienced senior manager. On the other hand, a sponsor is someone in the organisation who can create career development opportunities. Organisations may formally take sponsorship to develop career of employees or there may be informal sponsors. But all forms of sponsor help employees in promoting their careers.

Organisational loyalty. Career development is affected by the organizational loyalty that is exhibited in long-term service to the same organisation. It is regarded as faithful, committed and dedicated service and gets high priority by the human resource management for giving career development opportunities. Organizations fill senior positions from internal source from those who have spent their whole career –life in the same organization.

Academic qualifications. Ongoing expansion of skills and knowledge makes an employee more valuable and therefore more attractive to the organisation. Students with business and economics postgraduate degree such as MBAs and Master of Commerce, for example, are among the most highly remunerated. Such is the case of students of Information technology. Therefore, conscious acquisition of skills and experience improves the desirability of the persons to prospective employers. Self improvement also overcomes the problem of career plateauing and professional obsolescence.

Computer skill. Computer literacy is a must today to get competitive advantage in the employment market as well as within the organisation. Skills related to Keyboarding , touch-type, e-mailing, and other internet operations are regarded as essential competency of employees and therefore, key to career development.

International experience. International experience is becoming an important growth opportunity today. Industries like garments, pharmaceuticals, computer, automobiles, and other consumer products are now in the international market. So, people with global experience are getting special attention and potentiality for overseas assignments. It also gives greater responsibility, freedom and broader experience which will further career development too.

Language skills. Conversant in lingua franca like English is a must for all employees of the world. Besides that French, German, Japanese, Mandarin, etc language skill will be added qualification for getting wide acceptability in the global job market.

Key Subordinates. Competent, knowledgeable and skilled subordinates play a crucial role in helping mangers achieve good performance. Managers may learn from them too. Through the team work, dedication, and motivation, subordinates help managers and organisation to achieve goals effectively.

Career Plateauing : concept and actions

A career plateau refers to that point in an employee's career at which the probability of an additional promotion is minimal (Stone, 2008:401). The employee does not find any avenue to improve career and to get further advancement. He/she will become stagnant in this stage of career. This stage is known as career plareau or career meltdown. Employees' career plateau creates problems for both the individual and the organisation. Bardwick (1986:3) opined that this specially a case of those who have become successful because it can destroy their motivation, allegiance, commitment and productivity.

A career plateau refers to that point in an employee's career at which the probability of an additional promotion is minimal.

The individual employee and the organisation should take preparation to cope with the phenomenon. Organisation should take up responsibility to career development to prevent skill and knowledge obsolescence of the employee. The individual employee also should invest more time and energy to develop themselves in the new areas of knowledge and skills to keep pace with the changes and maintain their acceptability in the organisation. Organisation may give plateau employee challenging jobs, additional responsibility and regular feedback to keep them productive and contributive to the job and the organisation even when he/she does not get any promotion.

Dual career is a situation where spouses or parents have career responsibilities and aspirations.

Dual Careers: concept and actions

Dual career is a situation where spouses or parents have career responsibilities and aspirations. Dual career couples are increasing in every economy. Difficulty arises when one member of a dual career couple is relocated, working at the same range of office hours, works in different shifts or works in two different organizations. Stress, career conflict, work-family adjustment etc affects their job performance and thus, affects organisation. Human resource managers must develop specific policies and programs to accommodate dual career employees and their partners.

In the past, companies would not employ both husband and wife. In Bangladesh, many organizations do it as a policy even today. Now, there are so many dual career couples in the workplace that organizations are actively seeking ways to deal with these unique pressures.

On the part of the employees, dual career couples need to be flexible, to be mutually committed to both careers, to adopt coping mechanisms like separating work and non-work roles, and to develop the skills of career planning without jeopardizing anybody's career. Organisations should also i) revise their policies regarding career development and transfer to incorporate more flexibility; (ii) provide special assistance to dual career couples to manage effectively two careers; (iii) establish cooperative arrangement with other organizations to handle relocation of partners by giving opportunity for employment in own organisation; (iv) establish flexible working hours allowing dual career couples to make office hours compatible with family demands; (v) arranging child care facility; and other compatible programs to help resolving dual career couples problems for helping organisation.

Discussion Questions

1. What is career? What are various career concepts?
2. What is career planning?
3. What is career development?
4. Discuss the factors of career planning.
5. Describe the actions generally taken for career development.
6. What is career planteau? What actions can be taken to deal with the issue?
7. What is dual career and what are the actions to be taken to cope with this situation?

Case-1: Unknown Anita Ahmed

Aged 41, Anita Ahmed joined Rift Airlines 10 years ago as a human resources specialist. Her colleague Paula Sen, 36, with two years less service, had just been promoted again (her second in the last four years). Anita was perplexed. She had worked as hard, if not harder, than Paula. The quality of her work was good. But the breaks never seemed to go her way. Paula appeared to have been sprinkled by magic dust by their boss Linda Church.

Anita is quiet, doesn't believe in blowing her own trumpet, and feels that the quality of her work should speak for itself. However, senior managers like managing director Meshbah Uddin and Davis Gabrial , the manager of finance and accounting, don't really know her, what she does or the quality of her work. In contrast, everyone knows Paula. She is always active in company events, communicating with everyone, offering support, letting others know what she is doing and what she has achieved. When Meshbah asked the HR department to reduce its headcount, no one questioned why it was Anita's name and not Paula's on the separation list.

Discussion questions

1. What career mistakes did Anita make?

2. As a career counsellor, what advice would you give to Anita?

Lesson-2: Training

Learning Objectives

After studying this lesson, you would be able to

- Define what training is.
- Discuss the benefits of training.
- Explain the training process.
- Discuss various on-the-job and off-the-job methods of training.
- Explain the characteristics of training methods.
- Explain training outcomes and methods of measuring training effectiveness.

Introduction

Long Young, Secretary of State for Employment, UK (1986) states, "Training should be an integral part of the work and development of any company or organization- large and small. After all, a company's human resources are among its most important assets and the skills and motivation of its workers can be crucial to success. We all need to recognize that training is not a luxury, but a necessity." The essentiality of the training in organization is not over stated in any point of direction.

Definition of Training

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job.- DeCenzo and Robbins(1997:240)

Training is any process by which the aptitudes, skills, and abilities of employees to perform specific jobs are increased. - Michael J. Jucius (1979: 221).

Training is a planned process to modify attitude, knowledge, or skill behaviour through learning experience to achieve effective performance in an activity or range of activities.

Training is a planned process to modify attitude, knowledge, or skill behaviour through learning experience to achieve effective performance in an activity or range of activities.- The Manpower Services Commission (1981).

Training is a systematic process to foster the acquisition of skills, rules, concepts, or attitudes that results in an improved match between employee characteristics and employment requirements.- Milkovich and Boudreau (1997).

Two views are associated with training. One maintains training as 'instilling or teaching skills, attitudes etc. to perform a present job efficiently' and the other relates training with 'changing behaviour to improve organization’s effectiveness or goals.'

Benefits of Training

Training provides multidimensional benefits to the organization, to the individual employee and to other functional aspects of the organization. The enormous contributions of training to various facets can be best learnt from the panoramic exhibition of Tessin (February, 1978: 7). Let us go to the presentation below:

How Training Benefits The Organisation

- Leads to improved profitability and / more positive attitude toward 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 the 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.
- Gets more effective decision-making and problem solving.
- Aids in development for promotion from within.
- Aids in developing leadership skill, 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 an knowledgeable.
- Improves labour-management relations.
- Reduces outside consulting costs by utilizing competent internal consulting.
- Stimulates preventive management as opposed to putting out fires.
- Eliminates sub optimal behaviour (such as hiding tools.)
- Creates as 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.

Benefits To The Individual Which In Turn Ultimately Should Benefit The Organization

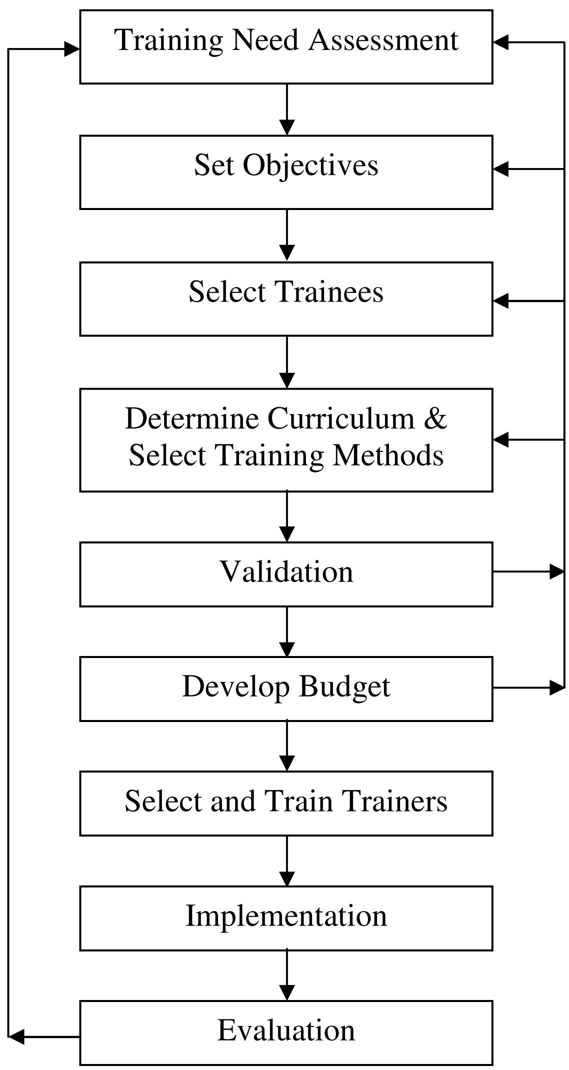
- Helps the individual in making better decisions and effective problem solving.
- Through training and development, motivational variables of recognition, achievement, growth, responsibility and advancement are internalized and operationalized.
- Aids in encouraging and achieving self-development and self – confidence.
- Helps a person handle stress, tension, frustration and conflict.
- Provides information for improving leadership knowledge, communication skills and attitudes.
- Increases job satisfaction and recognition.
- Moves a person toward personal goals while improving interaction skills.
- Satisfies personal needs of the trainer (and trainees!).
- Provides trainee an avenue for growth and a say in his/her own future.
- Develops a sense of growth in learning.
- Helps a person develop speaking and listening skills; also writing skills when exercises are required.
- Helps eliminate fear in attempting new tasks.

Benefits in Personnel And Human Relations, Intra- and Intergroup Relations And Policy Implementation

- Improves communication between groups and individuals.
- Aids in orientation for new employees and those taking new jobs through transfer or promotion.
- Provides information on equal opportunity and affirmative action.
- Provides information on other governmental laws and administrative policies.
- Improves interpersonal skills.
- Makes organization policies, rules, and regulations viable.
- Improves morale.
- Builds cohesiveness in groups.
- Provides a good climate for learning, growth, and coordination.
- Makes the organization a better placer to work and live.

Training Process

Training is a process that involves various steps. French (1997) prescribes 7 steps: determining the need for skills training, translating skills needs into training objectives, selecting trainees, determining the curriculum and choosing training methods, formulating the budget, selecting and training trainers and establishing evaluation procedures. Carolan (April 1993:18) suggests five steps in training and development process: needs analysis, instructional designs, validation, implementation and evaluation and follow up. Werther and Davis (1996:287) maintain 5 steps: need assessment, training and development objectives, program content and learning principles, actual program, evaluation. However, we have set the following steps of the training shown in a diagram and let us look at the diagram:



Training Process

Step- 1 : Training Need Assessment

Need assessment diagnoses current problems and future challenges to be met through training.

Need assessment diagnoses current problems and future challenges to be met through training. The purpose of the need assessment is to identify the specific job performance skills needed, to analyse the skills and needs of the prospective trainees. The needs assessment involves analyzing the organization's needs; the knowledge, skill, and ability needed to perform the job; and the person or jobholder's needs (Ivancevich, 2001). Moreover, various objectives and strategies of the organization are to be matched with the firm's human talents, structure, climate and efficiency. In this respect, the important consideration is the reconciliation of the training needs of the individual to that of the organization (Breadwell and Holden, 1995). But how could one understand that training is needed for an employee? The mechanisms and symptoms are given below.

How to ascertain training Needs

The training needs of an employee can be ascertained by the following areas mechanism:

(1) Observation at the place of work i.e. the examination of the job performance and present skill levels of employees to find out the gap in skills which will exhibit the need for training.

(2) Interview the supervisors and employees to know the duties and functions of job incumbents, and their levels of satisfaction with the present job performance of employees. Any dissatisfaction will call for training.

(3) Comparative study of performances of good and bad employees with a view to identify the gap which will need to bridge up with the training.

(4) Production reports of each employee by the supervisors to identify the gap between budgeted and actual performance. Any negative deviations will need training.

(5) Review of personnel records to know employees' past academic records, test performance, work performance , comments of supervisors, disciplinary actions taken, awards received for good performance, extracurricular activities etc to find out how far these match with the present job and performance. If not, training will be needed.

(6) Review of job description to know the nature of jobs to be done by an employee in a position within the organization, working conditions and the machines used of existing and future positions of an incumbent to identify the areas of improvement through training.

(7) Task analysis -an analysis of the job requirements to discern the level of skill necessary to do a job and to know the need for job redesigning to fit with the demand of the day. This information will tell about the need for training to employees.

(8) Examine the problems that employees have and analyse them to identify the need for training.

(9) Employees' suggestions regarding changes in jobs and job conditions and any such changes will need further training to the employees.

(10) Examine the organizational needs, that is, the number of employees with various combinations of skills needed at each level and in every functional part of the firm for specified period. This estimation will identify the need for training, the topics of training and the number of employees to be trained.

(11) Assess the performance objectives to know whether current employees need training to reach these objectives.

(12) Person analysis to know the characteristics of the people required for the job and any discrepancy will call for training.

In essence, any gap between expected and actual results of employees in present positions and the future job demands will be the benchmark for estimating the need for training.

Step – 2 : Set Training Objectives

Once training needs have been determined, concrete, measurable training objectives should be set. Training or instructional objectives are defined as ' a description of a performance you want learners to be able to exhibit before you consider them competent (Camp et al., 1986:100). It is a translation of skills needed into specific training objectives or desired outcomes of training activities. Objectives specify what the trainee should be able to accomplish after successfully completing training program.

Once training needs have been determined, concrete, measurable training objectives should be set.

Training objectives should include such matters as the specific skills to be taught, the knowledge that is essential for doing the job, the codes of conduct that every employee shall follow, the rules and regulations of the firm, the etiquette and manner that must maintain, the specific language and software that are essential for doing job etc . Objectives for the training program that do not relate directly to specific job skills such as employee health and safety guidelines, promotional opportunities, and self-study opportunities should also be considered. Milkovich and Boudreau (1997) opine that good objectives are measurable, specific, set a deadline, and reflect outcomes important to key constituents. Objectives, thus, provide a focus for the efforts of both the trainee and the trainer and a benchmark for evaluating the success of the training program.

Step- 3 : Selection of Trainees

The next logical step of the training program is the selection of right person/employee for the program. Both the organization and the individual would benefit if a deserving employee is chosen for the training program. Organizations will provide the right training to the right people to create and maintain a well-trained and stable workforce. The individuals will receive higher pay, additional prestige and greater opportunities for promotion.

The next logical step of the training program is the selection of right person/employee for the program. Both the organization and the individual would benefit if a deserving employee is chosen for the training program.

There are at least **four considerations** important in selecting trainees:

(1) Legal guidelines: The civil, commercial and industrial laws of the country should be taken as a guideline for selecting a person for the training. The rules and regulations of the organization will also be taken into consideration for selecting employees for the training so that there shall be consistency in action to ensure non-discrimination and fairness in the organization.

(2) Employee needs and motivation: Employees have to fit with the demand of the job requirements. New employees or promotable employees have to give training to bridge up such gap of skill and knowledge to fit them with the job. So, the employee with deficit skills and knowledge will be selected for the training. Sometimes, an employee may feel to take training on certain area to make himself/herself compatible with the given job situation. Both of the things will be taken into consideration while selecting trainees for the training program.

(3) Skills obsolescence and retraining: If the existing skills of an employee have become obsolete due to change in technology, process, work structure and system of the organization, then that employee will need retaining on the new skills to justify his /her pay. Therefore, he/she will get early preference to getting training.

(4) Multi-skilling: Today, job diversity and dynamism of environment calls for knowledge, skill, and expertise in related and unrelated field of discipline to sustain in competitive market. It is also needed where self- managed teams are utilized. Everyone is encouraged to learn all of the jobs of the team. Therefore, those who need such multi-skilling, they should be taken first for the training.

Any sort of discrimination in the selection of trainee because of race, sex, age, disability status and the like will affect the morale of the workforce. Moreover, lawsuit may cause financial and other damage of the organization. Employee needs and motivation for the training, though difficult to measure, can be determined by previous performance evaluation, individual interview and by supervisors' comment. Rapid escalation of technological change pushes organizations to give higher and higher priority to worker retraining (French, 1997). This also means that individual workers themselves must seek out training opportunities to avoid having their skills obsolete. Multi-skilling is very much useful for self-managed teams or for firms wanting greater flexibility in the case of absences due to illness or family emergency or in sudden shift in productions requirements (French, 1997, Ivancevich, 2001, Cascio, 1986).

Step 4 : Curriculum Development and Selection of Training Methods

This step of training is involved with developing overall curriculum of the training in consistent with the objectives of the training.

This step of training is involved with developing overall curriculum of the training in consistent with the objectives of the training. That is, to set the array of courses to be offered. Along with it, the training methods will also best. Will the training be on the job, off the job, prior to employment, or prior to a formal assignment? There are various options out of which one or a combination of methods will be set for a particular training program. So, at this phase training curriculum would be ready and training method would be finalized.

The curriculum must meet the needs of the organization and the participants i.e. must be consistent with training objectives. The content may include-

(i) the operational mechanism of the job in which the trainees are deficient;
(ii) the organizational culture;
(iii) specific language;
(iv) industrial and firm information;
(v) computer operation etc.

The materials should not be beyond the trainees' level of sophistication, nor should they be too elementary. There should be sufficient pertinence to create optimum motivation.

Training Methods

The training method should fit the characteristics of the target group, the kinds of discipline that need to be taught, and the organizational resources that are available for training (Douglas, Klein and Hunt, 1985: 291). There are different training methods available and human resource management will choose from among these which will best fit with the purpose of the training.

Types of Training and their Methods

Training methods are grouped into two broad types: on -the -job and off –the-job training. Let us learn one by one.

On- the- job Training

On- the- job training is a primary skills training approach. It is the most widely used method of training. One estimate shows that more than 60 percent of training occurs on –the- job (Ivancevich, 2001: 393). Under this method, the employee is placed into the real work situation and shown the job and the tricks of the trade by an experienced employee or the supervisor. It is learning by doing (DeCenzo and Robbins, 1997). On-the-job training virtually automatically creates the same environment, cues, and rewards in the training that the individual experiences when actually doing the job. Realism is maximised in this training. It is least costly or virtually inexpensive. The drawbacks of the method are low quality output, damage of machinery by the novice trainee, low quality or defective product etc. (DeCenzo and Robbins, 1997, Milkovich and Boudreau, 1997, French, 1997).

On- the- job training is a primary skills training approach. It is the most widely used method of training.

Methods of On-the – Job Training

There are several methods of on-the-job training. They are discussed below:

i) **Apprenticeship Training**: Employees are placed in the actual job temporarily under the guidance of a master worker. They become skilled workers through a combination of classroom instruction and on-the job training by experienced supervisor, managers or other in-house experts. Assistantship and internships are similar to apprenticeship because they use high levels of participation by the trainee and have high transferability to the job. Successful completion of training would make employees permanent. This training is popular in crafts, trades and in technical areas.

ii) **Coaching:** Coaching is a way of training in which a coach, generally a supervisor and/or a manager, attempts to provide a model of work with the trainee to copy and do exactly as it is. The coach will supervise the trainees and give necessary corrections to do the job correctly. At the end, the trainees will be experienced and capable to do that job independently.

iii) **Pre-employment Training:** This training is given to the prospective job candidates before employment is given to prepare them for the actual job. Job seekers are tested, trained and instructed in employment fundamentals without pay by the organization and they are rated on their willingness to work as well as on-the- job aptitude. This will enable the organization to get firm-specific skilled employees from whom the firm will have ready and quality service.

iv) **Vestibule Training:** It gives skills training to individuals after they are hired but before they are assigned to specific jobs (French, 1997:292). Here, separate areas or vestibules are set up with equipment similar to that used on the job. Trainees do the actual job here and become skilled. This arrangement allows transference, repetition, and participation. It focuses on skills that firms expect workers to have when they will do actual job. This training will supply a handful of well trained workers for the jobs of the organization and the organization will get ready services from them.

v) **Job Instruction Training (JIT)**: This is a standard instruction to do a particular job prepared by the supervisors to train operatives. It is a written instruction manual for doing a particular job. The trainee will go through it and do the job as the instruction is given. By following the instruction correctly, the trainee will learn how to do the job effectively.

Methods of Off-the-Job Training

Off-the-job training refers to the type of training in which trainees are taken from the job and placed in a training institutes or academic organizations in different places where they will be provided training.

Off-the-job training refers to the type of training in which trainees are taken from the job and placed in a training institutes or academic organizations in different places where they will be provided training. Such as, one trainee is placed in the Information Technology Institute (ITI) of Dhaka University to take training on Statistical Quality Control Techniques and then it will be off-the-job training. Off-the-training has a number of methods:

1. Lectures: This is quick and simple way of providing knowledge to large number of trainees particularly in giving rules, procedures or methods. Here, speakers give lectures on a particular issue or on variety of issues through which facts, concepts, principles, attitudes, theories and problem-solving abilities are taught. It is useful when a large group is to be trained within a short time. Lectures are formal organized talks by the training specialist, the formal superior or other expert individuals. It can be organized rigorously so that training can understand and conceptualize the theories and ideas without any ambiguity.

2) Conference and Seminar: It is a formal meeting of trainees in which the leader seeks to develop knowledge and understanding by obtaining oral participation of trainees. It tries to build up ideas jointly contributed by the participants. It emphasizes on small group discussions on a specific subject matter. The participation in conference/seminar on techniques of decision making, crisis management, total quality management, empowerment leadership, SME management etc. will make trainees capable to deal with these situations successfully.

3) Audio-visual based training: Here, materials like videodiscs, videocassettes, and films are used in skills training with the limitation that there is no interaction between the trainer and the trainee. Trainees observe the audio-visual manner of doing a particular job and learn the method from it. Videoconferencing is a growing technique for skills training today.

4) Programmed instruction: It is a systematic method for training job skills involving presentation of questions or facts, allowing the person to respond and giving the learner immediate feedback on the accuracy of his or her answers (Dessler, 2000:260). It involves with breaking information down into meaningful units and then arranging these in a proper way to form a logical and sequential learning program or package. Trainees will participate in such type of session and be skilled with information and method to do a particular job efficiently.

5) Interactive video-training: It combines a computer and key-board, a video screen material stored on a video disc, and video camera and tape into one system with a 'doctor' who comes at interval with questions and with correct answer after being answered by the trainee on the screen from among options.

The trainee can repeat the exercise until he or she is satisfied. (French, 1998:295);

6) Simulation Exercise: It explicitly places the trainees in an artificial environment that closely mirrors actual working conditions. Simulation activities include case studies, experimental exercises, complex computer modeling, and vestibule training. Other than these training, there are training for special purpose such as literacy training, AIDS education, values training, diversity training, customer service training, teamwork and empowerment training, international business training that prepares employees for special situations.

Characteristics of a Training Method

Whatever method or a combination of methods is chosen for the training, it must meet the minimal conditions for effective learning. Successful training program is dependent on the choice of effective method. A method of training should have certain characteristics to be effective. Cascio (1986:238) suggested the following characteristics as the benchmark for success of a method of training, that the training method should-

- Motivate the trainee to improve his or her performance;
- Clearly illustrate desired skills;
- Provide for active participation by the trainee;
- Provide an opportunity to practice;
- Provide timely feedback on the trainee's performance;
- Provide some means for reinforcement while the trainee learns;
- Structured from simple to complex tasks;
- Be adaptable to specific problems;
- Encourage positive transfer from the training to the job.

Step- 5: Validation of the Training Programme

Validation of the training programme would be made to make it effective and result oriented.

Validation of the training programme would be made to make it effective and result oriented. It should be listed before a representative audience. Based on final revisions of pilot results a budget is prepared for the training programme. It is an interactive process with other steps in the training programme development process. Budget constraints may limit the human resources manager's alternatives and must therefore be considered during all phases of the development process (French, 1997: 295). Training generally involves with costs of staff planning time, trainee wages, trainer wages, and direct expenses for materials, accommodations and meals (French, 1997: 295).

Step-6: Develop Budget

At this stage of the training program development process, human resource management will prepare a training budget through interactive process with other steps to conduct the training program without any financial constraints.

At this stage of the training program development process, human resource management will prepare a training budget through interactive process with other steps to conduct the training program without any financial constraints. Training costs include staff planning time, trainee wages, trainer wages, direct expenses such as the cost of training materials, travel, accommodation, meals, breakfast, refreshment, certificate printing, venue charges, remuneration of the internal and external trainers etc. If there is a budget constraint, human resource management must modify the training program to adjust it with the approved budget by making changes in the size of trainees, type of trainers, training methods, and in training venue. However, training budget is to be prepared and get it approved by the management.

Step-7: Selection of Trainers

Effective trainer is one of the fundamental prerequisites for the successful training.

Effective trainer is one of the fundamental prerequisites for the successful training. Organisations may use their own staff or may bring trainers from outside under contract or may use a combination of both the options for giving training. Staff trainers are full-time specialists on the organisational payroll and part-time training are less expensive than trainers hired from outside (French, 1997). Selecting right individuals and providing them with the tools they need for the training are essential for success of the training. Once selected, the trainers must be informed about the overall process of training and in the specific training programme in which they will be involved. This could not be done in the case of contract trainers. But care must be taken to evaluate both the individual trainer and the training organisation to ensure quality training. The use of outside trainers has several advantages: (i) productive employees are not taken off the job; (ii) specialized and experienced training can be given; (iii) costs of many facets have been saved; (iv) wider range of choice in selecting trainers can be exercised; and (v) the firms have more control over the trainers in that they can be easily replaced by more qualified external trainers (French, 1997).

Whatever the nature of trainers, they must be selected on the basis of their expertise on relevant field of skills or discipline on which training will be given. Organizational executives may be selected but that must be made on quality and relevance only. Their selection would facilitate testing new ideas and also would be an opportunity to develop right skills in trainees.

Step-8: Implementation of Training Programme

Training programme is now ready for implementation. All physical facilities are to be arranged and make fit for the trainees and trainers.

Training programme is now ready for implementation. All physical facilities are to be arranged and make fit for the trainees and trainers. People must feel comfort, interested and committed while they are in their desired training. The whole environment should be conducive to effective learning.

Step-9: Evaluation of Training Programme

Training must be evaluated by systematically documenting the outcomes of the training in terms of how trainees actually behave back on their jobs and the relevance of the trainees behaviour to the objectives of the organisation.

Training must be evaluated by systematically documenting the outcomes of the training in terms of how trainees actually behave back on their jobs and the relevance of the trainees behaviour to the objectives of the organisation (Snyder, Raben and Farr 1980:5: 531-444). Effective criteria that are used to evaluate training focus on outcomes. Experts agree on four outcomes of the training programme (Kirkpatrick, 1997, 34, 9-12, Caro lan, April, 1993,).

Training Outcomes

Experts agree on four outcomes of the training programme (Kirkpatrick, 1997, 34, 9-12, Caro lan, April, 1993,).They are:

1) Reaction-feeling of trainees to the training programme;

2) Learning or knowledge-acquired knowledge through training experience. It uses feedback devices or pre-and post-tests to measure what learners have actually learned;

Four training outcomes are: Reaction, Learning or knowledge, Behaviour, Results.

3) Behaviour- change in behaviour resulted from the training; and

4) Results -level of improvement in job performance and in organizational productivity, quality, turnover or accident reductions etc.

Methods of Measuring of Training Effectiveness

There are several methods available for measuring the effectiveness of the training (Beardwell and Holden, 1995:351). They are:

1) **Questionnaire** (Feedback form) or happiness sheets are a common way of eliciting trainee responses to courses and programmes.
2) **Tests or examinations** are common on formal courses, which provide a certificate, (test-retest method).
3) **Projects** are initially seen as learning methods but they can also provide valuable information to instructors.
4) **Structured exercises and case studies** are opportunities to apply learned skills and techniques under the observation of tutors and evaluators.
5) **Tutor reports:** Report of the trainers' about trainees' containing valuable assessment from a different perspective.
6) **Interviews of trainees:** It is done at post-course or instruction period. Interview may be taken informally or formally, individually or in group or by telephone.
7) **Observation:** Observation of courses and training by those devising training strategies in the training department and received information would be compared with trainee responses.
8) **Participation and discussion** during training needs.
9) **Experimental control group method:** Two groups are established which are comparable as to skills, intelligence, and learning abilities and evaluated on their actual job performances.
10) **Pre-post performance method:** Each trainee is evaluated prior to training and rated on actual job performance. After instruction is completed the trainees are revaluated.
11) **Test-retest method:** Trainees are given a test before they begin the programme and trainees retake the same test after completion of the training. The resultant figure would exhibit the contribution of the training.

For complicated training evaluation it is recommended that a combination of different training approaches be used.

For complicated training evaluation it is recommended that a combination of these approaches be used (Beardwell and Holden, 1998: 351).

Discussion questions

1. What is training?
2. Discuss the benefits of training.
3. Discuss the training process.
4. Discuss various on –the-job training methods.
5. Describe off-the-job training methods.
6. State the characteristics of training methods.
7. Describe training outcomes.
8. Explain the method to use to measure the effectiveness of a training program.
9. How will you select trainees for a training program?
10. Discuss the benefits of training to the organization.
11. Describe the benefits of training to the employees.
12. What criteria will you consider to select an employee for training?

Case-2: Value addition

Mike Burdell cracked his tenth crude joke of the session and the class of maintenance supervisors laughed loudly. Mike glanced at his watch. 'Five o'clock. I guess that's it for today, guys - see you next week '

As they filed out someone shouted, 'Hey Mike! Come and have a beer with us.' Someone else said, 'Great course, Mike !'

Observing this was Linda Church, Rift Airlines' new HR manager. Linda shook her head. She had seen this type of trainer before. Every session was a slick hour of entertainment. People loved it, but they seldom took the trainer or their training seriously. People like Mike, she thought, give training a bad name.

Having refused the offer to go for a drink, Mike walked back to his office. 'Oh hi, Linda - didn't know you were still around.'

'Yes Mike. I want to speak to you for a moment.'

'Hey, those guys think this course l'm giving is great! Did you notice that l5 have signed up for the next one already?'

'That's what I wanted to talk to you about, Mike –the next course.'

'What about it, Linda? Everything's going great !'

'ls that so? Mike, top management wants us to prove that what we are doing gets results. Training has to add value. We are in the business of improving performance, not providing entertainment.'

'What are you worrying about Linda? The guys love my stuff. Look at the evaluations !'

'You mean the "happy sheets"? The participants might be happy, but l'm not. There are no tangible results. The money spent on training in this company is being wasted.'

Mike looked shocked. 'What's got into you, sweetheart?
Everyone knows l do a terrific job.'

'Why do you think l've been hired, Mike?' Linda retorted.

'Linda . .. l know you're my boss, but take a word of advice from an old pro. l've been in this game for more than 20 years. Every now and then this value-added thing comes up. I play the game for a while and then the top brass forget all about it. Let me tell you - keeping participants happy will keep you in your job much longer than tough courses and lots of fancy statistical evaluations.'

Linda paused then said 'Unfortunately Mike, it's not going to keep you in yours.'

'What the hell do you mean by that Linda?' snapped Mike.

Discussion questions

1. Should management expect all training courses t add value?
2. What measures can be sued to evaluate the real value of Mike's training programs?
3. How much 'entertainment' and how much 'learning 'should there be in a training program?
4. If you were Linda, how would you evaluate Mike's performance?
5. What are the differences between Lind's and Mike's performance expectations? How could these differences be avoided?

Lesson-3: Management Development

Learning Objectives

After studying this lesson, you would be able to

- Define management development.
- State the differentiating characteristics of management development.
- Explain the success criteria of a management development program.
- Discuss the approaches of management development.
- Explain the process of management development.
- Discuss the methods of on-the-job and off-the-job management development.
- Describe the evaluation methods for measuring effectiveness of management development program.

Management development has become a strategic goal for organisations today. Success depends upon the way organisations choose to approach development.

Introduction

Managers today are to face various kinds of changes. Organisations and their environment are dynamic and constantly changing, because new technologies are developed, competitors enter and leave markets, inflation increases and productivity fluctuates (Ivancevich, 2001:405). Therefore, development of managers is a continuous process in the most successful firms (Ivancevich, 2001:405). Thus, management development has become a strategic goal for organisations today (Doyle 1998: 375 Beardwell & Holden, 1998). Success depends upon the way organisations choose to approach development. Organizations must be prepared to develop individual managers and management teams that are not only flexible, adaptable and innovative in technical, financial and business issues, but skilled in human resource management as well as in order to achieve success. To achieve this, organisations are to establish, as a strategic imperative, greater investment in continuous management education and development (Coulson-Thomas, 1989: 4). Organisations that fail to make this type of investment are unlikely to exploit future opportunities and potential; adapt successfully in the face of major changes; develop new markets and products; retain and motivate employees; create and sustain an effective management team; and survive and prosper (Doyle1998:374, Beardwell and Holden,, 1998).

Management development is any attempt to improve managerial performance by imparting knowledge, changing attitudes or increasing skills.

Definition of Management Development /Development

Management development is a conscious and systematic process to control the development of managerial resources in the organization for the achievement of goals and strategies.- Molander (1986)

Management development is any attempt to improve managerial performance by imparting knowledge, changing attitudes or increasing skills. - Dessler (2000:280)

This definition emphasizes upon specific organizational goals and strategies attainment but achieving managerial ability that contribute equally to the development of organisation too.

Management development is an attempt to improve managerial effectiveness through a planned and deliberate learning process.- Mumford (1997).

Management development is an attempt to improve managerial effectiveness through a planned and deliberate learning process.

Management and career development programs represent efforts to increase the organisation's present and future ability to meet its goals by providing educational and developmental experiences for managers and all employees above and beyond the immediate technical requirements of their jobs.- Wendell French (1997: 305).

The concept explicitly expressed that the management development is meant for non-operative employees or incumbents and the goal is to increase the effective of the organization through their development. Instead of managers being fed information on a course, their managerial capacity and potential would be developed by a wide variety of experiences, through which they would acquire greater understanding, awareness, sensitivity self-confidence and those other aspects of effectiveness that are regarded as most important but which could be inculcated (Torrington and Hall, 1995).

Differentiating Characteristics of Management Development

Management development can be differentiated from other types of training in four important ways:

1) Management development is a broader concept and is more concerned with developing the whole person rather than emphasizing the learning of narrowly defined skills;

2) It emphasizes the contribution of formal and informal work experiences;

3) The concept of management development places a greater responsibility on managers to develop themselves than is placed on most employees to train themselves; and

4) Managers are developed as much for jobs that they will be doing as for the jobs that they are doing (Torrington and Hall, 1995:420).

Management development facilitates organizational continuity by preparing managers for the current and future jobs so that they can assume future positions smoothly and also socializes management trainees by developing in them the right values and attitudes for working in the firm (Dessler, 2000). Management development helps developing the skills that managers need to respond faster to changes. It is an effective way to meet challenges from managerial obsolescence, international and domestic workforce diversity, technical changes, affirmative actions, and employee term over. Management development is a mean to make managers versatile for the higher hierarchy.

Success Criteria of Management Development Programme

Success of management development depends on variety of forces of factors (Fenwick-MacGrath, July 1988; Carnevale 1991; Dessler 2000; French 1997:305). They are:

(1) Extensive and visible involvement of chief executive officer or top management support, by educating senior executives about the program, and involving them at every stage, and frequently publicizing successes and positive results of the program;

(2) A clearly articulated and understood development policy and philosophy;

(3) Careful blending of new ways of doing things with organizational norms to make the program polished and professional;

(4) Linkage of development policies and philosophies to the business strategies, objectives and challenges;

(5) Ensure compatibility between individual training and organization structure and systems to make it adaptive;

(6) Use existing resources, including training programs, information systems, and people to control costs and builds a supportive climate;

(7) Create multiple feedback loops to make it more effective; and

(8) Promote volunteerism and choice to ensure employee more committed to the program.

There are certain dimensional changes took place in the organizational environments that prompted training and development activity in all business organizations intend to survive and prosper in today's economy. Survey (1991) reveals those challenges that are quality improvement, technological changes, customer service, corporate culture, new market strategies, centralization of authority, productivity improvement, staffing, decentralization, succession planning, merger or acquisition, remedial or basic education and international competition.

Approaches of Management Development

Management development can be approached in a number of different ways. Mumford (1987) describes three types of approach as below:

1. **A Piecemeal Approach**

Management development is either an accidental or planned process.

Management development is either an accidental or planned process. It may be informal managerial or formalised development programme. This approach is chosen for resource constraints and for having lack of awareness about linking development to business strategy. It has no management development infrastructure. Development is largely defined in terms of a range of universal, off-the-shelf internal or external courses and is often focused on the needs of the organization and fails to meet the leaning needs and aspirations of individuals and groups. There is a lack of common vision among those responsible for management development. It is difficult to evaluate the effectiveness of a piecemeal approach because it lacks clear direction and established objectives.

2. **An open system approach**

Management development is an integral part of a wider organizational system to make it more acceptable, flexible, responsive and proactive in the face of organizational change and turbulence.

Management development is an integral part of a wider organizational system and is linked to the reality of managerial work. It is planned and structured by the boss and subordinate with clear developmental objectives. Its explicit intentions are both task performance and development and it occurs within managerial activities. Management development is at one and the same time a system and a process. It is composed of identifiable parts or components, which act together in an organized way. It is integrated with, and mutually dependent upon other organizational subsystems, activities and processes. This approach makes management development more acceptable, flexible, responsive and proactive in the face of organizational change and turbulence. An open system view identifies the way management development contributes to overall organizational effectiveness.

Management development is integrated and coherent across the organization's philosophy, mission, business goals and human resource strategy.

3. A unified approach

Management development is located at the very heart of the organization's philosophy, mission, business goals and human resource strategy. The process is integrated and coherent across all functions and hierarchies. Manager performance is measured and development activity can be linked clearly to the organizational values and the achievement of strategic goals.

Process of Management Development

Management development is a systematic process that is implemented step-by-step. Ivancevich (2001:405) prescribes 4 (four) step process that he calls 'diagnostic steps in development program. They are:

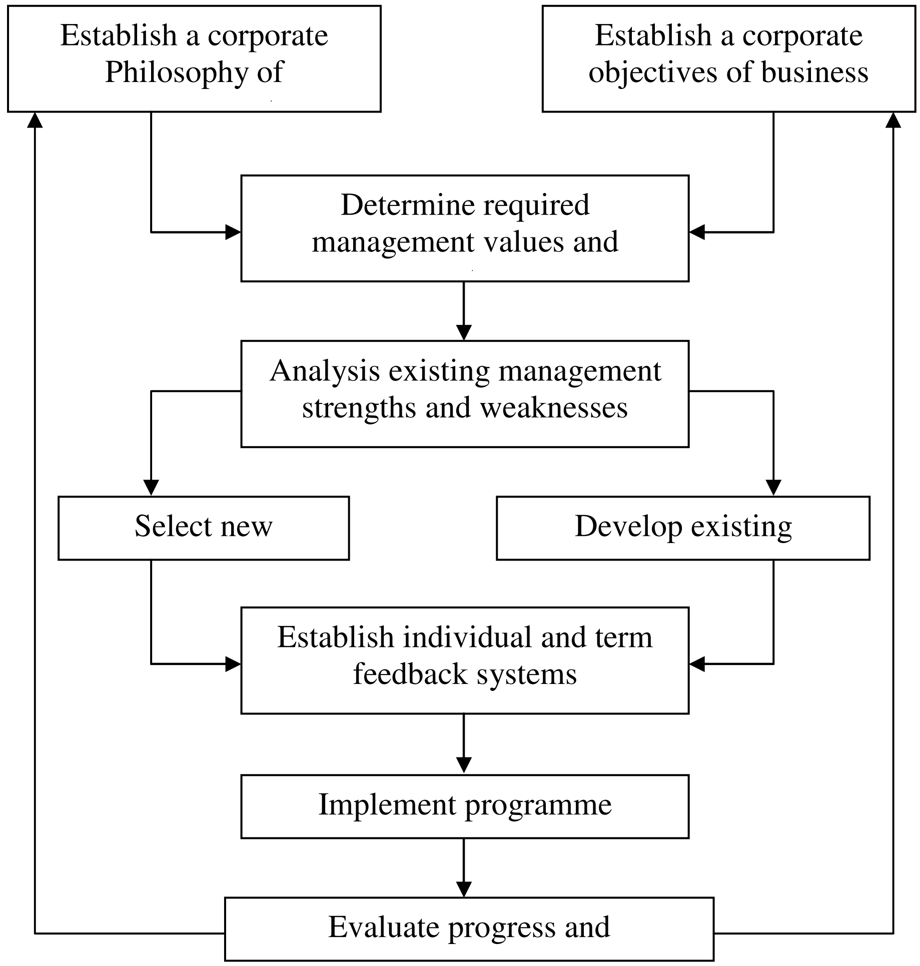
Management development is a: 4 (four) diagnostic step process involving with (1) Determining short – and long-term goals of the organization; (2) Examining work requirements, specifications, and changes in work, (3) Determining behaviours needed to perform work and performance standards, and (4) Developing behavioural objectives to be accomplished through development programmes.

(1) Determine short – and long-term goals of the organization;

(2) Examine work requirements, specifications, and changes in work,

(3) Determine behaviours needed to perform work and performance standards, and

(4) Develop behavioural objectives to be accomplished through development programmes. Hilt (1987) prescribed another development model, which is termed as 'unified management development programme'. This model is built on open systems principles, which is very much adaptive in the present context of complex socio-economic situations. The model is shown below:



Management Development Model

Creating a framework of values, beliefs and ethical standards is vital for an effective management development programme.

Organization is now in a position to decide and prioritize the values and competences it requires from its managers.

Step-1. Creating a framework of values, beliefs and ethical standards is vital for an effective management development programme. But creating a system of espoused values is not enough. They must be embedded in formal and informal philosophical statements, which are then communicated to their wider organization. Besides that corporate objectives provide vision and direction and map where the organization is going over the next 3-5 years (Doyle, 1998). Integrating the human resource with corporate objectives is also a priority item on the strategic agenda. These philosophies of management and corporate objectives are already set by the top management. What is needed here is that people are expected to accept and adapt to the requirements of corporate objectives and the philosophies of management.

Step-2. Organization is now in a position to decide and prioritize the values and competences it requires from its managers. It, then, must analyse its current management team to determine individual and team strengths and weaknesses. It can use various techniques and methods for this purpose such as review of personal files, records, performance appraisal documentation, workshops and seminars with mangers, assessment centers and psychometric tests.

The analysis of existing strengths and weaknesses and a comparison with required competencies and values.

Step-3. The analysis of existing strengths and weaknesses and a comparison with required competencies and values would provide the organization inputs to decide its strategy for management development. The human resources must be developed to enhance the strengths and to remove the weaknesses.

Recruiting new managers to bridge up the gap or to develop the expertise, knowledge, talent and capability of existing managers by investing in development programs.

Step -4. Human resource management now can take the course of recruiting new managers to bridge up the gap or to develop the expertise, knowledge, talent and capability of existing managers by investing in development programs. Either of the case, it may require restructuring and reorganizing its management team. A set of development plans would be prepared on the basis of requirements in consultation with managers to take account of their personal ambition and needs.

An effective performance measurement and feedback systems need to be created and introduced that will serve the individual and team objectives.

Step -5. An effective performance measurement and feedback systems need to be created and introduced that will serve the individual and team objectives as well as involve a system of individual and team appraisal on both formal and informal basis. It is better to prepare feedback procedure, time, method, contents, and other associated rules to make the feedback efficient and effective.

Step -6. Now, implantation phase of the management development programme. With the support and commitment of top management and participants, the programme will now be implemented with the utilization of different learning methods. It must be zero-defect implementation to make the management development successful.

Step -7. At the end of the management development process, we shall evaluate whether it is successful or not. This evaluation of the effectiveness of the management development programme would be made with an open system approach instead of piecemeal approach. There are several methods to measure the effectiveness. Use any one or a combination of these methods and get the level of success of the programme. You will find these methods at the end of this lesson. Then, the feedback of results and their reasons along with possible avenues to overcome those to make it flawless in future will be given to the top management.

Methods of Management Development

There are many methods and approaches in use today for developing managerial and supervisory abilities and for meeting the developmental needs of the employees and of the transitions. The available techniques may be grouped for convenience in two categories: On-the-job and off the-job development methods.

On-the –Job Methods

The major on-the-job management development methods are:

Coaching involves frequent helping activities on the part of a supervisor toward a subordinate.

1. **Coaching:** Coaching is an informal approach to management development based on a close relationship between the developing manager and one other person usually their immediate manager, who is experienced in management (Torrington and Hall, 1995: 427). Coaching involves frequent helping activities on the part of a supervisor toward a subordinate (French, 1997). Coaches are managers who help employees grow and improve their job competence on a day-to-day basis. Coaches set challenging goals, inform employees what is expected of them, evaluate progress toward those goals,

appraise performance in a regular and objective manner to prepare them for promotion (Shore and Bloom, August, 1986, Evered and Selman, Autumn, 1989).

Assigning an inexperienced manager to work for more experienced managers, often on an 'assistant to' basis.

2. **Job Rotation:** Moving management trainees from department to department to broaden their understanding of all parts of the business (Yoder et. al. 1958, Rothwell, Kazemas and Haines, 1992).
3. **Understudy assignment:** Assigning an inexperienced manager to work for more experienced managers, often on an 'assistant to' basis (French, 1997: 312). The understudy relieves the executive of certain responsibilities, thereby giving the trainee a chance to learn the job (wexley and Latham 1981: 207). Eventually, he will be capable to perform at the same level as the experienced managers and to assume the key positions in due course.

Mentoring is a role filled by someone other than the immediate supervisor who guides, encourages, and supports young and less experienced employees or protégés.

4. **Mentoring:** Mentoring is a role filled by someone other than the immediate supervisor (French, 1997: 313) who guides, encourages, and supports young and less experienced employees or protégés (Clutterbuch, 1991; Collin, 1988; Hunt and Michael, 1983; Kram, 1985; Megginson, 1988). A mentor is wise and trusted, counselor or teacher (American Heritage Dictionary, 1992). Mentoring facilitates the learners to learn of their employees, contributes to the process of meaning -making in the organisation and hence to its responsiveness to the environment, while meeting the developmental needs of employees (Collin, 1998).

   Benefits of Mentoring (Stone, 2008:398).

   - The protégé, by developing more skills and self-confidence, performs better and provides longer service to the organisation.
   - Mentoring, by identifying talent, helps companies to encourage and capitalize on diversity.
   - Mentoring provides a structure for the growth and development of employees.
   - Mentoring helps inculcate corporate values.
   - Mentoring improves employee job and career satisfaction, motivation and career success.
   - Mentoring can buffer women from discrimination and help them to overcome gender-related barriers to advancement.

Assignment to a committee or junior board provides an opportunity for the employees to share in managerial decision making.

5. **Committee Assignment/Junior Board:** Assignment to a committee or junior board provides an opportunity for the employees to share in managerial decision making, to learn by watching others, to investigate special organizational problems, and to make recommendations on overall organizational policies.

Action learning gives managers released time to work full time on projects, analyzing and solving problems in departments other than their own.

6. **Action Learning:** Action learning gives managers released time to work full time on projects, analyzing and solving problems in departments other than their own (Fox, Sept-Oct. 1997). Management trainees work together as a project group to compare notes and discuss each other's projects.

Off-the-Job Methods

Off-the-job management development techniques are wide in variety. Few of the popular methods are discussed in a nutshell below:

1) **Lectures and Conferences:** Lecture courses offer an opportunity for managers or potential managers to acquire knowledge and develop their conceptual and analytical abilities. Conference and seminar are structured around a small-group meeting in which a leader trained in group decision methods, helps the group to identify and define a problem, guides the discussion so that it is constantly directed toward the problem, and summarizes the principles or explanations that reflect the consensus of the group in dealing with the problem.

Lecture courses offer an opportunity for managers or potential managers to acquire knowledge and develop their conceptual and analytical abilities.

2) **Computer-assisted Instruction:** A business problem is given to the participants and they analyze the situation and make a decision with the help of computer. The trainer ascertains the correctness of the simulation and provides feedback to the participants. Computer models can provide participants with sufficient realism to allow practice applications without undue risk that the organization's operations will be disrupted or that the firm will lose money.

A business problem is given to the participants and they analyze the situation and make a decision with the help of computer.

3) **Seminar:** Participants take part in a discussion where a person presents the keynote paper and some selected discussants participate in the discussion on the issues specified in the paper. Participants may also take part in the discussion. Participants will be enriched with the documents and discussions.

In seminar, participants take part in a discussion where a person presents the keynote paper and some selected discussants participate in the discussion.

4) **Laboratory Technique**: This is experienced based learning workshops that utilize one or more approaches such as case discussions/studies, incidence process, role playing, computer simulations, management games or problem solving exercises, and/or relatively unstructured group discussions (French, 1997: 315). Managers learn from the dynamics of the sessions and from the application of specific managerial and supervisory techniques in simulated work situations. **Case Discussions/studies** present a trainee with a written description of an organizational problem. The person then analyses the case in private, diagnoses the problem and presents his/her findings and solutions in a discussion with other trainees (Wexley and Latham, 1981). It provides stimulating discussion among participants, as well as excellent opportunities for individuals to defend their analytical and judgmental abilities, thus improving decision-making abilities within the constraints of limited information (DeCenzo and Robbins, 1997, Ivancevice 2001, Cascio, 1986). The **incident process** requires trainees to read individually a briefly sketched incident and then, as a group, to assume the role of a specific person in the situation (Pigors and Pigors, 1955). It is a specialized form of case method in which the leader presents a problem or dilemma and the participants have the task of drawing out the relevant facts by questioning the leader after which a decision is made (Pigors and Pigors, 1961). **Role-playing** is a device that forces trainees to assume different identities (Werther Jr. and Davis, 1996: 294). All participants by playing given roles experience the realistic variability that managers actually encounter in real job situations (Pere, October: 1984, Robinson, May-June: 1987). It is frequently used to teach skills such as interviewing, grievance handling, performance review, leadership styles, and effective communication. (Cascio, 1986: 274). **T-groups:** It is a derived term from training groups' usually involves small groups, of approximately ten to twelve participants, meeting under the guidance of a trainer (French, 1997:315-316). The

Laboratory Technique is experienced based learning workshops that utilize one or more approaches such as case discussions/studies, incidence process, role playing, computer simulations, management games or problem solving exercises, and/or relatively unstructured group discussions.

Transactional analysis is based on the concept that each person has a three-dimensional behaviour pattern based on three ego states-parent, child and adult.

unconstrained group has a very flexible agenda and a minimum formal leadership.

5) **Transactional analysis:** It is highly participative development technique focuses on viewing the interactions between individuals and between groups as interactions (French 1997). Transactional analysis is based on the concept that each person has a three-dimensional behaviour pattern based on three ego states-parent, child and adult (Berne, 1964). It helps managers understand others better and assists them in altering their responses so as to produce more effective results.

Behavioural Modeling technique of development focuses on learning through observation or imagination.

6) **Behavioural Modeling**: This technique of development focuses on learning through observation or imagination. It consists of presenting or showing participants a particular behaviour or way of doing something and then having the participants practice the behaviour through role playing (French, 1997:318). Thus, modeling is a 'vicarious process', which implies sharing in the experience of another person through imagination or sympathetic participation (Sims, Jr. and Manz, 1982: 58).

In-basket development method consists of giving trainees a set of memos, letters, and other items that a manager might find in the basket upon arriving at work.

7) **In-basket Training:** This development method consists of giving trainees a set of memos, letters, and other items that a manager might find in the basket upon arriving at work (French, 1997:318). The response of the participant is analyzed by the trainer and the group to see the scope of improvements. It helps the management trainees determine which decisions can be made quickly, which must be or should be delayed and which should be referred to others.

8) **University-related programme:** Many universities and colleges provide group, individualized and degree programmes related to business and management. These programmes provide opportunities to the working managers to have wide variety of knowledge for enhancing their efficiency.

9) **In-house development center:** This is a organization/enterprise-based development method for exposing prospective managers to realistic exercises to develop improved management skills (Dessler, 2000: 292). It offers both general management programs and the professional management programmes stress solving concrete business problems.

10) **Programmed Instruction or Manual**: It condenses the materials to be learned into highly organized, logical sequences, which require the trainee to respond.

Experimental exercises are usually short, structured learning experiences where individuals learn by doing.

11) **Experimental Exercise:** Experimental exercises are usually short, structured learning experiences where individuals learn by doing. It is used to create a conflict situation where employees have to experience a conflict personally and work out its resolution. The facilitator or trainer typically discusses what happened after completing the exercise and introduces theoretical concepts to help explain the members' behaviour during the exercise.

Management games describe the operating characteristics of a company, industry or enterprise.

12) **Management Games:** Management games describe the operating characteristics of a company, industry or enterprise. These descriptions take the form of equations that are manipulated after decisions have been made. Management games emphasize development of problem-solving skills.

13) **Behaviour Modeling:** A developmental approach for improving interpersonal skills is behaviour modeling which is also called interaction management or imitating model (O'Donohue and Krasner 1995).The key to behaviour modeling is learning through observation or imagination. Thus, modeling is a "vicarious process" that emphasizes observation.

There are four steps in the process:

1) Modeling of effective behaviour- often by use of films;

2) Role playing planning;

3) Social reinforcement- trainees and trainers praise effective role playing ;
4) Transfer of training to the job.

A developmental approach for improving interpersonal skills is behaviour modeling which is also called interaction management or imitating model.

Evaluation Methods of Management Development Programme

Evaluation of management development program normally is carried out at three stages- input; process and output stage (Rae 1986). Multiple criteria are being used for this purpose (Kirkpatrick, January, 1996). To conduct evaluation effectively, a range of methods can be employed. They are:

Participants are given a test before they begin the programme and the same test is being conducted after the development programme.

1) **Test-retest method:** Participants are given a test before they begin the programme and the same test is being conducted after the development programme. The difference between results will be the measure of result of development programme. This could be done also by taking interview or asking participants to fill up a questionnaire before and after the programme.

This method compares pre and post performance of managers.

2) **Pre-post performance method:** This method is directly related to job behaviour. The participants are rated on his /her work behaviour by the immediate supervisor or by the 360-degree methods before and after completion of the programme in the actual work/job in the organisation. The positive outcome will exhibit the effectiveness of the development program.

This is a method to compare the performance of the trained group with non-trained group.

3) **Experimental control-group method:** This is a method to compare the performance of the trained group with non-trained group. The result of the performance in the same type of job would be the effect of development program.

An attitude survey is conducted after the development programme to mark the attitudinal changes that have been brought about into the person by the programme.

4) **Attitudes surveys and psychological tests:** An attitude survey is conducted after the development programme to mark the attitudinal changes that have been brought about into the person by the programme. This could be done by the standard psychological tests too.

The participants are observed during the process of development program by the trainer and are evaluated by him about his level of improvement.

5) **Observation Method:** The participants are observed during the process of development program by the trainer and are evaluated by him about his level of improvement. The managers and others could do this too in the jobs in and out of the organization. Their comments about the participants would be a good measure of the effectiveness of the development programs.

Management development is a continuing process. The qualities required for effective managing in the context of a particular organizational situation are not easily developable. Sisson (1994) suggests that some of the desirable indicators for managers in the future are being an active analyst, willing to take risks, strong personal goals and wide vision. Kanter (1989) believes that the organization of the future will require seven particular qualities from managers- the ability to operate without relying on hierarchy; competing in a way that enhances rather than undercuts co-operation; a high standard of ethics; humility to learn new things; a process focus; to be multifaceted and ambidextrous and to gain satisfaction from results rather than contribution. Thus, a wide range of methods would be required to develop managers' under this complicated future conditions and expectations.

Discussion Questions

1. What is development/management development?
2. State the differentiating characteristics of management development.
3. Discuss the success criteria of management development.
4. Describe approaches of management development.
5. Explain the process of management development.
6. Discuss on-the-job management development methods.
7. Discuss off-the-job management development methods.
8. How can you measure the effectiveness of a development program?
9. What is mentoring and what are its benefits?

Case-2: Development for results at Prime Bank Limited

Lamia Hossain, training and development manager for Prime Bank Ltd, had a PhD in the social sciences in the area of human resource management and a firm belief that every operating person should be 'people'-oriented. Accordingly, she had 'sold' the idea to Prime bank’s former senior management team that human relations, communications, team building, and similar courses were a prerequisite for improved organizational performance.

Given a free hand, Lamia had hired expensive development consultants and saw to it that all managers and most executives were exposed to 'people ' orientation.

After the dismissal of the former senior management team, Lamia was called into the office of Nova Airlines’ new HR manager, Karim Khan.

'Well Lamia', Karim began, 'l have some disturbing news. It would appear from the consultant's market research report that all our competitors are leading us in terms of customer satisfaction, innovation and level of management sophistication. We have lost our position in the marketplace and Managing Director wants corrective action now. All this wonderful people development programmes you've been pushing has been a disaster. l regret l’m going to have to let you go. There is no place in the new Nova Airlines for activities or people who do not add value. l’m sorry Lamia , but there is no alternative.'

With that, Karim pressed a button and a tall, grey- haired figure entered the room. lt was the outplacement consultant. Lamia's career with Prime Bank was over! Lamia suddenly realized that she was wet with perspiration.

Discussion questions

1. Critique Lamia’s approach to training and development.
2. What approach to development should Lamia have taken?
3. What would you do now if you were Lamia?
4. What responsibility should management take in this situation?
5. If you were Karim, how would you have handled this situation?

DISCIPLINING EMPOYEE

9

Discipline is one of the most challenging areas in the human resource management function (Ivancevich, 2001: 463). The promotion and maintenance of employee discipline is essential for the group to be effective or productive. Employee morale and industrial peace are definitely dependent upon proper maintenance of discipline. If the members of the organization do not abide by the rules of the organization, it may collapse. Chaos, confusion, disobedience, disloyalty and antisocial or anti organizational activities develop to the detrimental of everyone.

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Lesson–1: Disciplining Employee

Learning Objectives

After reading of and learning from the contents of this lesson, you would be able to

- Define the discipline
- State various dimensions of discipline
- Discuss philosophies of disciplining employees
- State types of discipline
- Discuss various approaches of disciplinary actions
- Describe different types of disciplinary problems

Definition

The word Discipline is derived from the word "disciple" meaning " a follower," the implication is that good discipline presupposed good leadership (Megginson, 1970:563).

Discipline connotes that the members of a group should reasonably conform to the rules and regulations i.e. the code of conduct/behaviour, which have been framed for it or by it so that everyone may benefit by them. Oxford Advance Learner's dictionary and others define discipline in different ways. They are:

1. Discipline is the training or control aimed at producing obedience to rules, self –control , character, orderliness, and efficiency;
2. It is a controlled or ordered behaviour resulting from such training;
3. It is a system of punishment;
4. It is the acceptance of, or submission to, authority and control;
5. It is system of rules or methods;
6. It is a treatment that corrects or punishes;
7. It is a branch of knowledge or learning.

Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective.

Discipline is the force that prompts an individual or a group to observe the rules, regulations and procedures which are deemed to be necessary to the attainment of an objective. It is force or fear, which retrains an individual or a group from doing certain things, which are deemed to distractive for group objectives. It is also the exercise of restraint or the enforcement of penalties for the violation of group regulations. - Spriegel and Schultz (1957)

Discipline is the orderly conduct of affairs by the members of an organization who adhere to its necessary regulations because they desire to do0operate harmoniously in forwarding the end which the group has in view , and willingly recognize that, to do this, their wishes must be brought into a reasonable union with the requirements of the group in action.- Lead (1993)

Discipline is management action that encourages compliance with organizational standards.

Discipline is management action that encourages compliance with organizational standards. - Werther and Davis (1996)

Dimensions of Discipline

Megginson (1970, 5630 has given various dimensional views of discipline while he said that " The term discipline bears all of the three meanings in its practical purpose or use:

Discipline is the training that corrects, molds, strengthens, and perfects self.

(**1) Self- discipline-** discipline is the training that corrects, molds, strengthens, and perfects. In this sense, it refers to the development of an individual, i.e. his /her efforts at self –control for the purpose of adjusting himself to certain needs and demands. This may be called self-discipline;

Discipline is the condition necessary to obtain orderly behaviour in an organization.

(2) The necessary condition for orderly behaviour - it considers discipline as the condition necessary to obtain orderly behaviour in an organization. This implies keeping order and individual employee control among a group of workers by using methods that build morale and esprit de crops;

Discipline is a judicial due process based upon training and punishing.

(3) The act of training and punishing – this concept considers discipline as a judicial due process based upon training and punishing. Thus, discipline is a form of punishment, which a person incurs as a result of an undesirable act. Its function is not to change past behaviour but to prevent a recurrence of the act in the future (Maier,1965: 189-92,213). Dessler (2000:596) has taken discipline in terms of its punitive dimension. He defined, "Discipline is a procedure that corrects or punishes a subordinate because a rule or procedure has been violated". Bittel (1994: 304) observes the discipline in the same direction. He opined that discipline plays the dame role as law plays in the society; discipline is called for when one of these rules or regulations is violated. French (1997:188) also viewed the disciplinary action in the similar manner while he describes it as "the penalty or punishment associated with violation of a rule".

Discipline is a process of training an employee through positive and negative manner so that he /she can develop self – control and can become more effective in his/her work.

Thus, discipline is a process of training an employee through positive and negative manner so that he /she can develop self – control and can become more effective in his/her work. It is an attitude of mind, a product of culture and a particular environment which impels an individual to willingly so-operate in the observance of the rules of the organization to which he/she belongs. This conformity and willingness to work for the objectives of his organization have to come from within, though at times they may have to be imposed by an external agency.

Discipline is essential for the smooth running of an organization and for the maintenance of industrial peace,

Discipline is essential for the smooth running of an organization and for the maintenance of industrial peace, which is the very foundation of industrial democracy. Without discipline, no enterprise would prosper (Fayol, 1951:23). It would help to obtain a willful acceptance of the rules, regulations and procedures of an organization so that organizational goals may be attained; to impart an element of certainty despite several differences in informal behaviour patterns and other related changes in an organization; to develop among the employees a spirit of tolerance and a desire to make adjustments; to give and seek direction, and responsibility; to create an atmosphere of respect for the human personality and human relations; to increase the working efficiency and morale of the employees so that their productivity is stepped up, the cost of production brought down and the quality of production improved; to ensure maintenance of equipments and other assets; to preserve self-respect and respect for the organization; to improve work relations between and among employees ;to attain a smooth functioning of the activities of an organization; to develop a self disciplined workforce in order to maintain industrial peace.

Philosophies of Disciplining Employees

There are three basic philosophies pertaining to how employees should be disciplined. The distinction between these value systems is based upon the weight given to the rights of individual employees versus the needs of the organization. These philosophies have been called authoritarian, anarchic, and due process (Phelps, 1959:01).

Authoritarian is a system of discipline considers the organization to be overpowering. An extreme example of this philosophy is the military in time war.

1. **Authoritarian Philosophy:** A system of discipline considers the organization to be overpowering. An extreme example of this philosophy is the military in time war. The responsible authority dispenses judgment and execution, with no appeal other than personal and exceptional arrangements for review. Conduct is customary, understood, and rigidly fixed. All decisions are discretionary at the will of the superior.

The anarchic philosophy prevails if the rights of the individual take precedence over those of the organization.

2. **Anarchic philosophy:** The anarchic philosophy prevails if the rights of the individual take precedence over those of the organization. Conduct of the subordinates is self-determined; the responsible authority either permits such action as a matter of policy or has insufficient power to compel contrary behaviour. While this system is usually regarded as the antithesis of discipline, it actually may be one form of cooperative activity.

Due process is a intermediate philosophy which is based on a body of recognized rules and is administered under some form of judicial procedure.

3. **Due –process philosophy:** This is a intermediate philosophy which is based on a body of recognized rules and is administered under some form of judicial procedure. The key factor in this system id formality, where specific penalties for various acts of misbehavior are stated, and formal methods are followed in charging, investigating, proving, and punishing. Channels of appeal are provided for the accused, and discipline is either in the hands of a third party or the final stage of appeal is reserved for someone in a judicial position.

Discipline involves the conditioning or moulding of the future behaviour of employees by the offer of rewards and penalties. A disciplinary action is the means by which the various procedures, techniques and methodologies are used to bring about this controlled state of affairs.

Types of Discipline

There are two types of discipline i.e. disciplinary action: preventive and corrective (Werther and Davis, 1996:515)

It is action taken to encourage employees to follow standards and rules so that infractions are prevented by rewards, appreciation, constructive support, reinforcement of approved personnel actions , d promotions etc to motivate employees to extend their co-operation to the management and work willingly, effectively and competently

1. **Preventive Discipline:** It is action taken to encourage employees to follow standards and rules so that infractions are prevented. It refers to rewards, appreciation, constructive support, reinforcement of approved personnel actions and behaviour, invective payments, and promotions to motivate employees to extend their co-operation to the management and work willingly, effectively and competently (Memoria, 1987: 852). It involves the creation of an attitude of mind and an organizational climate in which employees willingly conform to rules and regulations. This discipline is achieved when the management applies the principles of

positive motivations; when supervisors properly exercise leadership; and when the entire organization is efficiently managed. Positive discipline emphasizes the concept of self-discipline and self-control, and is also known as co-operative discipline or determinative discipline. Self discipline, when developed from within, leads to team spirit, mutual respect, respect for established rules, regulations and procedures, respect for supervisors, appreciation of company goals and policies, high employee morale, greater freedom for development and for self-expression, and willingness to co-operate and co-ordinate. . It develops programmes to control absences and grievances, communicates standards to employees and encourages workers to follow them, and encourages employees' participation in setting standards, since workers give greater support to rules they have helped create. Employees also give more support to standards that are stated positively instead of negatively, such as "Safety first!" rather than "Don't be careless!" Effective discipline is a system relationship, and so the HR department needs to be concerned with all parts of this system.

It is an action that follows a rule infraction that seeks to discourage further infractions and ensure future compliance with standards.

2. **Corrective Discipline:** It is an action that follows a rule infraction. It seeks to discourage further infractions and ensure future compliance with standards. Typically the corrective or disciplinary action is a penalty, such as a warning or suspension without pay. Therefore, it is known as negative discipline. The purpose of this discipline is to scare others, to keep others in line, and to ensure that they do not indulge in undesirable behaviour. These actions are usually initiated by an employee's immediate supervisor but may require approval by a higher-level manager or the HR department, especially when the worker is a union member. Approvals exist to guard against subsequent labour or legal actions and to assure uniform application of rules throughout the organization. An appeal then goes to higher levels in the company and in the union hierarchy. However, this kind of discipline ensures only the minimum standards of performance on the part of employees, so that they may avoid penalties (Memoria, 187: 853).

The discipline would be taken gradually from softer action to harder actions.

3. **Progressive Discipline:** The discipline would be taken gradually from softer action to harder actions. It allows the person to correct and develop himself and the organization to absorb an undisciplined employee in a corrected manner.

Approaches of disciplinary Actions

There are **various approaches** used to apply disciplinary actions. They are:

Judicial approach follows the legal course of actions that are prescribed in the law of the land.

1. **The Judicial Approach**: It follows the legal course of actions that are prescribed in the law of the land. Various kinds of misconduct are listed in the employment of labour standing order Act and penalties are also mentioned. The decisions of the Supreme Court on various cases also serve as guidelines. It is commonly followed in Bangladesh.

2. **The Human Relations Approach**: It calls for treating an employee as a human being and considers the totality of his personality and behaviour while correcting faults that contribute to indiscipline. His total personality is considered, as is his interaction with his colleagues, his family background, etc and then appropriate punishment for misconduct is awarded.

Human relations approach calls for treating an employee as a human being and considers the totality of his personality and behaviour.

3. **The Human Resources Approach**: This approach calls for treating every employee as a resource and as asset to the organization. Before punishing the worker, the cause for indiscipline has to be ascertained. An analysis of the cause is made, to find out whether indiscipline is due to the failure of his training and motivating system or the individual's own failure to meet the requirements, and accordingly corrections are made.

Human resource approach calls for treating every employee as a resource and as asset to the organization.

4. **The Group Discipline Approach**: The management, in this approach, sets and conveys well-established norms of conduct and tries to involve groups of employees in the process of discipline. The group as a whole controls indiscipline and awards appropriate punishments. The trade union may also act a disciplinary agency.

The management, in group discipline approach sets and conveys well-established norms of conduct and tries to involve groups of employees in the process of discipline.

5. **The Leadership Approach**: The approach states that every supervisor or manager has to guide, control, train, develop, lead and administer the rules for discipline as a leader whatever may be his position on the organizational hierarchy.

The leadership approach states that every supervisor or manager has to guide, control, train, develop, lead and administer the rules for discipline.

A disciplined organization requires teamwork, which is instantly responsive to management's direction. The manager's aim should be to create a habit of response to superior action. When it becomes necessary to increase the frequency and intensity of orders, discipline may be deteriorating.

The management should take disciplinary action only when it becomes abundantly clear that subordinates are losing their habit of giving the appropriate response (Megginson, 1970: 571). Inappropriate responses are called the "act of indiscipline or misconduct". Misconduct is a transgression of some established and definite rule, which does not leave any discretion of action to the employees. It is an act or a conduct which is prejudicial to the interests of the employer, or which is likely to impair the reputation of the employer, or create unrest among other employees; it is an act of misconduct even when such activities are performed outside the organization, or before or after the employee's duty hours (Mamoria, 1987:853). In other words, it is for the management to determine what constitutes misconduct. It is wise to ascertain the justifiability of the cause of subordinate's disobedience or misconduct before trying to rebuild his/her habit.

Types of Disciplinary Problems

Disciplinary problems may be classified on the basis of the severity of the consequences, which flow from them. They are generally divided into three categories:

i) Minor infraction: The act which does little or no harm or which when viewed in isolation, result in very few serious consequences, but which may become serious if they accumulate. Some of the examples of these minor infractions are: negligence, horseplay, minor violation of rules, carelessness etc.

The act which does little or no harm or which when viewed in isolation, result in very few serious consequences, but which may become serious if they accumulate.

These are acts, which substantially interfere with the orderly operations of an organization, which damage morale, or which are so serious that they are apparent to any reasonable person; or act which, are an accumulation of minor offences.

ii) Major infractions: These are acts, which substantially interfere with the orderly operations of an organization, which damage morale, or which are so serious that they are apparent to any reasonable person; or act which, are an accumulation of minor offences. Most of these manor violations centre round refusal to carry out orders, laying, cheating, stealing or violating safety rules etc..

iii) Intolerable offences: These are offences of such illegal and drastic nature that they severely strain or endanger employment relationships and are full of threat and menace to most people. These offences arise out of the possession of, and the threat to use weapons; the use of hard drugs on the job; theft or fighting which results in serious harm to others etc.

Intolerable offences are offences of such illegal and drastic nature that they severely strain or endanger employment relationships and are full of threat and menace to most people.

In this respect, French (1997: 188), and Mamoria (1987:854-857) have listed some grounds for disciplinary action/ misconduct that are as follows:

Dishonesty, deception, or fraud, including computer fraud	Repeated tardiness
Unexcused absence	Excessive absence
Leaving work without permission	Alcohol or drug abuse
Possession of liquor or illegal drugs	Theft of property, including trade secrets
Sleeping on the job	Failure to report injuries
Failure to meet quality or quantity standards	Safety –rule violation
Use of abusive or threatening language	Discourtesy to customers
Willful damage to material or property	Fighting
Horseplay	Gambling
Insubordination	Carrying concealed weapon
Sexual harassment	Age, racial, or national origin harassment
Working for a competitor	Violation of grooming or dress code.
Lack of qualifications (Dessler,2000:601)	Unsatisfactory performance (Dessler,2000:601)
Changed requirements of the job(Dessler,2000:601)	

Discussion questions

1. What is discipline?
2. What the various dimensions of discipline?
3. Discuss the philosophies of disciplining employees.
4. State types of discipline.
5. Discuss various approaches of disciplinary actions.
6. Describe different types of disciplinary problems.

Case-1: Akram's Status

Mr. Akram Hossain was appointed as Assistant Manager (Human Resource) in Ahmed Hosiery Mill Limited. There is no mention of a period of probation in his appointment letter. After one year of satisfactory service, he applied for making his job permanent putting all his papers to the authority. But he did not get any reply from General Manager (HR) for a long time, and then he made an appeal to the Managing Director. This was treated as insubordination by the GM (HR) and openly refuted him. Mr. Akram then made a petition against the GM (HR) to the MD claiming a remedy with the plea that his dignity has been robbed.

Discussion questions

1. Do you agree with Mr. Akram's claim? Justify your view with arguments.
2. What would be fair for the administration about Akram's first application?
3. Has Akram done any insubordination? Explain your view.

Lesson-2: Disciplining Employee

Learning Objectives

After studying this lesson, you would be able to

- State the acts that are considered as indiciplinary acts in Bangladesh.
- Describe the reasons for the indiscipline.
- Discuss the ingredients of a sound disciplinary system.
- Explain the principles of disciplining employees.
- State the procedures of disciplinary actions.
- State the legal procedures of taking disciplinary action in Bangladesh.
- Discuss different punishments that are suggested to take for conviction and misconduct of employees.

Indiciplinary Acts in Bangladesh

The Bangladesh Labour Code 2006 has prescribed a list of acts and omissions that shall be treated as misconduct in its Section 23 that mentions the following acts shall be treated as misconduct:

a) Willful insubordination or disobedience, whether alone or in combination with others, to any lawful or reasonable order of the superior;

b) theft, fraud or dishonesty in connection with the employer's business or property;

c) taking or giving bribes in connection with his or any other worker's employment under the employer;

d) habitual absence without leave or absence without leave for more than ten days;

e) habitual late attendance;

f) habitual breach of any law or rule or regulation applicable to the establishment;

g) riotous or disorderly behaviour in the establishment or any act subversive of discipline;

h) habitual negligence of work;

i) habitual brfeach of any rule regarding service, discipline or conduct approved by the Chief Inspector;

j) altering , forging illegally tampering , damaging or causing loss to official records of the employer.

Reasons for the Indiscipline

Discipline is the result of a training of body and mind by which a person subjects him to someone's authority for his own development and advantage. In order to understand the causes of indiscipline and consequent friction in an establishment or factory, the whole problem needs to be analysed not only in terms of specific individuals or groups, but also in terms of the actual situation and the underlying motives behind an act of indiscipline. Mamoria (1987) observes that this is rooted into the violation of the rights of the individual, non-performance of the obligation by the employers and the employees. The main causes of indiscipline may include the following:

Indiscipline is rooted into the violation of the rights of the individual, non-performance of the obligation by the employers and the employees.

1. Non- placement of the right person on the right job which is suitable for his qualifications, experience and training;
2. Undesirable behaviour of senior officials, who may have set a pattern of behaviour which they expect their subordinates to follow; but their expectations are often belied, and an infringement of rules follows;
3. Faulty evaluations of persons and situations by executives leads to favouritism, which generates undisciplined behaviour;
4. Lack of upward communication, as a result of which the thoughts, feelings and reactions of employees cannot be conveyed to the top management. This may lead to aggressive or rebellious behaviour;
5. Leadership which is weak, flexible, incompetent, and distrustful of subordinates is often an instrument which h makes for the creation of indiscipline among the employees, particularly when a decision is taken in haste and withdrawn under pressure;
6. Defective supervision and an absence of good supervisors who know good techniques, who are in a position to appreciate critically the efforts or their subordinates, who can listen patiently to them, who are capable of giving definite and specific instructions, and who believe in correcting their men rather than in uprooting them;
7. Lack of properly drawn rules and regulations, or the existence of rules and regulations which are so impracticable that they cannot be observed ; and the absence of service manuals and a code of behaviour;
8. The “divide and rule” policy of the management, as a result of which friction and misunderstanding are created among the employees which destroy their team spirit;
9. Illiteracy and the low intellectual level of workers as well as their social background; for example, there may be indebtedness, drinking habits, casteism and other social evils from which an employee may suffer;
10. Workers’ reactions to the rigidity and multiplicity of rules and their improper interpretation;
11. Workers” personal problems, their fears, apprehensions, hopes and aspirations; and their lack of confidence in, and their inability to adjust with, their superiors and equals;
12. Intolerably bad working conditions;
13. Inborn tendencies to flout rules;
14. Absence of enlightened, sympathetic and scientific management;
15. Errors of judgment on the part of the supervisor or the top management;

16. Discrimination based on caste, colour, creed, sex, language, and place in matters of selection, promotion, transfer, placement, and discrimination in imposing penalties and handing out rewards;
17. Undesirable management practices, policies and activities aiming at the control of workers; e.g., employment of spies, undue harassment of workers with a view to creating a fear complex among them, and the autocratic attitude of supervisors towards their subordinates;
18. Improper coordination, delegation of authority and fixing of responsibility; and
19. Psychological and sociological reasons, including misunderstanding, rivalry an distrust among workers and supervisors, an absence of fellow-feeling, a widespread sense of injustice, or apathy on the part of the management.

Disciplinary policy and rules should be formulated with the opinions of all stakeholders in a clearly understandable language and should be communicated to the employees well ahead.

Ingredients of a Sound Disciplinary System

A sound disciplinary system should have the following **ingredients**:

1. ***Disciplinary policy and rules formulation and declaration:*** Disciplinary rules and regulations are to be followed by the employees. They are to behave in a responsible manner. Therefore, it should be formulated by taking all parties and their opinion into consideration. The rules should be framed in a clearly understandable language. The policy should be communicated to the employees well ahead so that they can understand the codes to be followed and refrain themselves from doing inconsistent actions. So, the employee should be adequately warned of the consequences of his or her alleged misconduct (Dessler 2000:597).

The responsibility for maintaining discipline should be entrusted to a responsible person.

2. ***Location of responsibility:*** The responsibility for maintaining discipline should be entrusted to a responsible person e.g. a line executive, though it is the human resource officer who should be entrusted with the responsibility of offering advice and assistance. One thing should be kept in mind that the burden of proof of misconduct is on you.

Disciplinary rules should be practicable in normal working conditions for an average employee.

3. ***Reasonable and legitimate rules and regulation:*** Disciplinary rules should be practicable in normal working conditions for an average employee. The standards should be attainable and within the capacity of the employee to follow. Employees tend to lose respect for rules that either seem illogical and out of date or are not enforceable. There shall be no rule contrary to the law of the country and to the international laws. Therefore, the rule that allegedly was violated should be reasonably related to the efficient and safe operation of the particular work environment (Dessler 2000:597).

It should be applied with out any bias to everybody irrespective of his/her position and identity

4. ***Impersonality of action:*** It should be applied with out any bias to everybody irrespective of his/her position and identity. All defaulters should be treated alike, depending on the nature of their offence. Therefore, the applicable rules, orders, or penalties should be applied evenhandedly and without discrimination (Dessler 2000:597).
5. ***Consistency of action:*** Disciplinary actions should be consistent and there shall on inconsistency between actions. The discipline should be in line with the way management usually responds to similar incidents

(Dessler 2000:597). It will jeopardize the purpose the code and encourage employees to violate.

Disciplinary actions should be consistent and there shall on inconsistency between actions.

6. ***Privacy of action:*** Disciplinary action, if taken in the presence of others, may offend the sense of dignity of the employee and impair his social standing with his colleagues. So, "Do not rob your subordinate of his or her dignity"(Dessler 2000:597)

Disciplinary actions should be taken in private. .

7. ***Promptness of the action:*** Justice delayed is justice denied. If the penalty is imposed long after a violation of rules had been committed, it loses its positive and corrective influence, and may even induce resentment, which may not have developed if the penalty had been imposed in time. Care should, therefore, be exercise to ensure that a penalty is imposed soon after an infringement of a rule has occurred, and that the punishment is not unfair.

Penalty should be imposed soon after an infringement of a rule has occurred,

8. ***Innocence is presumed:*** An individual is presumed to be innocent until he is proven to be guilty. It is for the management to prove beyond a reasonable doubt that a violation or an offence has been committed before any punishment is awarded.

An individual is presumed to be innocent until he is proven to be guilty.

9. ***Get sufficient evidence:*** Anfuso (February 1994:50-59) observes that the arbitrators dismissed disciplinary charges against employees on the ground that " the evidence was not persuasive against the employee". Thus, Dessler (2000:597) suggests, " make sure the evidence supports the charge of employee wrongdoing". So, management must adequately investigate the matter through fair and objective manner before administering discipline. The investigation should produce substantial evidence of misconduct (Dessler 2000:597).

Substantial evidence of misconduct should be produced .

10. ***Action should be taken in cool atmosphere:*** "Don't act while angry" (Dessler 2000: 597) is a desired guideline when one takes disciplinary action. The employee under investigation should be told specifically what and how he is violating a diplomacy rule. A rational and sensible judgment could not be taken while someone is angry.

Don't act while angry, be rational and sensible.

11. ***Natural justice:*** Studies shows that "arbitrators normally reverse discharges and suspensions that are imposed in a manner that violate basic notions of fairness or employee due process procedures"(Bohlander 1994: 76-76). Anfuso (1994) opines that typically due process and procedural errors committed by employees include failing to follow established progressive discipline procedures, denying the employees an opportunity to tell his or her side of the story, lacking probable cause to discipline the employee; and not providing the employee a formal charge of wrongdoing.

Give the accused employees an opportunity to tell his or her side of the story.

12. ***Treat the disciplined subordinate in a normal manner:*** Once an employee is disciplined, he should be treated with a clean state as if there had been no violation and punishment.

13. ***Don't back down when you are right:*** Never back out from your announced action if you are right. It will make the rules and penalties weak and frivolous.

Never back out from your announced action if you are right.

14. ***Opportunity for self-defence:*** The employee should be given opportunity to defend himself with his point of evidence and logic. He is to be provided sufficient time for it.

15. ***Respect for the human personality:*** The management should state the charge against the employee and should constitute the enquiry body with due respect to his personality and status. It should be done in such a manner so that it would not humiliate him in any way.

16. ***Involvement of employee:*** Employees, by their union or by representative, should be involved in framing disciplinary rules and regulations. This participation would promote employees' commitment and allegiance to the code of conduct.

17. ***Follow corrective discipline:*** Disciplinary action should be treated as a corrective and constructive way and be handled in a positive manner. It would bring the employee home.

18. ***Get the facts:*** Don't base your decision on hearsay evidence or on your general impression.

Principles of Disciplining Employees

Disciplinary measures have serious repercussion on employees; they should, therefore, be based on certain **principles** so that they may be fair, just and acceptable to employees and their unions and associations. Yoder et.al. (1978: 14-61) have prescribed the following principles in this regard:

1. **Principle of Correction**: Disciplinary proceedings and punishment should be seen as the " means of an end" and not an "end by itself". In other words, it must not be thought of as a punitive action. The intention should be to correct the mis-doer or the behaviour of the employee.

2. **Principle of Progressive actions and Punishments**: Every action must be progressed through a series of sequential steps, so that punishment awarded in each step increases in steps of severity. For example, first offence may lead to an oral warning which is followed by a written one. Later, repetitive of offence may lead to suspension or some such punitive actions like fines or loss of seniority or increment. If the employee continue to flout rules and regulations it might then lead to dismissal or some such harsh punishment.

3. **Principle of Natural Justice:** Natural justice is a universal code that states that every accused is innocent and must be given all opportunities to defend himself beyond any doubt. So, the disciplinary action procedure should be designed and followed in such a way so that it is just, fair, legal and reasonable from every point o f assessment.

4. **Principle of Hot-stove:** McGregor (1960) has proposed this rule of handling undisciplined employees. It is derived from the characteristics of hot-stove: immediate response, adequate warning, consistent and impersonal. The disciplinary action should be like the behaviour of hot-stove which will make a just and fair disciplinary environment in the organization.

5. **Principle of Collaboration**: Disciplinary rules should be framed in collaboration or cooperation with the representatives of the employees.

Their opinion and acceptance are vital for its implementation and effectiveness.

6. **Principle of Appeal**: There should be definite and precise provisions for appeal or review of all disciplinary actions should be expressly mentioned in the employees' handbook.

Procedures of Disciplinary Actions

There is no specific standardized procedure for taking disciplinary action, which is universally acceptable. But it is expected that any code of disciplinary action should contain the above-mentioned principles. Lest we forget that the disciplinary action is a quasi-judicial process. It is very essential that meticulous care is taken to follow a systematic procedure. The generally accepted procedures are as follows :

1. **Statement of Problems**: The charges of misconduct or indiscipline against an employee must be clearly stated. The allegation should be recorded in writing against employee. It is popularly known as framing charge sheet. The employee shall be given a reasonable time for giving explanation.
2. **Consideration of explanation:** The through examination of the explanation may lead to either of the following action: (a) In case the accused pleaded guilty, further enquiry can be dispensed with and the management can proceed in awarding punishment.(b) If management is satisfied with the explanation, further action against the accused can be cancelled and the charges quashed; and (c) If management is not satisfied with the explanation, or if he contest the charges by pleading not guilty, a formal enquiry is ordered.
3. **Issue of show cause notice by the disciplinary authority/ committee.** The accused is issued a **show cause notice** giving minimum three days time to explain further his point of view.
4. **Notice of holding enquiry :** A notice is given/served to the accused employee giving time, date and venue/place together with the name of the enquiry officer wherein such an enquiry will be convened and the accused is given personal hearing, if such a prayer is made. The enquiry officer must not be one who has issued the charge-sheet because it is a principle of natural justice that a person is disqualified to act as a judge if he is a party to the dispute.
5. **Enquiry Proceedings:** The enquiry officer will conduct the enquiry on the preset time, date and place in the presence of the charged –sheeted workman. At the commencement of the enquiry, the enquiry officer should explain the charge sheet to the accused workman. If the accused workman pleads not guilty the enquiry should be preceded. If he pleads guilty in writing, the enquiry need not be preceded. The accused is given full opportunity to cross-examine witnesses and documents produced by the management. He is allowed to bring his own documentary evidences and witnesses. The enquiry officer takes down the proceedings properly and records them. The enquiry must be fair and

accused is given reasonable opportunity to defend himself. The enquiry officer must submit his report stating charges that are substantiated by the evidences and those which are not. He may then recommend the nature of action to be taken.

6. **Decision:** Management will take necessary action with or without considering the recommendations made by the enquiry officer but that deemed fit in the case. A due consideration is given to the previous records of the accused. Punishments should be given in accordance with the standing orders. The order of punishment should be served to the accused workman on due process. The management may repeal the punishment too. By and large penalties and punishments can be divided under the following categories: oral warning , written warning , suspension ,demotion , fines/pay cuts, discharge or dismissal , withdrawal of increment , suspension of increments , adverse remarks on the service book ,censure or simple reprimand. The punishment should be appropriate to the gravity of the offence. It should be such as would prevent a recurrence of the offence.

7. **Follow up :** A disciplinary action should be evaluated in terms of its effectiveness after it has been taken. It is necessary to keep vigil to know the effect upon the punished employee.

Legal Procedures in Bangladesh

In Bangladesh, the Employment of Labour (Standing) Order Act 1965 has specified a procedure of punishment against any employees in Section 18 which is mandatory for all organizations of follow while taking disciplinary actions. However, the Bangladesh Labour Code 2006 in its Sec. 24 has prescribed a procedure to take disciplinary action for conviction and misconduct (procedure for punishment) as follows:

1. No order of punishment can be given against a worker unless -

a) the allegation against him is brought in writing;

b) he is given a copy thereof and not less than 7 (seven) days time to explain;

c) he is given an opportunity of being heard;

d) he is decided to be guilty after enquiry;

e) the employer or the manger approves of the order of dismissal;

2. A worker charged for misconduct may be suspended pending enquiry into the charges against him and unless the matter is pending before any court, the total period of such suspension shall not be more than sixty days; provided that during the period of such suspenstion, a worker shall be paid by his employer a subsistence allowance equivalent to half of his average wages, dearness allowance and ad-hoc or interim wages , if any.

3. Any order of suspension shall be in writing and shall take effect instantaneously on delivery to the worker.

4. Any person employed in his establishment or nominated by him shall be able to help the worker found guilty on enquiry.

5. Any person against whom oral evidence is adduced by any party shall be entitled to cross-examine that party.

6. If on enquiry, a worker is found guilty and punishment is inflicted upon him under section 23(1) , he will not get any wage for the period of suspension, but he shall get subsistence allowance for that period.

7. If the worker is found not guilty, he shall be deemed to have been on duty for the period of suspension and shall get wages for that period and the subsistence allowance shall be adjusted accordingly.

8. In cases of punishment, a copy of the order of punishment shall be served upon the worker concerned.

9. If a worker refuses to accept any notice, letter, charge –sheet, order or any other document addressed to him by the employer, it shall be deemed to have been served upon him if a copy thereof has been exhibited on the notice board and another copy has been transmitted to the address of the worker availed of from the records of the employer by registered post.

10. In awarding punishment, the employer shall take into account the previous records of the worker, gravity of the offence or any other extenuating circumstances that may exist.

Punishment for Conviction and Misconduct

Section 23 of the Bangladesh Labour Code 2006 mentions that 1) Notwithstanding anything regarding layoff, retrenchment, discharge and termination of service provided elsewhere in this Act , a worker may be dismissed without notice or pay in lieu thereof , if (a) he is convicted for any criminal offence; or (b) he is found guilty of misconduct under Section -24.

2) A worker instead of being dismissed for becoming guilty of misconduct under sub-section (1) may be , under extenuating circumstances, given any of the following punishment , such as :-

a) termination;

b) demotion to lower post, grade or pay-scale for not more thatn one year;

c) holding up of promotion for one year;

d) holding up of increment of wages for one year;

e) fine;

f) suspension for not more than one week without wages for without subsistence allowance;

g) censure and warning.

3) The employer shall pay as compensation fourteen days wages or gratuity , which is higher, if payable, to a worker dismissed under sub-section (1) or retrenched under sub-section 2(a) if the length of his continuous service is minimum one year; provided that a worker dismissed under sub-section 4(b) for misconduct shall not be entitled to any compensation

Discussion questions

1. State the acts that are considered as indiciplinary acts in Bangladesh.
2. Describe the reasons for the indiscipline.
3. Discuss the ingredients of a sound disciplinary system.
4. Explain the principles of disciplining employees.
5. State the procedures of disciplinary actions.
6. State the legal procedures of taking disciplinary action in Bangladesh.
7. Discuss different punishments that are suggested to take for conviction and misconduct of employees.

Case-2: Karim's Termination

Abdul Karim is a production clerk in the Factory of Jamuna Textile Mills. He took a casual leave of 4 days and was absent in the office beyond his period of permitted leave. The Manager (Human Resource) has found that he is of that nature so far his record shows. So, he terminated his job on the ground that he is by nature an absentee. Karim applied to the manager for changing the decision as it is not lawful, but manager did not give any answer. Karim filed a law suit against his termination on the ground that the termination was unlawful as per provisions of the Bangladesh Labour Law 2006.

Discussion questions

1. What is the nature of the ground of termination?
2. What legal steps the Manager had to follow in your opinion to terminate Karim?

PERFORMANCE APPRAISAL

10

Performance appraisal is an integral part of every organisation. It helps an organisation achieve its goals by developing productive employees through measuring the degree of success that individual employee has in reaching their individual goals. Therefore, performance appraisal is a critical part of human resource management (HRM).

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Lesson-1: Performance Appraisal

Learning Objectives

After studying this lesson, you will be able to -

- Define performance appraisal.
- Understand the goals of performance appraisal.
- Discuss various uses of performance appraisal results.
- State the performance appraisal process.
- Determine who could be raters.
- Say how performance criteria are set.
- State the qualities of effective performance criteria.

Definition

Performance appraisal is concerned with determining how well employees are doing their job, communicating that information to employees, agreeing on new objectives and establishing a plan for performance improvement. – Raymond J. Stone (2008:291).

Performance appraisal is a process of evaluating an employee's job performance.- William Werther and Keith Davis (1996: 341). Milkovich and Boudreau, 1997: 100).

Performance appraisal is a formal, systematic assessment of how well employees are performing their jobs in relation to established standards and the communication of that assessment to employees. – Wendell French (1997:331).

Thus, performance appraisal is a process of estimating or judging the value, excellence, qualities or status of person. There are many terminologies used to denote performance appraisal: merit rating, employee evaluation, personnel review, performance evaluation, personnel appraisal, staff assessment, behavioural assessment, service rating etc. Some experts use them interchangeably, while others interpret some of these phrases differently. However, the term performance appraisal/evaluation is most widely used.

An effective performance appraisal system should have a precise definition of excellent performance, mechanism to measure performance of employees and to provide feedback to employees about their performance (Dessler 200: 342, Ivancevich 2001: 213). It is important to integrate employee performance with organisational performance goals to achieve strategic and competitive advantage. Most experts believe that a firms' strategy must be aligned with employees' competencies and performance if profitability, growth, effectiveness and valuation are to be achieved (Kay, 199: 2-4). Performance appraisal system defines, measures, monitors, and gives feedback to management and to the employees that help establish congruency with short- term and long-term survival of the organisation.

Goals of Performance Appraisal

Beer (1985: 315) has grouped the various purposes of performance appraisal into two broad categories:

Evaluation goals

Performance appraisal is aimed at giving feedback to employees, developing valid data for pay and promotion decisions and providing a means for communicating these decisions, and helping the managers make retention and discharge decision; and coaching. The evaluated employee will know where he/she stands in the eye of the organization and its standards, and, his/her deficient areas. This requires communicating clear, specific expectations and giving both positive and negative feedback are essential parts of the performance appraisal process (Tyler,1997:29 ; Thornber and Kelly,2000:29).

Development goals

Performance appraisal is done for counseling and coaching employees in order to improve their performance and develop future potential, developing commitment to the organization, motivating employee through recognition and support, strengthening superior-sub-ordinate relations, and diagnosing individual and organizational problems. The performance appraisal information would constitute the base for all decisions relating to the employee development actions.

Rewarding goals

Performance appraisal report will show the level of performance of individual employee in his/her job. Employees who have contributed most to the achievement of organizational goals , out-performed the target, earned good and sustainable business, exhibited exceptional and innovative talents etc information will help organization to take decision about rewarding employees to maintain their performance and to encourage them to go forward with their innovative and creative performances. Performance appraisal is the only basic instrument by which organization can take such decision.

Uses of Performance Appraisal

Werther and Davis (1996 :342) describe a long-list of uses of performance appraisal (box below) without making any category but include organisational, group and individual dimensions of its application.

Uses of performance appraisal

Performance improvement. Performance feedback allows the employees, the managers, and personnel specialists to intervene with appropriate actions to improve.

Compensation adjustments. Performance evaluations help decision makers determine who should receive pay raises. Many firms grant part or all of their pay increases and bonuses on the basis of merit, which is determined mostly through performance appraisals.

Placement decisions. Promotions, transfer, and demotions are usually based on past or anticipated performance. Often promotions are a reward for past performance.

Training and development needs. Poor performance may indicate a need for retraining. Likewise, good performance may indicate untapped potential that should be developed.

Career planning and development. Performance feedback guides career decisions about specific career paths one should investigate.

Staffing process deficiencies. Good or bad performance implies strengths or weaknesses in the personnel department's staffing procedures.

Informational inaccuracies. Poor performance may indicate errors in job analysis information, human resource plans, or parts of the personnel management information system. Reliance on inaccurate information may have led to inappropriate hiring, training, or counseling decisions.

Job-design errors. Poor performance may be a symptom of ill-conceived job designs. Appraisal help diagnose these errors.

Equal employment opportunity. Accurate performance appraisals that actually measure job-relate performance ensure that internal placement decisions are not discriminatory.

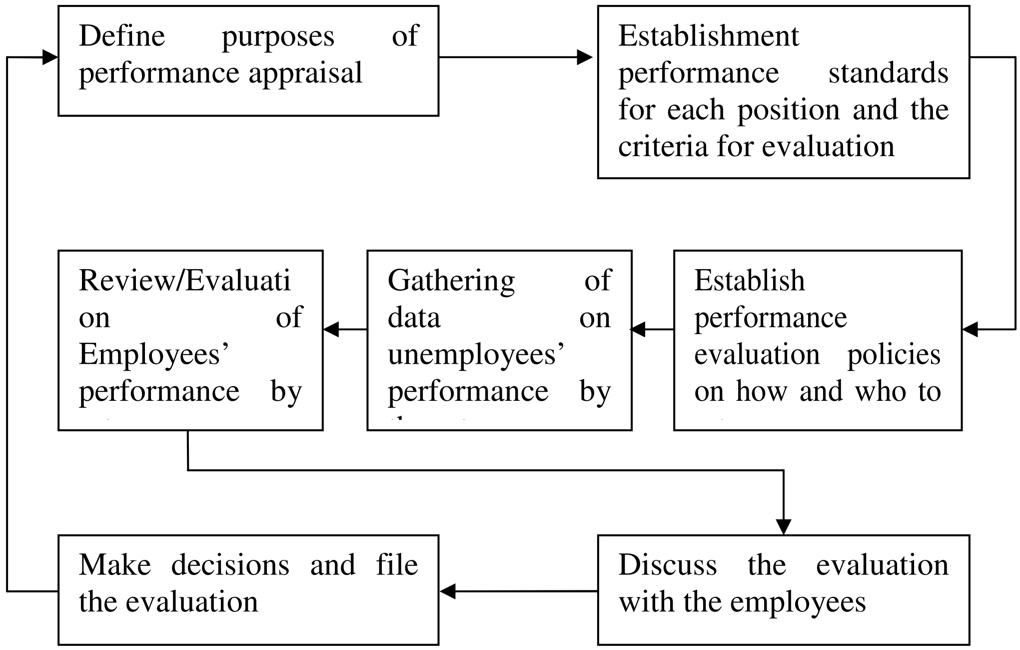
External challenges. Sometimes performance is influenced by factors outside the work environment, such as family, financial, health, or other personal matters. If these factors are uncovered through appraisals, the human resource department may be able to provide assistance.

Feedback to human resources. Good or bad performance throughout the organization indicates how well the human resource function is performing.

Ivancenvich (2001: 246) points out the potential contributions of a well-designed formal evaluation system in the field of developing manpower and human relations, motivating employees, planning human resource and employment, communicating job related matters to employees, maintaining legal compliance and researching HRM. Torrington and Weightman (1989) suggest that from the individual's point of view appraisal may be seen as a time when they can gain feedback on their performance, reassurance, praise, encouragement, help in performing better and some guidance on future career possibilities. This implies that HR managers need to think more carefully about the primary purpose of their appraisal system and make sure that procedures, training, and individual expectations of the system are not in conflict (Torrington and Hall 1995: 320).

Steps in Performance Appraisal

The purposes of the performance appraisal are best achieved if the system generates accurate and reliable data and this would only be achieved when a systematic process of performance appraisal is designed, executed and faithfully followed. With little variations, experts have suggested the following steps in its designing and implementing (Ivancevich 2001: 249, Torrington and Hall 1995: 329; French 1997: 336-338, and Dessler 2000: 313):



Performance Appraisal Process/ System

1. Define purpose. The human resource management should set clearly and in unambiguous terms, the purposes of performance appraisal. Why one will do performance appraisal of employees' performance should be clearly stated so that the people who will do it, get clear understanding and direction. Ensure that objectives should have consistency with the organizational objectives and culture. Both managers and employees shall perceive the system as being fair it its design and application. This will make performance appraisal efficient and effective.

2. Performance criteria: Performance appraisal needs information about the standards of each job position and requires dependable performance measures for rating the performance. To be helpful, they must be easy to use, be reliable and report on the critical behaviours that defer from desired performances. Dependable measurers also allow others to reach the same conclusion about performance adding to the reliability of the performance system. Performance measures also may be objective or subjective (Werther and Davis, 1996: 346). Objective performance measures are indications of job performance that are verifiable by others and are usually quantitative. Subjective performance measures are ratings that are based on the personal standards or opinions of those doing the evaluation and are not verifiable by others. These measures are qualitative, and indirect and thus less accurate. Human resources specialists always prefer objective and direct measures of performance (Bernardin 1989: 239-250).

Performance criteria selection is a very critical aspect of the process. It may include quality of work, quantity of work, cost of work, behaviour of the incumbent or a measure of personality. Ensure that the performance criteria would be clear, job-related, fair and as objective as possible. Whatever the criteria, it should have the quality of reliability, relevance, sensitivity, and practicality (Ivancevich 2001: 249, French 1997).

3. Establish performance policies. At this stage of performance appraisal, the human resource manager will set policies regarding who will evaluate performance of employees; how and when they will do it; what will be its design, structure and contents; how it information will be processed; what shall be associated rewards and punishments etc . Policies will reduce operational problems and will ensure desired success of the program.

4. Gathering information. Now, the raters will collect performance information of the employees. This may be collected from the personal record of the respective employee, individual experience of the rater with the employee, document events that are successfully done by that employee, and other available means. Either of the way, the rater should collect all relevant information about the performance of the employee; otherwise, evaluation will be incomplete and partial. The collected data will be synchronized systematically for each count so that an end conclusion can be taken from it.

5. Review of performance. The rater will evaluate and judge performance of the employee to know how better the performance of the employee in terms of organizational performance standards. It needs rater's thorough knowledge of the job, crystal clear idea about the definition and grade/scale of measure of each criterion, strong neutral mind-set, faithful to purpose and committed to give a fair judgement.

6. Discussion with employee. It is expected that performance appraisal should be fair and free from all kinds of bias. We know that judgement of every person is influenced by his/her own perception, interpretation of facts, and partial view of the employee's performance. In order to avoid any flaw in appraisal, it needs to be verified with the respective employee. A performance interview will be held between the rater and the rate to make facts clear, remove wrong perception, insufficiency of facts and inadequate interpretation of facts etc. This will obviously improve the quality of appraisal and will ensure smooth and cordial human relations between the superior and subordinate as well as in the organisation.

7. Decision and filing. After discussion with the ratee, the rater will finalise his/her appraisal. Final form of appraisal may be changed from it earlier form, or may be the same. Whatever it is, the final score will be set at this stage and that will be put into the personal file of the employee for future reference.

Who will do Performance Appraisal?

Establishment of performance evaluation policies will deal first with selecting person/persons to evaluate employee performance. Variety of people may appraise individual performance. They include:

Immediate Supervisor (line manager) Appraisal Appraisals by the employee's immediate supervisor are the most common (French 1997: 337, Torrington and Hall, 1995: 320). Immediate supervisor of the employee evaluates the performance of his subordinates on the basis of his/her observation over a stipulated period which is generally one year. Here, the performance appraisal form is filled in and comments are noted in the form by the supervisor on his /her judgement and measure about the criteria of assessment mentioned in the appraisal form. Ivancevich (2001: 250) and Dessler (2000:366) opine that this system is relatively easy and makes a great deal of sense.

Peer Appraisal

Peer or co-worker of an employee appraises the performance of his/her colleagues by filling up and making comments on the criteria mentioned in the appraisal form. Colleagues work together and associated with both formal and informal manner very closely. Thus, they have very clear knowledge about the performance, behaviour, shortcomings, personal traits, beliefs, values, norms and potentials of other co-workers. Therefore, peer appraisal is considered as acceptable, reliable and valid and has the advantage of a more comprehensive view of the appraiser's job performance (Latham and wexly, 1981). It is found very useful in predicting candidates for promotion (Karant, 1975, Mount 1984: 687- 702, Barclay and Harland, 1995: 39-60). Saavedra and Kwun (1993: 450-462) commented that this approach may be useful when the tasks of the work unit require frequent working contact among peers. The only potential problem of peer appraisal is logrolling i.e. all the peers simply get together to rate each other high (Dessler, 2000:360). Researches (Ramsay and Lehto, 1994:34-41; McGee-Wanguri ,1994:273-74) found that effective peer appraisal require a high level of trust among team members, a non-competitive reward system and frequent opportunities for colleagues to observe each other’s performance .

Self Appraisal

Self-evaluation or appraisal is a system where employee evaluates herself/himself with the techniques used by other evaluators (Ivancevich, 2001: 251). This is particularly so in organizations that aim to promote a less authoritarian culture and encourage employee participation and self-development (Stone, 2008:302) . Will individuals rate themselves fairly? This question gives shade on the rightness of the appraisal method. Fletcher (1993) argued that there is little doubt that people are capable of rating themselves, but question is whether they are willing to do this. Meyer (1980) reported that when employees were asked to compare themselves with others they tended to overrate themselves. Therefore, this approach seems to be used more often for developmental aspects of performance evaluation (French, 1997, Kirkpatrick, 1985: 52-56 Ivancevich, 2001: 251). It is also used to evaluate an employee who works in physical isolation (Ivancevich, 2001: 251). Self -appraisal is relatively new and not heavily used at present. It has often been met with skepticism by organizations because the self-interests of the employee could outweigh an objective evaluation (Yu and Murphy, 1993: 357-363).

Self assessment is not easy. A neutral, critical, evaluative, and logical mind is required to appraise one’s own performance. People may be bias to himself or herself. They may not see many of their loopholes as well as many of their good deeds and potentials too. So, this appraisal may not give the desired and accurate result but still it has got reliability and rightness as people cannot make much favour or disfavour to themselves.

Research (Baruch,1996:50-65) indicates that self-evaluation produces : (a) more satisfying and constructive performance review discussions; (b) less defensiveness among employees regarding the appraisal process; and improved job performance through greater commitment to organizational goals.

Yammarino and Atwater (1997:35-44) found that Self evaluations are probably best used for self-development and the identification of training needs.

Committee Appraisal

Group/ committee appraisal is made by a group of supervisors who have a close contact with the employees. A committee is constituted with supervisors from different departments/units of work in which the concerned employee /employees worked. This committee appraises the performance of the employee by mentioning their comments and filling appropriate places in the appraisal form. This type of appraisal tends to be all inclusive and reliable as collective and neutral judgement is used to assess the performance. This approach has the advantage of off-setting bias on the part of a superior and adding additional information to the evaluation (Pray, 1987:67-72, Ivancevich 2001: 251).

Subordinate Appraisal

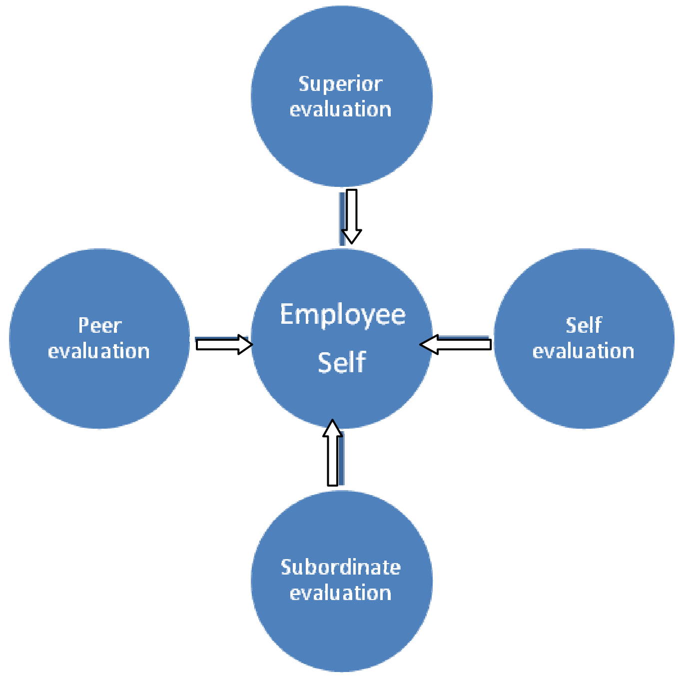
Subordinates of an employee give their assessment about the performance of their superior. It is an upward appraisal. It is not widely used like peer appraisal. The justification is that subordinates are in excellent position to appraise a manager's leadership skills and ongoing performance. Subordinate evaluations are therefore a powerful indicator of how well the organization's managers are perceived to be managing others (Stone, 2008:303). This appraisal is especially valuable for developmental rather than evaluative purposes (London and Wohlers, 1991: 375-390). Its use is restricted to people-oriented issues that are less easily observed aspects of the manager's performance (Grote, 2000:21). Redman and Snaple (1992: 32-46) argued that asking for the information related to management style and people management skills from subordinates facilitates empowerment. Organisations using total quality management and seeking continuous improvement increasingly employ this technique to evaluate managers' performance (Leidecker and DiMacro, 1996 :209).

Customer Appraisal

In this method, customers are involved in appraisal process. Here, customers or clientele who frequently interact with the employee for having service from the organization are given the appraisal form to fill in and to give comments on their own perception, understanding and judgement about the quality of the performance of the employee. It is regarded as useful source of appraisal information. Customer may be from internal and external sources. This appraisal is a costly and less reliable because outsiders do not have much data as evaluators in any other approaches.

360-degree Performance Appraisal

It uses multiple appraisers, including supervisors, subordinates, and peers of the target person. 360-degree appraisal is a combination of approaches i.e. peer, supervisor, and subordinate appraisal, client, and self . In some cases, it also includes self-appraisals. This is a growing appraisal system to have information about a person in full circular fashion. It gives a total picture of the performance of the employee. So, assessment would be correct and valid.



360 degree performance evaluation

Who will set performance criteria?

Performance criteria are very critical part of the appraisal system. They must be relevant, measurable, well understood, easy to understand, unambiguous, and acceptable to all the concerned parties. So, human resource management gives extra care and attention in setting such criteria. Performance criteria may be set by various ways, but it is better to use multiple sources to select the criteria. The sources may be the following:

(a) The owner or owner manager or manager through a careful analysis and thoughtful exercise of their judgement.

(b) A committee of experts may be engaged to set the criteria for evaluation.

(c) An outside consultant may be engaged to develop standards for the performance measures.

(d) Others' criteria can be used as our criteria for evaluation What others' in the same field of operations are using could be employed as the measure of performance i.e. adopt local or indigenous practices.

(e) Performance criteria developed by intuition of the evaluator, no standard performance measures are set.

Qualities of Effective Performance Criteria

The dimension of performance upon which an employee is evaluated is called the criteria of evaluation. The correctness of the performance appraisal many extent depends on the characteristics of criteria set for the evaluation. Cascio (1991:64-65) has prescribed characteristics of effective performance criteria:

1. Reliability – A measure of performance must be consistent. Perhaps the most important type of consistency for a performance measure is inter-rater reliability.

If different raters view the same worker, they should arrive at similar conclusions about the quality of that worker's output.

2. Relevance – A measure of performance must be related to the actual output of an incumbent as logically as possible.

3. Sensitivity – Any criteria must be able to reflect the difference between high and low performers. That is, high and low performers must receive criterion scores that accurately represent the difference in their performance.

4. Practicality- The criteria must be measurable, and data collection cannot be inefficient or too disruptive.

Most studies indicate that multiple criteria are necessary to measure performance completely (Ivancevich, 2001:249). The choice of criteria is not an easy process. One must be careful to evaluate both activities and results. A combination of criteria using results and activities is desirable.

Discussion questions

1. Define performance appraisal.
2. What are the goals of performance appraisal?
3. Discuss various uses of performance appraisal results.
4. State the performance appraisal process.
5. Who could be different raters?
6. How do performance criteria set?
7. State the qualities of effective performance criteria.

Case-1 : What performance appraisal ?

Jamil Reza , a newly appointed graduate, is a staff development officers in the Melbourne head office of Yarra Bank. One of a team of six, lames and the other staff development officers are responsible for preparing and conducting middle-level management development and training programs.

Henry Austin is the manager. Aged 54 years and with 39 years service, Henry is somewhat of a legend in the bank. Bluff, autocratic and demanding, Henry is uncomfortable with younger, better-educated employees add their perceived lack of respect. As a result, he is quick to squelch any criticism or questioning of his decisions.

Just before lunch one day, James was shocked when Henry entered the staff development office and flicked an appraisal form onto each officer's desk. 'Read these and have the signed copies on my desk by two o'clock. Any questions? Good. And don't forget- signed and delivered by two o'clock.'

After Henry left, James turned to his colleagues and asked, 'He isn't serious, is he? This isn't a performance appraisal, it's a joke!'

Ken Yeo, a bank veteran of 30 years, smiled. 'He wasn't joking, mate. You've just had your appraisal and you had better like it because that's all you're going to get!'

Discussion questions

1. If you were James, what would you do?
2. What impact would Henry's approach have on his staff's development, job satisfaction, motivation and performance improvement?
3. lf you were the HR manager for Yarra Bank, how would you rectify this situation?

Lesson–2: Performance Appraisal

Learning Objectives

After studying this lesson, you would be able to -

- Discuss various methods of performance appraisal.
- Know the errors in performance appraisal.
- Understand the measures to overcome errors in performance appraisal?
- Say what performance interview is.
- Explain why performance interview is taken.
- Discuss various approaches of performance interview.
- Explain the guidelines to make appraisal interview successful.
- Criticize a subordinate effectively during performance interview.

Methods of Performance Appraisal

Performance appraisal is done by the use of many approaches; it depends on the nature of work to be measured and the philosophy of the management. No single technique is perfect; each has advantages and disadvantages (Levy, 1989: 76-83). The most commonly used performance appraisal methods are: 1) Graphical Rating Scale Method; (2) Paired Comparison Method; (3) Performance Check List Method: (4) Essay Appraisal Technique; (4) Critical Incident Technique; (5) Individual Ranking Method, (6) Group Ranking Method, (7) Forced Choice Rating Method; (8) Management by Objective (MBO) Method. Let us learn one by one.

1. Graphic Rating Scale Method

Graphic rating scale method is the oldest, popular and the most commonly used method of performance appraisal (Ivancevich 2001, DeCenzo and Robbins 1997, French 1997, Khanzode 1992, Dessler 2000). It is thus, also called the conventional rating method (Commings and Schwad, 1973: 70). A scale that lists a number of traits and a range of performance of each trait is printed in a form and the employee is then rated by identifying the scores that best describes his or her level of performance for each trait. The traits are related to employee characteristics and contribution. Employee characteristics include such qualities as initiative and leadership, cooperativeness, dependability, honesty, integrity, industry, attitude, enthusiasm, loyalty, creative-ability, decisiveness, analytical ability, emotional state and coordination ability. Employee contribution includes the quality and quantity of work, the responsibility assumed, specific goals achieved, attendance, leadership offered, attitude towards supervisor and association, versatility, and initiative taken. The contemporary version of the graphic rating scale is more likely to use only characteristics that are closely related to actual job performance and to exclude such characteristic that are closely related to actual job performance and to exclude such characteristics that are closely related to actual job performance and to exclude such characteristics as 'loyalty.' (French, 1997: 346). Though these scales do not provide the depth of information, the popularity gained due to the fact that they are less time-consuming to develop and administer, they permit quantitative analysis and comparison, and there is greater standardization of items, so comparability with other individuals in diverse job categories is possible (Henderson, 1984: 175).

Specimen of Graphical Rating Scale

Phoenix Marketing Company

Performance Appraisal Form

Employee's Name : ---

Position --

Department ---

Please evaluate person on his/her performance giving tick to appropriate box:

No.	Dimensions of Quality	Excellent 5	Very good 4	Good 3	Fair 2	Poor 1
	A. Knowledge/Conceptual Skill					
3.1	Subject knowledge					
3.2	IT knowledge					
3.3	Analytical knowledge					
	B. Communication Skill					
3.4	Oral communication skill					
3.5	Written communication skill					
3.6	Presentation skill					
	C. Human relations and Leadership Skills					
3.7	Ability to work with others					
3.8	Sociable (etiquette, manner etc)					
3.10	Ability to influence others					
3.12	Self motivation					
3.13	Commitment to the job					
3.14	Adaptability /Flexibility					
3.15	Decision making capability					
3.16	Appreciation of ethical values					
3.17	Reliability /Integrity					
	D. Work /Technical Skills					
3.18	Know how to do the right job					
3.19	Time management					
3.20	Judgement					
3.23	Discipline					
3.24	Sense of responsibility					
3.25	Ability to meet challenges					

2. Paired Comparison Method

This method ranks employees by making a chart of all possible pairs of the employees for each trait and indicates the best employee of the pair. Thus, only the performance of two employees is being considered (Ivancevich, 2001: 259). The final ranking is determined by counting how many times a given employee was chosen as the better performer across all of the comparison. This method is tedious.

3. Performance Check List Method

In this method, the evaluator is presented with a list of positive or negative adjectives or descriptive behavioural statements and is asked to check off all these that apply to the employee being rated (French 1997: 346, Werther and Davis 1996: 352, DeCenzo and Robbins, 1997: 366). Originally, all items in the checklist approach are considered to be of equal value. Sophistication is made in this method with the use of weights to different items depending on each item's importance. This is called weighted checklist. This method is practical, standardized, easy to administer and economy. But the use of general statements reduces its job-relatedness, and susceptible to rater biases.

Specimen of Performance Check List

Phoenix Marketing Company

Performance Appraisal Form

Employee's Name : --

Position ---

Department ---

Please evaluate person on his/her performance giving tick to appropriate box:

Evaluation Criteria	Yes	No
Has he/she adequate subject knowledge?		
Has she/he basic IT knowledge?		
Can he/she communicate effectively?		
Can he/she convince person favourably?		
Can he/she take logical decision?		

4. Essay Appraisal technique or Method

In this method of appraisal, the appraiser is asked to write a free-form essay describing the subordinate's performance in a number of broad categories - the employee's strengths, weaknesses, past performance, potential and suggestions for improvement. Henderson (1984) adds profitability and training needs of the employee with it. Question is raised about its accuracy and relevancy (Cascio, 1991: 85) but the simplicity and flexibility are assigned quality of the method.

Specimen of Essay appraisal Form

Phoenix Marketing Company

Performance Appraisal Form

Employee's Name : ---

Position ---

Department ---

Please comment on the integrity, decision making ability, leadership capability, communication skills, and analytical capability of the person in the following space:

5. Critical Incident Method or Technique

This method requires the manager to record those occurrences or critical incidents of employee job behavior that highlight good or bad job performance. Incidents typically take the form of a story or an anecdote and are recorded as soon as possible after they occur. This technique requires the appraiser to maintain a log or record of behavioural incidents that represent either effective or ineffective performance for each employee being rated (French 1997: 346, Ivancevich, 2001: 255, Dessler 2000: 251 and Werther and Davis 1996: 352). These incidents are critical incidents. The strength of the method is that it judges behavioural performance and the weaknesses are costly and time consuming. Generally, it is used in conjuncture with other method where it provides factual records to support ratings.

6. Peer Rating Method

This method involves peers or colleagues of an employee to evaluate the performance of his/her other colleagues because they have got maximum interaction, intimacy, information and formal-informal relationships with other colleagues that makes them competent to judge his/her colleagues fairly and completely. They use their judgement and assessment to fill up the appraisal form fairly. Research (Ramsey and lehto,1994:273-274) indicates that effective peer appraisals require a high level of trust among team members , a non-competitive reward system and frequent opportunities for colleagues to observe each other's performance.

7. Individual Ranking Method

This method requires the evaluator merely to list the employees in an order from highest to lowest on some overall criterion, liked 1st, 2nd, 3rd etc. Only one can be the best, it allows no ties (DeCenzo and Robbins, 1997: 371). The method is difficult and is used less frequent (French, 1997: 346).

Specimen of Individual Ranking Method

Name	Ranking Criteria				Overall Ranking	
	Job knowledge	Quality of work	Quantity of work	Attend ance	Total	Rank
A.Karim	1	1	2	2	6	1
Zahid Hoq	5	2	3	1	11	3
Nusrat Parveen	2	4	1	3	10	2
A.Jobber	4	3	5	4	16	4
Akkas Ali	3	5	4	5	17	5

8. Group Ranking Method

This method requires the evaluator to place employees into a particular classification, such as 'top- one-fifth' or ‘Middle one-fifth". It prevents raters from inflating their evaluation. It is affected by the 'Zero-sum game' consideration.

9. Forced Choice Rating Method

This method is a special type of checklist where the rater has to choose between two or more statements, all of which may be favourable or unfavourable. The appraiser’s job is to identify which statement is most descriptive of the employee being evaluated. This method reduces rater's bias and distortion (DeCenzo and Robbins, 1997: 368). Raters do not like to be fixed by force and thus they are frustrated with the method.

Specimen of a Forced Choice Rating Method

Phoenix Marketing Company

Performance Appraisal Form

Employee’s Name : ---

Position ---

Department ---

Please give your assessment by giving tick in the appropriate box

Criteria statement	Criteria statement
1. Learns quickly	1. Works hard
2. Work is reliable	2. Performance is a good example for others .
3. Absent too often	3. Usually tardy

10. Management by Objective Method

This method requires managers to get specific measurable goals jointly set by the superior and the subordinates for a particular period and then discuss his or her progress toward these goals periodically. However, the term MBO almost always refers to a comprehensive, organization-wide goal-setting and appraisal programme that consists of six main steps: i) set the ortganisation's goals; (2) set departmental goals; (3) discuss departmental goals with departmental subordinates; (4) set individual goals for specific period; (5) review performance periodically and (6) provide feedback to the performer subordinates (Dessler, 200: 357). MBO provides an objective, performance-based method of appraisal and at the individual level, it gives individual employee greater direction and self-control, build their self-confidence, motivate them, improve their performance, further their growth and development and provide them with full knowledge of all criteria on which they will be evaluated. The primary objections against the system are time consuming, short term oriented, too much emphasis on measurable quantitative objectives, inflexibility and multiplicity of goals. MBO is most likely to be used for managerial, technical and professional employees not productive and office personnel (Cardy and Dobbins, 1994: 25-61).

It is mentioned earlier that no one method is suffice to achieve the predicted purposes of the performance appraisal. Most firms combine several appraisal techniques (Dessler 2000:357, Werther and Davis, 1996, Ivancevice 2001). Researches show a very low percentage of firms use individual method (Cardy and Dobbins, 1994: 25-61). It depends on the qualities of the raters, nature of jobs and the incumbents, leadership style of the organisation, organisational climate, and training of the appraiser etc. to determine which method is desirable for a specific situation.

11. Behaviourally Anchored Rating Scales

Behaviourally anchored rating scales (BARS) are designed to evaluate behaviour demonstrated in performing a job. It is designed by combining elements of the traditional rating scale and critical incidents method. Profiles of good and bad performance in a particular job are collected from supervisors and /or people familiar with the work. These examples are then grouped into various job dimensions such as job knowledge, customer relations and safety. Next, specific examples of job behaviour are placed on a scale, which is usually graded from on to seven. It is argued that BARS reduce bias and subjectivity because the positions along the scale are defined in terms of job behaviour (Stone, 2008:315). But, in a recent US survey, it is understood that there was not one organization using BARS (Smith, Hornsby and Shirmeyer, 1996:12).

Employment Officer		
Superior performance	7	Could be expected at all times to be developing, implementing and refining selection procedures and their own interviewing techniques to the highest professional standard.
Very good performance	6	Could be expected to have an excellent knowledge of the company, its products

		and job vacancies , and to be accurate and thorough in matching applications with jobs.
Good performance	5	Could be expected to interview in-depth , treat applicants with courtesy and respect, and inform them fully about the job, the company and its products.
Acceptable performance	4	Could be expected to talk with an applicant about the job, their interests etc., and to cover key questions regarding suitability.
Marginal performance	3	Could be expected to show little personal interst I the candidate and possess only basic knowledge about the job, the company and its products.
Poor performance	2	Could be expected to keep applicants waiting, interview haphazardly and have little or no knowledge about the job.
Unsatisfactory performance	1	Could be expected to disclose confidential information about applicants, be rude, ask questions that are not job-related and keep applicants waiting.

Specimen of Behaviourally Anchored Rating Scale.

Source : Asia Pacific Management Pty Ltd,2006 (Stone,2008:315)

12. Assessment Centres

Assessment centre is a performance appraisal technique that uses interviews, group discussions, tests, simulations, games and observations to evaluate an individual's potential. The primary purpose of an assessment centre is typically to identify promotable or high potential employees. It is rarely applied because they are costly and time-consuming.

Errors of Performance Appraisal

The performance appraisal process and techniques are expected to be employed objectively in which the evaluator is free from personal biases, prejudices, and idiosyncrasies. Objectivity here minimizes the potential capricious and dysfunctional behaviour of the evaluator, which may be detrimental to the achievement of the organizational goals. It would be naive to assume that all practicing managers could impartially interpret and standardize the performance criteria. In the other, a completely error-free performance appraisal can only be an idealized model (Henderson, 1984: 1-18). With this context, studies identified a number of errors that significantly impede objective performance appraisal (Henderson, 1984, Wherry. Sr. and Bartlett, 1982, Dipboye, 1985, Bernardin and Beatty, 1984; Stone, 2008: 308-311; Werther and Davis, 1996).

Management Attitude Error

Management should be committed to performance appraisal, otherwise it will not work. If management see performance appraisal as something imposed on them by the human resource department, it will lack the genuine support of senior management and will simply become a cosmetic process to be treated with indifference (Stone, 2008:308). Management commitment, according to Regel and Hollman (1987:78), is vital to an effective performance appraisal program. All members of the management team need to understand appraisal's purpose(s) and should agree that it is critical for management to participate in and support the system.

Leniency / Strictness Error

A leniency or strictness error occurs when the raters tend to be easy or strict in evaluating the performance of employees and give highest or lowest ratings indiscriminately. Such appraisers give employees higher ratings than they deserve or lower ratings than they actually supposed to get on their level of performance. When they see everything of employee performance as good and constantly rate favourably, they are lenient raters. Strict raters are opposite to lenient as they see everything of employee performance as bad and too harsh and unfavourable constantly in rating .

Halo Effect Error

Halo effect is the tendency of the raters to rate high or low on all factors due to the impression of high or low rating on some specific factor (Bernardin and Beatty, 1984: 140). If a manager gives an employee the same rating on all factors by generalizing from one specific factor, this causes a **halo effect** error. It occurs when the rater's personal opinion influences the measurement of performance (Werther and Davis, 1996: 348). Such as good attendance record of an employee are viewed as intelligent and responsible. Similarly, poor attendance records of an employee are considered as poor performers, even though the person produced product of greater quantity and quality than that of punctual employees. This problem is most severe when raters must evaluate personality traits, their friends or people they strongly like or dislike.

Personal Prejudice Error

Prejudice is a preconceived opinion, notion, idea, and belief that made distrust or dislikeness into a person or group against other person or group on fear or false information rather than on reason or experience and that influence one's attitude and behavoiur towards a person, group or custom. It is a tendency to allow individual differences in terms of characteristics like age, race, and sex to affect the appraisal rates apart from each ratee's actual performance. Research shows that older workers receive lower performance ratings than younger employees (Snap and Redman, 2003:79). It is observed in Bangladesh that female workers get lower wages than that of male workers even though female workers do the same work as male workers. Such prejudice prevents effective evaluations and may violate anti-discrimination law.

Central Tendency Error

Central tendency error is incorrectly giving all ratings near the middle of the scale despite large differences in individual performance of the employees.

Raters do not give much attention to rate employees as effective or ineffective and thus, they distort the ratings to make each employee appear average. That means raters place their marks near the center of the rating sheet. For that it is termed as error of central tendency. Such error distorts evaluations and making them less useful for promotion, salary and counseling purposes (Dessler, 200: 360).

Low Appraiser Motivation

Low appraiser motivation constitutes an error of performance appraisal when the evaluator is reluctant to give a realistic appraisal. Here, the appraisers do not have any interest or motivation to rate correctly by giving critical judgement to the evaluation simply because there are so few benefits inherent in giving accurate ratings and so few penalties for assigning inaccurate ratings (Henderson, 1984:201-204, Decotiis and Petit, 1978: 635-46).

Irrelevant Standards Error

Irrelevant standard or subjective errors are the errors of the content of the appraisal form where such standards are set which do not have any relevance with either performer characteristics, or behaviour or his/her job performance. So, the raters do not feel any interest into evaluation, rather they feel embarrassed and awkward while engage in rating employee performance. This also affects the effectiveness of the performance appraisal and it could not be used in any decision making.

Unclear Standard Error

The error occurs when given traits and degrees of merit in the appraisal form are not clear to the raters. That means the given criteria and their degrees are open to interpretation, that is may have more than one meaning or interpretation. So, the ratings will vary between raters and may distort the evaluation. Therefore, ratings could not be used to achieve the purpose of the appraisal.

Recency Error

Recency error occurs when raters overemphasize the employee's most recent behavior or action instead of employee's longer and more comprehensive actions. Recent actions –good or bad – influence raters strongly and make the appraisal bias and incorrect.

Unrealistic Standards Error

Unrealistic standard error occurs in the performance form design stage. In this situation, such standards are set for the appraisal that could not be achieved within the given organizational context. These unrealistic standards make raters confused and indecisive in giving appropriate rate to the employees. This results in faulty evaluation.

Cross –cultural Bias Error

Raters own culture affects rating of individual employee's performance. The expectations and evaluation style will vary on the difference of culture from which the raters have come. They will impose their own perception of human traits, performance levels, qualities and standards upon the performance of the employee. This will affect the ratings and fair evaluation will not be done.

Lack of Training

Lack of training is a rater error which refers to individual rater's drawback to understand correctly the factors/criteria used for rating due to lack of training about the factor characteristics. So, the appraisal would be based on whims and false expectations that will not give any correct result and will be of no use in decisions about the evaluated person.

Poor Feedback

Feedback of the appraisal results to the respective employee is a fundamental purpose of performance appraisal. Poor feedback to the employee will affect the employees' moral to participate into appraisal activity and motivation for self improvement. This is also a rater error because the rater will communicate the level of performance that an individual rate has achieved to encourage him/her to improve. Any negative or poor communication would make the person inflexible, defensive, and lead to non-development.

Bastardizing the Instrument

It is an organizational error. The performance appraisal instrument or form should have well-arranged criteria, reasonable number items and multiple choices, finely printed in fine paper, well-arranged criteria and simple and easily understood criteria , the absence of which will make the appraisal a nightmare to the raters. The raters will feel disgusting and demotivated to complete the assessment.

Complex and Time-consuming Appraisal Form

It is an organizational error. If the appraisal form itself is complex and takes long time to properly filling it up, then it will frustrate the raters to appraise accurately and realistically. They will feel embarrassed and disinterested to involve into assessment sincerely.

Fear of confrontation error

It is a rater error. It occurs when appraiser restrains himself or herself from accurate ratings just to avoid any un-call for situation with the ratees that he/she apprehend to occur if he/she rates correctly. This situation occurs when human relations are very poor and hostile. Therefore, the ratings would be faulty and will be of no use.

Contrast Error

It is a rater error. Performance appraisal of an employee will be without regard to other employee's performance. But if a supervisor lets another employee's performance influence the ratings of the performance of the employee under evaluation, then a contrast error will occur. For example, when the performance of an average employee is evaluated immediately after the performance of an outstanding employee, the supervisor might end up rating the average employee as "below average" or "poor". It may occur when a supervisor unknowingly compares employee's present performance with their past performance. In that case, those who have been poor performers in the past could get rated "above average" if they improve their performance, even if the improvement actually brings their performance up to "average".

How to overcome the Performance Appraisal Errors

The problems of performance appraisal have to be dealt with judiciously to improve the appraisal system of the organization.

1. Rater Training for Reducing Rater Errors

Raters shall be given training on how to assess performance, understand performance criteria and their various degrees, avoid personal bias and how to be neutral while appraising performance of an individual. Werther and Davis (1996:349) mentioned three steps in rater training which will help reducing rater errors. First, biases and their causes should be explained. Second, the role of performance appraisals in employee decisions should be explained to stress the need for impartiality and objectivity. Third, if subjective measures are to be used, raters should apply them as part of their training. Mistakes uncovered during simulated evaluation of raters in the training program can be corrected through additional training or counseling.

2. Measures to Reduce Organizational Errors

Organization shall take positive measures to keep appraisal free from all errors that are caused by the wrong decision of the organization. It shall (i) select the right appraisal tool; (ii) use multiple raters; (iii) reward the accurate raters for their sincere effort and correct evaluation; (iv) combine absolute and relative criteria /standards for making evaluation fair and just; (v) train raters; (vi) standardize form with reasonable numbers of criteria and multiple choice not more than 5/7 choices; (vii) print on fine paper and clearly readable print; (viii) provide raters with written performance standards based on job analysis; (viv) document evaluation and instances of poor performance; (vv) provide a formal appeal mechanism and review of ratings by upper-level personnel; (vvi) use post appraisal interview to know the loopholes and problems with the appraisal system currently is in use to improve and to make it effective; (vvii) provide on-going feedback to the employee so that he/she can improve his/her performance and personal characteristics to fit with the organizational culture; and (vviii) shall maintain a good and discipline work environment in which raters will be able to rate objectively, neutrally , sincerely , fearlessly and honestly without any obstruction from any situation. This will obviously improve performance appraisal and be helpful to the organization.

Performance Appraisal Interview

Performance appraisal is a face-to-face conversation between the rater and the ratee to discuss issues of performance appraisal and to understand each other's position in order to improve appraisal. Thus, effective performance appraisal systems involve two-way communication. That is, there must be active communication between the supervisor and the subordinate about the appraisal issues to discuss subordinate's appraisal. The rater will tell about his/her judgement and rates that he/she is going to give to the ratee and shall ask ratee's comment and argument in his/her favour, if any with reason and evidence. In this way, rating will be corrected and improved. Therefore, a feedback performance interview will be held between rater and ratee with this end. The feedback interview session must be productive, educative and informative so that there shall be open and free-minded discussion and rating shall be right and just.

Objectives of Appraisal Interview

Performance interview has got definite purposes. They are :

1. Recognizing and encouraging superior performance: Primary goal of performance appraisal interview to recognize the good deeds which will motivate the employee to repeat the same level and quality of performance and to encourage employees to perform and to continue higher levels of performance with superior quality.

2. Sustaining acceptable behavior: Appraisal interview also aims at pursuing employees to maintain an acceptable and desirable behaviour throughout their career in the organisation so that organizational work quality and quantity will increase.

3. Changing the behaviour: Appraisal interview is undertaken to cause a change into the behaviour of the employee whose performance is not meeting organizational standards.

Approaches to Appraisal Interview

Maier (1976) and Sherman (1994:92-100) have pointed out that the supervisor may conduct the performance interview in many ways. We know that this interview is a feedback session in which the supervisor will tell the employee where he/she stands in the eye of the organisation as per his/her level of performance. So, the supervisor /evaluator may provide this feedback through either of the following approaches:

1. Tell-and –Sell Approach: Under this approach, the evaluator reviews the employee's performance and tries to persuade the employee to perform better. It works best with new employees.

2. Tell – and- Listen Approach: Under this approach, the evaluator allows the employee to explain reasons, give excuses, and describe defensive feelings about performance. It attempts to overcome these reactions by counseling the employee on how to perform better.

3. Problem-solving Approach: Under this approach, the evaluator identifies problems that are interfering with employee performance. Then, through training, coaching, or counseling, goals for future performance are set to remove those deficiencies.

Guidelines for Effective Performance Appraisal Interview

Ivancevich (2001:268) and Werther and Davis (1996:368) have suggested a set of guidelines for making performance appraisal interview effective. However, we can follow the guidelines that are stated below:

1. Communication: The supervisor shall communicate the respective employee that there will be a meeting between them to exchange and discuss the issues of his/her performance and its rating stating the time and place of the meeting. The interview shall be held in private.

2. Preparation: The rater and the rate should prepare themselves for the meeting and be ready with information and arguments to discuss the employee's past performance against the objectives for the period. This will make the appraisal interview fruitful.

3. Budget the Time: The rater should budget the time for the meeting and be communicated to the employee so that he/she can use the time effectively to discuss the evaluation and his/her future behavior. Both the rater and ratee can take preparation to complete the meeting within the time and make the meeting successful by achieving its goals.

4. Welcome the employee: The supervisor/rater should welcome the employee to the interview session with greetings and put the employee at ease in an armed chair. The supervisor shall make it clear that the interview is not a disciplinary session, but to review past work in order to improve the employee's future performance, satisfaction, and personal development. It is also for the correction of the rating already assigned to the employee if discussion demands that.

5. Discussion: Now, start the discussion with specific positive remarks about the performance of the employee. Such as "Mr. Akram, your work the last month was very good". The supervisor and the employee both shall concentrate on the following issues during the discussion period:

(i) Use facts, not opinions. Evidence must be available to document the claims and counterclaims.

(ii) Orient the discussion and criticism to performance, not personality characteristics. Bring one or two important negative points at one session because employee may not sustain the stress. Much criticism shall make the employee very defensive and the purpose of the session will be lost.

(iii) Make criticisms specific, not general and vague.

(iv) Stay calm and do not argue with the person being evaluated.

(v) Identify specific actions the employee can take to improve performance.

(vi) Emphasize the evaluator's willingness to assist the employee's efforts and to improve performance.

(vii) Maintain a positive environment throughout the discussion session.

(viii) Conclude with positive comments and overall evaluation results.

6. Control Information: The rater should guard against overwhelming the ratee with information. Too much information can be confusing although too little can be frustrating. The rater must balance the amount of information that is provided.

7. Encourage Employee Involvement: The supervisor /rater should encourage the employee to involve in the performance appraisal process, do self review and get his/her own results out of own evaluation. This will make the employee self conscious and understanding about his/her own performance. It will prepare the person to sustain any criticism and be easy in appraisal interview.

8. Adjourn the Meeting: Appraisal interview is not a onetime matter; rather it is a part of a continuing process of employee development. So, the final aspect of the interview should focus on future objectives and how the superior can help the employee achieve organizational and personal goals. The supervisor shall keep a record of the issues discussed, objectives set, involvements agreed upon and supports promised so that everybody could maintain those in future. Lest we forget, appraisal interview for the development of employee performance, not pull the employee down.

How to Criticize a Subordinate during Appraisal Interview

People do not like criticism. It causes stress, annoyance, disgrace, agitation, anger and defensive attitude in the person who is criticized. All these produce negative consequences and make the person counterproductive rather than productive and satisfied. Therefore, human resource manager or the supervisor who will evaluate the performance of the employees and conduct appraisal interview should take special care to criticize the subordinate. Criticism should be made in such a way that it will be accepted by the subordinates and should produce positive results. But the question is how to make a constructive criticism without causing negative consequences and reactions. Let’s see the following instructions :

1. Criticism should be done in a manner that let the person maintain his/her dignity and sense of worth. Never demean a person with un-courteous and unsocial words and posture. Maintain etiquette and socially desirable manner while criticizing somebody for his/her undesirable performance. Be sober, gentle and courteous in criticism to have positive action from the criticized person.

2. It should be done in private. Never criticize or reprimand any person in public. It robbed personal dignity and prestige of a person. Any open and public criticism will not produce the desired result rather it will cause defensive and stubborn attitude and behaviour , thus would be counterproductive. So, criticism should always be made in closed and private environment in order to have desired understanding and behaviour.

3. It should be done constructively. Criticism should be objective oriented. It should make a sense into the person for improvement of the performance. So, positive side of the person should be highlighted along with mentioning the negative sides in a specific, documented and corrective manner. It will cause improvement of performance.

4. Provide examples of critical incidents and specify suggestions of what could be done and why. People always want to know why he/she will do a certain job. So, critical incidents that are not desirable to the organization should be mentioned with specific suggestions that will be done to improve the situation in a realistic way.

5. Never say that a person is always wrong. People never be always wrong doers. They have go obvious positive mind and behaviour. So, someone is always doing wrong or always bad – is not correct in any time. Thus, the supervisor should not tell this type statement about any employee while will criticize during appraisal interview.

6. Provide feedback on a daily basis. We know that performance appraisal is a continuous process. It is not done to declare someone as bad or to take disciplinary action against any person. It is done to transform the person from a lower performer to upper performer. Therefore, it will better to give daily feedback so that employee be corrected during his/her course of work.

7. It should be objective and free of any personal bias on supervisor’s side. Criticism should be neutral and objective oriented. No personal bias or prejudice will serve the purpose of making the under-rated employee into a superior performer. So, supervisor should take special care and attention to

the objectivity of the interview and should keep him/her free from any personal bias to play a role in the interview.

Discussion Questions

1. Discuss various methods of performance appraisal.
2. What are the errors in performance appraisal?
3. How can you overcome those errors in performance appraisal?
4. What is performance interview?
5. Why is performance interview taken?
6. Discuss various approaches of performance interview.
7. What guidelines will you follow to make appraisal interview successful?
8. How will criticize a subordinate during performance interview?

Case-2: A high failure rate at University College

Mary Lee, lecturer in the Department of Management at University College, was annoyed. She had just presented her HRM class exam results and 23 of her 71 students had failed.

Dr. John Smith, the Head of Department, openly expressed his concerns about the high failure rate. Mary stated that the failed students had very poor English language skills and had great difficulty answering the analytical questions. Discussion among the staff members regarding the failed students indicated that most had failed or barely passed their other subjects.

Mary expressed concern that the university's graduates risked becoming unemployable because of their lack of knowledge and marketable skills. She questioned whether some of the students should even be at university and wondered how they could have passed Year 1.

Percy Samuels, senior lecturer in OB, laughed and said that standards were now so low that even the 'brain dead' could pass.

John flushed and replied angrily that competition was severe and that University College could not afford to fail so many students, especially fee-paying students. The Dean, he stressed, would never accept such a high number of failures given the university's precarious financial situation.

Percy sarcastically recommended that all student marks be increased by 25 per cent, which would mean that only two students would fail.

John said he thought this was a workable situation. Mary reluctantly agreed.

Discussion questions

1. What do you think of this situation?

2. Was John being unethical, or just realistic?

3. If you were Mary, what would you have done?

COMPENSATION MANAGEMENT

11

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Lesson-1: Compensation Management

Learning Objectives

After studying this lesson, you would be able to

- Define the concept of pay/compensation.
- Explain the elements of compensation.
- Discuss the meaning of pay to the employees.
- Describe the goals of compensation management.
- Explain the criteria of a successful compensation policy.
- Explain the determinants of compensation structre.
- State the bases of pay.
- Explain the pay policies.
- Discuss the changing views toward pay.

Introduction

Compensation management is a critical management as compensation /pay is a necessity of life of working people and a strong tool for attracting and motivating working people for more effective performance (Ivancevich, 2001, Milkovich and Boudreau, 2000,) Thus, pay helps organization achieve its objectives, and obtain, maintain, and retain a productive workforce (Werther and Davis, 1996: 379). Pay dissatisfaction or inadequate compensation will cause absenteeism, excessive turn-over, job dissatisfaction, strike, poor performance and will make replacement difficult. Therefore, it has to be managed efficiently so that an all-party acceptable compensation package can be developed and implemented. It is true that there is no all time adaptive compensation. It has to change with the changes of the micro and macro environmental factors/ forces. So, Compensation has to be managed in a systematic and efficient manner in order to make it attractive to job seeks as well as incumbents and accommodative to future situations.

Various terms have been used to denote payments to the employees of the organization for their work. ‘Pay’, ‘remuneration’, ‘compensation’, ‘wage and salary’ etc terms with narrow and broad meanings are used for the purpose. ‘Pay’, or wage and salary’ carry a narrow meaning than that of other terms.

Definition

Pay is the money paid to somebody for regular work (Oxford Dictionary, 1999: 857). Wage and salary also denote 'the payment received for performing work (French, 1997:364) One thing should be made clear here that 'wage' and 'salary' have slightly different in their meanings.

Wage refers to an hourly rate of pay and is the pay basis used mostly for production and maintenance employees (blue-collar workers). – French (1997, 365).

Salary refers to a weekly, monthly or yearly rate of pay to clerical, professional, sales and management employees (white-collar workers). – French (1997, 365).

Compensation deals with every type of reward individuals receive in exchange for performing organizational tasks.- Ivancevich (2002).

Employee compensation refers to all forms of pay or rewards going to employees and arising from their employment. - Pattern Jr. (1977 : 01) , McCaffery (1988).

Compensation consists of wages paid directly for time worked, as well as more indirect benefits that employees receive as part of their employment relationship with an organization. - Fay (1989) , Milkovich and Baudrearu (2000).

Wage and salary administration refers to the establishment and implementation of sound policies of employee compensation. - Khanzode (1992) Mamoria (1987: 482).

Elements of Compensation

Compensation includes two things:

(i) Direct financial compensations which is typically made in cashable form that reflect direct work related compensation such as base pay, wages and salaries, merit increases or increments, bonuses-festival or incentive, commissions;

2) Indirect financial compensation or benefits that consists of all forms of compensation beyond direct financial compensation such as (a) paid leave-vacations, holidays, sick leave, other leave; (b) supplementary pay-shift pay, non-productive bonuses; (c) insurance-life insurance, health insurance, sickness and accident insurance, long-term disability insurance; (d) retirement and savings - defined benefit pension, defined contribution pension; (e) legally required benefits-provident fund, social security, preparatory leave for retirement, medicare, workers compensation; (f) other benefits -stock ownership etc.

3) Non-financial rewards like praise, self-esteem and recognition (Ivancevich, 2001) that affect employee motivation, productivity and satisfaction, not included in remuneration. This also includes other forms of rewards and returns that employee may receive such as promotions, recognition for outstanding work, feeling of accomplishment, choice office location and like (Milkovich and Boudreau, 2000).

All these elements constitute an organization's reward system or compensation.

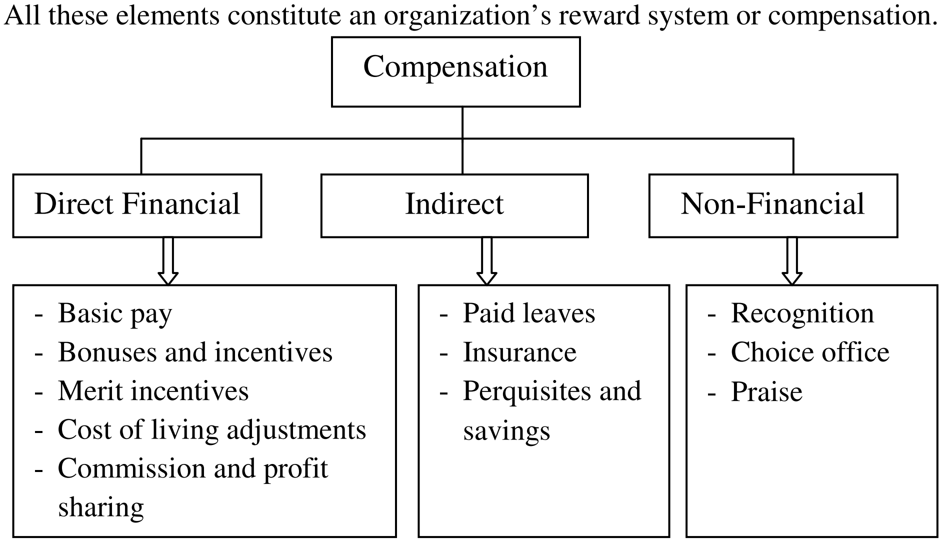

Diagram # Various Forms of Compensation

What Pay Means to Employees

Pay is meaningful to the employees in four dimensions (Thierry, 1992: 146-47). They are:

1) **Salient motives**-pay is meaningful because the employee expects that it will allow him or her to satisfy important motives and to reach relevant goals;

(2) Relative position-pay provides feedback on how the employee's task performance is progressing with respect to the goals or targets set and about the employee's effectiveness in comparison with others in the organization;

3) Control- pay is meaningful because it signifies to the employees the extent to which she or he has been successful in influencing others during task performance in order to reach his/her goals;

4) Spending-pay is meaning because it reflects the products and services that the employee can afford to purchase, thus it is perceived in terms of individual welfare.

Goals of Compensation Management

Compensation management is aimed at helping the organization achieve strategic success while ensuring internal and external equity (Werther and Davis, 1996). The goals of an effective compensation management, as Werther and Davis (1996: 381) point out, are:

1. Acquire Qualified Personnel: Compensation needs to be high enough to attract applicants. Pay levels must respond to the supply and demand of workers in the labour market since employers compete for workers. Premium wages are sometimes needed to attract applicants already working for others.

2. Retain Current Employees: Employees may quit when compensation levels are not competitive, resulting in higher turnover.

3. Ensure Equity: Compensation management strives for internal and external equity. Internal equity requires that pay be related to the relative worth of a job so that similar jobs get similar pay. External equity means paying workers what comparable workers are paid by other firms in the labour market.

4. Reward Desired Behaviour: Pay should reinforce desired behaviors and act as an incentive for those behaviors to occur in the future. Effective compensation plans reward performance, loyalty, experience, responsibility, and other behavior.

5. Control Costs: A rational compensation system helps the organization obtain and retain workers at a reasonable cost. Without effective compensation management, workers could be overpaid or underpaid.

6. Comply with Legal Regulations: A sound wage and salary system considers the legal challenges imposed by the government and ensures the employer's compliance.

7. Facilitate Understanding: The compensation management system should be easily understood by human resource specialists , operating managers, and employees.

8. Further Administrative Efficiency: Wage and salary programs should be designed to be managed efficiently, making optimal use of the human resource information system, although this objective should be a secondary consideration compared with other objectives.

Criteria of a Successful Compensation Policy

Compensation management creates a system of rewards that is equitable to the employer and employee alike (Ivancevich, 2001 : 287). Patton (1977) suggests that in compensation policy, seven criteria should present to ensure effectiveness. They are:

i) **Adequate:** Minimum governmental, union, and managerial levels should be met.

ii) **Equitable:** Each person should be paid fairly in line with his or her effort, abilities, and training.

iii) **Balanced:** Pay, benefits, and other rewards should provide a reasonable total reward package.

iv) **Cost-effective:** Pay should not be excessive, considering what the organization can afford to pay.

v) **Secure:** Pay should be enough to help an employee feel secure and aid him or her in satisfying basic needs.

vi) **Incentive providing:** Pay should motivate effective and productive work.

vii) **Acceptable to the employee:** The employee should understand the pay system and feel it a reasonable system for the enterprise and himself or herself.

Determinants of Compensation Structure

Human resource management has to take into account the intricate and interrelated factors affecting the pay structure of an organization and the pay scale determination for given jobs (French, 1997, Dessler 2000, Ivancevich 2001, Werther and Davis, 1996, DeCenzo and Robbins, 1997, Khanzode, 1992, Beardwell and Holden, 1998, Memoria, 1987). The impinging factors for compensation determination are:

1) **Worth of the job:** The relative influence of the size, responsibility, skill requirements and objectionableness of duties differ worth of one job from other.

2) **Worth of the individual characteristics:** The influence of age, experience, seniority, general qualifications, special skills, contribution, performance and potential of the incumbent which cause variance in individual pay.

3) **Labour market:** The supply and demand of the required skills in the labour market will dictate pay rate. Scarcity will shoot the pay high, and surplus will lower the pay. The market will cover local and national and often international.

4) **Economic realities:** The ability to pay of the organization and the inflation situation of the country.

5) **The cost of living:** The cost of living index calls for pay adjustments and determination of basic pay.

6) **Prevailing wages and salaries:** The going pay rate in the market, particularly in the industry wherein the firm is operating.

7) **Government intervention:** The government directly affects compensation through wage controls and guidelines, which prohibit an increase in compensation for certain workers at certain times. The government of Bangladesh establishes minimum wages, work hour, regular and over time, deductions from wages, medical allowances, provident fund, and compensations for injuries and deaths, and often income taxes, social security taxes etc.(GOB,2006) The government may influence compensation in many other ways too (Ivancevich 2002). If the government is the employer, it can legislate pay levels by setting statutory rates, and employment-level policy.

8) **Union influences:** Unionized workers have tended to be pay setters in demands for pay, benefits and improved working conditions. There is reasonable evidence that unions tend to increase pay levels (Ivancevich, 2001). Other issues including time off with pay, income security, cost of living adjustment, and various benefits like health care are also important bargaining elements of unions (Henderson 1980 : 88-99). The Bangladesh Labour Code 2006 and associated legislation and court decisions legitimatized the labour union's influential participation in this matter in Bangladesh.

9) **Internal Influence:** In addition to the external influences on compensation, already discussed, several internal factors affect pay: the size of the organization. Labour budget, remuneration policy and strategy of companies, and who is involved in making pay decisions for the organization (Ivancevich 2001: 297).

10) **Equity:** The need for equity is a crucial factor in determining pay rates, specially external equity and internal equity (Dessler, 2000: 425) Externally, pay must be comparable favourably with rates in other organizations and internally, pay rates must be such that each employee may view his or her pay equitable as other pay rates in the organization. Adam (1963) suggests that individuals can change inputs i.e. can reduce effort, if underpaid; try to change their outcomes, i.e. ask for a pay rise or promotion; psychologically distort their own productivity ratios or those of others by rationalizing differences in inputs and outcomes; change the reference group to which they compare themselves in order to restore equity. Hyman and Brough (1975) have outlined some subjective notions that influence the perception of equity. They are customs and tradition- occupational parochialism leading to differing frames of reference; differences between manual and non-manual workers; the pervasive concept of 'responsibility' as assessment criteria within a job; the distinction between those employees with organizatison - specific skills and those with transferable skills.

Bases of Pay

1. Flat Pay : The flat rate or straight basis of pay is common in unionized firm where wages are established by collective bargaining (Milkovich and Boudreau, 1997:501, Ivancevich, 2001: 322). For example, all clerk typist might be paid Tk. 10 per hour, regardless of their seniority or performance. Flat rates/ straight basis pay corresponds to some midpoint on a market survey for a given job. Existence of flat rate does not mean that performance or experience variation does not exist. It means that parties do not recognize these variations with pay.

2. Incentive basis pay

Incentive basis of pay is also known as variable pay, merit-based pay or skill-based pay. It is a compensation plan that ties pay to productivity or some other measure of the firm's profitability (Dessler, 2000:472). Gross and Bacher (1993) define variable pay as any compensation plan that emphasized a shared focus on organizational success, broadens opportunities for incentives to nontraditional groups and operates outside the base pay increase system. Under this pay system, the individual is paid flat basis pay for general standard of work but one will get incentive pay if he/she does extra work. So, total pay of two persons working in the same department may differ due to the fact that one gets incentive for higher performance and one doesn't.

Pay Policies /Systems

There are two systems of paying (compensation/pay) individual employee: open system and secret system.

Open Pay Policy /System: Traditional practice is open system i.e. co-workers know what others are getting. Generally, unionized organizations follow open pay system.

Secret Pay Policy /System: The secret pay system is a recent phenomenon in which pay is regarded as privileged information known only to the employee, his or her superior, and staff employees. Here, pay is negotiated and kept secret to others of the organization. Secret pay system is questionable for its discriminating treatment and therefore, in many countries it is declared as not a legitimate policy (Ivancevich, 2001: 337).

Changing Views toward Pay

The concept of pay is under the process of change over years. New phenomenal changes have been going on in the factors considered in the determination of pay today. The outlook of job applicants /employees towards pay is also undergoing a change. The organizational management is also gradually taking new approach to pay. This also affects the process of pay determination. The hanging trends in the determination of pay (Roberts 1995:-516) are mentioned below:

Present view of pay	Changing view of pay
External determination i.e. trade unions, government	Internal influences i.e. profit, performance, value added
Collective determination	Emphasis on the individual
Pluralism	Unitarism
Measurement of personality	Measurement of performance
Short- term emphasis i.e. bonuses for certain levels of production	Long-term emphasis i.e. profit sharing, PRP related to long-term organisational

Present view of pay	Changing view of pay
	objectives
Input measures qualities such as loyalty, hard work, length of service	Input measures such as skills, competencies, and commitment to organizational objectives
Output measures 'hard' objective measures of performances such as measured output in terms of product made or service given	Output measures 'softer' subjective criteria, measurement of effectiveness/contribution
Manual workers measuring tasks	Manual workers measuring output
Measuring pure output	Measuring output plus quality and, where appropriate, customer service

Discussion questions

1. Define the concept of pay/compensation.
2. Explain the elements of compensation.
3. Discuss the meaning of pay to the employees.
4. Describe the goals of compensation management.
5. Explain the criteria of a successful compensation policy.
6. Explain the determinants of compensation structre.
7. State the bases of pay.
8. Explain the pay policies.
9. Discuss the changing views toward pay.

Case-1 : Hannan's Award

'Let us celebrate the achievement of Mr. Hannan, the Quality Control Officer'. Said Production Manager Mr.Ahmed. 'He has saved our company from a loss of Tk. 12 lac by preventing production of 2000 piece of defective products. His on time intervention and quick decision made it possible. If for any reason, it was not stopped, the company has obviously lost the order. There was a problem in mixing the chemical with the colour which could have made the product faulty. Mr. Hannan noticed it and immediately taken the case to me though it was not his direct job. He, on his own, enthusiastically came forward for the betterment of the company. So, we have decided to reward him with a medal and certificate of appreciation'. Mr. Ahmed concluded.

Discussion questions

1. What kind of reward is it?
2. Will you suggest for any other types of reward? Why?

Lesson–2: Compensation Management

Learning Objectives

After studying this lesson, you would be able to

- Discuss the steps involved in setting pay/compensation.
- Understand the meaning of wage, salary, and compensation/pay.
- Define job evaluation and state methods of job evaluation.
- Explain minimum wage/pay and its relevant legal aspects.
- Explain the idea of equal opportunity.
- Discuss the reasons of job evaluation.

Steps in Setting Pay / Compensation

Organizations establish pay rates taking into account all above-mentioned issues and follow five steps (Dessler, 200: 425) :

1) Conduct a pay survey of what other employees are paying for comparable jobs (to help ensure external equity).
2) Determine the worth of each job in own organization through job evaluation (to ensure internal equity).
3) Group similar jobs into pay grades.
4) Price each pay grade by using wage curve / Set Pay structure
5) Fine-tune pay rates.

1. Conduct Pay Survey

Pay survey in order to collect valid and reliable data about compensation paid to employees by employers in a geographical area, an industry, or an occupational group to gauge the exact market rates for various positions. Price each job to determine the rate of pay based on internal and external equity.

2. Determine the worth of each job in own organization through job evaluation (to ensure internal equity).

The most critical stage of pay determination is job evaluation that is determining relative worth of jobs in the organization to ensure internal equity among jobs of an organisation.

What is Job Evaluation?

Job evaluation is a systematic method of determining the relative worth of jobs within an organisation. – Raymond J. Stone (2008:431).

Job evaluation is a formal and systematic process by which the relative worth of various jobs in the organization is determined for pay purposes. – Johen M. Ivancevich (2001: 305).

Job evaluation is the process in which the organization decides the relative internal worth relationships of jobs. – Richard I. Henderson (2007:172)

Job evaluation is concerned with ‘how big’ or ‘how small’ a job is. Job evaluation gathers information about jobs and then comparing them, using specially constructed scales. Although different approaches exist, each one considers the responsibilities, skills, efforts, and working conditions inherent in the job as the compensable factors for comparing several jobs (Werther and Davis, 1996: 382). Job evaluation relates the amount of pay for each job to the extent to which that job contributes to organizational effectiveness (Ivancevich:; 2001:305, French, 1997:367). The resultant hierarchy of jobs is used to establish and justify different levels of pay for the various positions within the organization. The job evaluation is usually performed by analyzing job descriptions, and occasionally, job specifications. It is usually suggested that job descriptions be split into several series, such as managerial, professional – technical, clerical, and operative. However, without job evaluations, the human resource management would be unable to develop a rational approach to pay.

Reasons for Job Evaluation

1. Establishing an orderly, rational, systematic structure of jobs of the organisation based on their relative worth.

2. Justifying an existing pay rate structure or developing one that provides for internal equity that ensures consistency and ethical treatment. This will enable employees to compare their pay with similar jobs in the organisation.

3. Assisting in setting pay rates that are comparable with similar jobs in other organizations. This enables the organisation to compete in the market for the best available talents and also allows employees to compare the pay they receive with others doing similar work in other organizations.

4. Providing a rational basis for negotiating pay rates when bargaining collectively with a recognized union.

5. Identifying a ladder of progression or direction for future upward movement for all employees interested in improving their compensation opportunities.

6. Complying with equal pay legislation and regulations determining pay differences according to job content.

7. Developing a base for a merit based pay or pay-for-performance programme.

Methods of Job Evaluation

Four Frequently used methods of job evaluation are: (1) Job Ranking method , 2) Job Classification method (3) Point System method , and 4) Factor Comparison, method (Sikula, 1976; Werther and Davis 1979, Ivancevich, 2001, French, 1997, DeCenzo and Robbins, 1997, Milkovich and Boudreau 1997).

1. Ranking method

Jobs in an organization are ranked highest to lowest subjectively by a committee of raters in terms of total job or task complexity and working conditions. It is a non-quantitative judgmental system. No attempt is made to determine the critical factors in each job. Instead, an overall judgement is made of the relative worth of each job and the job is ranked accordingly. Decisions are made about the relative worth of only two jobs at a time.

Ranking committee usually takes into account the objectives of the organisation, activities and objectives of various jobs , contributions of the dissimilar jobs or classes of jobs to the achievement of the objectives of the organisation, responsibilities and duties of the jobs , and value of the jobs in achieving both group and organizational objectives.

Here, each member of the pay committee sets the worth of one job and its rank individually on the basis of his/her own job-worth ideas, concepts, relative worth etc. along with above mentioned elements. Then, sum up the pay set by the each member and determine the average. This will be the pay of that job. It may be consensually set by the committee. Then, the job is placed in a slot determining the rank, such as highest, center or lowest or like Grade# 1: Tk. 80,000 -1, 00,000; Grade# 2: Tk. 65,000 – 80,000 so on. The slotting is a ranking process in which the job is compared with an existing scale and place in the appropriate slot.

This ranking or slotting is an intuitive judgement and thus, its accuracy depends on the knowledge and skill of the individual doing the slotting or ranking. The raking method has got merits and demerits like below-

a) Relatively easy and simple to do. It takes less time to accomplish task. Suitable for a less- job firm.

b) There is no agreed upon yardstick, thus leads to erroneous measures. Unmanageable when there are a large number of jobs. Because of these problems, ranking is probably the least frequently used method of job evaluation.

2) Classification Method

This method categorizes a job into groups. The groups are called classes if they contain similar jobs or grades if they contain jobs that are similar in difficulty but otherwise different. Each class or grade is defined and jobs are assigned to a grade classification according to their respective level of compensable factors. The standard description of the grade in determined by the rating committee. Then, each job is assigned to a grade with which that job's description is best match. The pay structure of each grade is also determined by the rater committee and the job placed in a particular grade will get the pay and rank automatically.

Merits

1. Job classification method can handle more jobs than the ranking method

2.It provides specific standard for compensation and accommodates any changes in the value of individual jobs.

3. It can be constructed quickly, simply and cheaply.

4. It is easy to understand and communicate to employees.

De-merits

1. Job classification method is subject to the limitations like ranking method.

2. It assumes a rigid relationship between job factors and value that force the jobs to fit into categories for which feeling of inequity can result.

Specimen of Job Classification Method of Job Evaluation

Job Grade	Standard Description
I	Work is simple and highly repetitive, done under close supervision, requiring minimal training and little responsibility or initiative. Examples : Janitor, file clerk
II	Work is simple and repetitive, done under close supervision, requiring some training or skill. Employee is expected to assume responsibility or exhibit initiative only rarely. Examples: Clerk-typist I, Machine cleaner.
III	Work is simple, with little variation, done under general supervision. Training or skill required. Employee has minimum responsibilities and must take some initiative to perform satisfactorily. Examples: parts expediter, machine oiler, clerk –typist II
IV	Work is moderately complex, with some variation, some under general supervision. High level of skill required. Employee is responsible for equipment or safety; regularly exhibits initiative. Examples: Machine operator I, tool and die apprentice.
V	Work is complex, varied, done under general supervision. Advanced skill level required. Employee is responsible for equipment and safety; shows high degree of initiative. Examples : Machine operator II, tool and die specialist.

Source: Werther and Davis (1996:385)

2. Point Factor Method

The point factor method or point system of job evaluation quantifies the value of the elements of a job by allocating points to each factor and th e sum of those values provides a quantitative assessment of a job's relative worth or pay. It will seem complex and difficult at the initial stage but the point system is more precise than other methods because it handles critical and compensable factors in more reasonable and justifiable manner. Thus, it is most frequently used because of its sophistication. The system requires a few steps to end-up with pay of a job. The steps are stated below:

Step 1: Determine cluster of jobs to be evaluated. The job evaluation starts with determining cluster of jobs to be evaluated for setting pay. Job All jobs will not be selected for evaluation, only a sample jobs with homogeneous characteristics will be chosen for this purpose. Therefore, Job evaluation committee will select one job from similar jobs for evaluation. Distinct and unique jobs will be independently evaluated. This step involves with choosing representative job from each category of jobs and all selected jobs will form the cluster of jobs to be evaluated.

Step 2: Collect job information. Job information regarding activities to be done in each job, responsibilities to be undertaken, working conditions of the job etc information are needed for job evaluation. Current job analysis of each selected jobs will be taken into consideration and it will be modified with the expected current and future changes to be made in the jobs, and overall relational change that will probably be occur. So, new job analysis information will be set for which job evaluation will be made to set the just and fair pay for each job.

Step 3 : Determine critical factors with their definitions. At his stage, the job factors and its subfactors will be determined and the definition of each factor will be made clearly. These are critical factors for which compensation will be given to the employees. The factors may be skill, responsibility, effort, and working conditions. These factors would be further subdivided, such as skill will be divided into education and experience. Efforts are divided into mental and physical efforts. Responsibility may be further divided into safety of others, equipment and materials, assisting trainees, and product/service quality. Working conditions may have unpleasant conditions and hazards elements. Each of the factors would have definite meaning to make the factor clear and unambiguous.

Step 4: Determine factor degrees/levels. The depth of each factor varies over jobs. So, the point system creates several levels /degrees associated with each factor. Each degree/level will have definite description so that it could be identified distinctively. Suppose, education may have 4 (four) different levels- MBA, MBA with IT diploma, BBA, BBA with IT diploma. Experience may have 4 (four) levels, such as 4/3/2/1 year experience . Each level should have different weights; otherwise fair evaluation could not be made. These factor degrees are set at this stage.

Step 5: Determine relative value of factors. Each critical factor now should be given relative value in percentage denoting the weight of each factor. It will reflect the relative significance of factors to the overall job performance.

Step 6: Assign point value to factors and degrees/levels. Now, each critical factor will be assigned total point value. The job evaluation committee subjectively assigns the maximum possible points to each factor, its sub factors and degrees. Such as skill assigns 500 points. Then, these 500 points will be assigned to each sub factors, such as education will have 400 points and experience will have 100 points. The points of education will be assigned with gradually decreasing order to different levels or degrees. For example MBA with IT diploma will be given 400 points, MBA without IT diploma and BBA with IT diploma will have 300 points. In this manner, points will be assigned to each critical factor, level and degree of each factor.

Step 7: Develop the point manual. Job evaluation analyst will now develop a point manual that contains a written explanation of each job element. It also defines what is expected for the four levels of each sub factor. This information is needed to assign jobs to the appropriate level.

Step 8: Determine the rank of each job. The points assigned to each critical factor and its associated levels would be set for a particular job now. Then the all points assigned to each factor are added to find out the total number of points for the job. After the total points of each job are known, the jobs are ranked on that basis of descending order- from highest to lowest.

Step 9: Determine the money value of job. Now, money value of each point in each critical factor would be assigned to determine the total money value of each critical factor. Then, money value of all factors would be sum up. The result would be the total worth of the job. That amount would be the pay/compensation /remuneration/salary of that particular job.

Point Factor Method of Job Evaluation

Job Position: Manager (Human Resource)

Factors	Points for Factors	value of Factor as percentage of total (weight of factors)	Number of levels	Points for each level	Total points of a job	Money vlaue of each point	Total money Value
Knowledge/ skill	500	50.00	4	500, 400, 300,200	500	Tk.100	50,000
Responsibility	300	20.00	3	300,200,100	300	Tk.50	15,000
Experience	100	10.00	4	100, 75,50,25	100	Tk.20	2,000
Physical demands	100	10.00	2	100, 50	50	Tk.10	100
Work environments	100	10.00	2	100,50	50	Tk. 10	100
Total	1100	100.00			1000		Tk. 67,200

3. Factor Comparison Method

The factor comparison method of job evaluation was originated by Eugene Benge. It permits job evaluation process to be factor by factor. Here, jobs are evaluated or compared against a common ‘benchmark’ of key points. A factor comparison scale, instead of a point scale, is used to compare five universal job factors/compensable factors given below:

i) *Responsibility* – Money, human resource, records, and supervisor responsibilities of the job.
ii) *Skill* –Facilities in muscular coordination and training in the interpretation of sensory requirements.
iii) *Physical effort* – Sitting, standing, walking, lifting, moving, and so on.
iv) *Mental effort* – Intelligence, problem solving, reasoning, and imagination.

v) *Working conditions* – Environmental factors such as noise, ventilation, hours, heat, hazards, fumes, and cleanliness.

The job evaluation committee compares critical or compensable job factors stated above. A factor-by-factor comparison is performed after key jobs are initially rated and judged. The key jobs serve as standards for other jobs. The involved steps are:

1. Determine the critical factors. The critical factors taken in this method are mentioned above.

2. Determine key jobs. Key jobs are jobs that are commonly found throughout the organization and in the employer's labour market (Werther and Davis, 1996:385). It is taken because market prices of common jobs are easy to discover.

3. Apportion current wages for key jobs. The job evaluation committee then allocates a part of each key job's current wage rate to each critical factor . The proportion of each wage assigned to the different compensable factors depends on the importance of the individual factor. For example, a janitor receives $10 per hour. This amount is apportioned by the committee as $ 1 for responsibility, $5 for skill, $ 1 for mental effort, $ 2 for physical effort and $ 1 for working conditions.

In apportioning these wage rates, the evaluation committee must make two comparisons. First, the amount assigned to each factor should reflect its importance compared with other factors of the job. For example, $ 5 is assigned to the skill as it is considered the most significant and contributing element. Second, the amount allocated to a factor should reflect the relative importance of that factor among the different jobs.

4. Place key jobs on a factor comparison chart. Once the compensable factors of each key job have been assigned a proportion of the wage rate, this information is transferred to a factor comparison chart. Key jobs are placed in the columns according to the amount of wages assigned to each critical factor.

5. Evaluate other jobs. : The wage rate in each compensable factor to a job placed in the chart is added to set the wage rate per hour of a particular job. Same process is applied to determine per hour wage rate of other jobs. Then, the committee ranks every job according to its relative worth as indicated by its wage rate.

Once the job evaluation is completed, its data become the nucleus for the development of the organizations pay structure (Henderson 1982: 262-301). Any of the four job evaluation methods can provide necessary input for developing the organizations overall pay structure.

2. Conduct a pay survey of what other employees are paying for comparable jobs (to help ensure external equity). Pay survey is now conducted to collect data about compensation practices within specific communities and among firms in an industry or an occupational group. It helps managers to gauge the exact market rates for various positions. To ensure external equity, the pay structures developed through job evaluation, are adjusted with the fair wages paid by other employer in the same area of operation.

4. Group similar jobs into pay grades. Pay structure decision that ensures a systematic comparison of the worth of one job with that of another using job evaluation eventually results in the creation of a wage or salary hierarchy unique to the organization. A pay grade /class is a grouping of a variety of jobs that are similar in terms of difficulty and responsibility.

A pay grade is developed by assigning similar jobs in terms of their ranking or number of points. Then assign pay rates to each of pay grades to develop a wage line to identify the target wages or salary rates for the jobs in each pay grade. Although, it is possible for a pay class to have a single pay rate, the more likely condition is a pay range (Ivancevich, 2001: 309) as stated below:

Pay Range ($ Monthly)

Grade 1	Tk. 37,801-----------$59,500
Grade 2	Tk. 25901------------$37,800
Grade 3	Tk. 17,801 ----------$25,900
Grade 4	Tk. 13,500 ---------$ 17,800

Various pay rates may be fixed within each pay grade too. Wage structure in another way to depict the pay ranges for each grade (Dessler 2002: 485). Such pay /wage structure would look like: Tk. 13,500 – Tk. 500 ---Tk. 17,800. Here, Tk. 500 is yearly increment. Individual pay decision that encompasses issues relating to recognition of individual differences and separations to be incorporated into individual pay rate.

5. Fine-tune pay rates. Fine tuning is the mechanism to adjust the pay structure with make it well accepted, rational and logical under any unique situation. This adjustment is made to eliminate unwanted distortions and to maintain adequate pay differentials between jobs at different levels in the organizational hierarchy.

Employees can be paid for the time they work, the output they produce, skills, knowledge, and competencies or a combination of these factors. They may be paid daily, weekly or monthly basis wages and salary pay may also be paid on flat or straight rate basis, incentive basis or a combination of straight/flat and incentive basis.

The majority of employees are paid for time worked i.e. hour, day, week, and month in the form of wages or salaries (Ivancevich, 2001: 122). This basis for payment may be daily, weekly or monthly. The wages and salaries are typically adjusted at some point during the year, normally at the end of stipulated period. These adjustments have historically resulted in pay increases due to cost of living, seniority, merit increase or a general for all employees. The straight time-based system is used due to its attempt to encourage cooperation among employees and recognise people's desire for a constant and predictable income (Shaw and Shaw Pirie 1982:300), non measurability of performance of many occupations, the changing need for reliable monitoring using cognitive and judgemental skills for the advance of more highly mechanised and automated technologies (Child 1984: 192), and due to the confinement of conflict over pay rates to certain mechanisms such as collective bargaining, and certain periods of the year (Roberts, 1998: 511).

Minimum wages

Workers throughout world over the history of human civilization are ruthlessly exploited by the feudal lords and the capitalists. They were slaves and then at time, they were wage workers, but wages were just bare minimum. Workers for their survival started movement at one point of time to have fair wages for their labour. Trade unions were formed and pressure on the industrialists for a just and fair wages had been gradually increasing. This had led to devastating clash between unions and owners. Then, government had to intervene and negotiated a settlement in the form of minimum wages for labour which had been made mandatory under the code of law. Now, 192 member states of the United Nations have minimum wages. Here are some examples.

Bangladesh has set in 2013 a minimum wage of 1,500 taka ($19) per month for all economic sectors not covered by industry-specific wages; in the garment industry the minimum wage is 5,300 taka ($68) per month. The minimum wage is set nationally every five years by the National Minimum Wage Board in a tripartite forum industry by industry.

Pakistan has set the minimum wages of workers Rs. 13,000 per month as applied in August, 2015. In **India**, the minimum wage is varied from 150 rupees ($2.40) per day in Bihar to 361 rupees ($5.80) per day in Delhi. State governments set a separate minimum wage for agricultural workers as applied as the Minimum Wages India 2013. The minimum wages are set in India according to the Minimum Wages Act, 1948.

The minimum wage in **China** is set locally, ranges from RMB1, 270 per month, RMB11.20 per hour in Hainan to RMB 2,030 per month, RMB 18.5 per hour in Shenzhen. **Australia** sets minimum wages for workers as A$ 17.28 per hour and A$ 656.90 per month.

The federal minimum wage in the **United States** is US$ 10.00 per hour. States may also set a minimum, in which case the higher of the two is controlling; some territories are exempt and have lower rates. In **United Kingdom,** the minimum wages is set by the government which is known as National Minimum Wage Rates as adopted in 2015 is £6.70 per hour ($10.16) for the workers with 21+ age, £5.30 per hour ($8.04) for the workers between 18-20 years of age, and £3.87 per hour ($5.87) for the workers under 18 years of age. The minimum wage in **Canada** is set by each province and territory; ranges from C$10.30 to C$12.50 per hour.

Human resource management shall have to follow the minimum wages as set by the law of respective country. The management will set on the basis of this minimum wage, its own pay rate considering affecting factors to get a satisfied workforce.

Equal Pay Act

Equal pay for men and women for equal jobs is natural demand but it is not practiced in many countries of the world. This discrimination is not acceptable in any count. In order to prevent it, anti-discrimination Act has been made in many countries. In Bangladesh, the constitution mentions that there shall be no discrimination on the basis of gender, caste, colour, religion, political belief, ethnic origin, language etc among the citizens of Bangladesh. So, no employer can do any discrimination between men and women for the same job and treat them differently in terms of pay and other facilities.

An Act to prevent discrimination, as regards terms and conditions of employment, between men and women has been made in 29th May 1970 in United Kingdom. The law says that employers give equal treatment as regards of equal terms and conditions of employment to men and to women, the treatment that is to say that (a) for men and women employed on like work the terms employment and conditions of one sex are not in any respect less favourable than those of the other ; and (b) for men and women employed on work rated as equivalent the terms and conditions of one sex are not less favourable than those of the other in any respect in which the terms and conditions of both are determined by the rating of their work. Same legal framework has been implemented in USA, Australia, Canada and all other developed and developing countries of the world except a very few. Human resource management shall on its own do not practice any discrimination in payments and other issues of treatments with its men and women workers.

Discussion questions

1. Discuss the steps involved in setting pay/compensation.
2. Understand the meaning of wage, salary, and compensation/pay.
3. Define job evaluation and state methods of job evaluation.
4. Explain minimum wage/pay and its relevant legal aspects.
5. Explain the idea of equal opportunity.
6. Discuss the reasons of job evaluation.

Case-2 : Market Rate

Leon Poon , Dean of Business administration at university college , stood to speak before the University's remuneration committee. "I propose that we do away with the present system of standard pay rates for staff irrespective of discipline. The Business School is suffering because we cannot offer competitive remuneration packages. We are constantly losing our best people. This year we have lost two senior lecturers in Accounting and one Associate Professor in Marketing.

'We have to have more flexibility. The Business School generates more money for this university than any other school, yet we cannot reward our people because of the rigid system we are forced to follow. I cannot see the logic in paying a senior lecturer in Accounting the same rate as a senior lecturer in Social Work. They do not bear any relationship to each other. Yet, I am forced to pay my staff at below-market rates so that other schools can pay their staff rates above what their jobs are worth. It is extremely unfair and is preventing our school from attracting and keeping the best talent.

'We also need to have more flexibility in how we reward performance. At the moment, everyone regardless of their performance, gets an automatic step increase until they hit the top of their pay range. This is crazy. We should be able to discriminate and give more to those who are performing, and less (or may be no pay rise) to those who are not contributing. It is time for the university to change. We should no longer be locked into such as antiquated remuneration system.'

Professor Millie Orman, Dean of Social Work, rose to address the committee. 'I am very disheartened to hear my colleague's comments. What he proposes strikes at the heart of the university's

collegial system. What Professor Poon wants is to create the dog-eat-dog world of the free market. What will it so to the university if a senior lecturer in Accounting is paid more than a senior lecturer in Social Work? I note that only one senior lecturer in Accounting has PH.D., yet all my senior lecturers have terminal degrees. Where is the justice in paying them less?

'As for pay for performance, this is just a management ploy to turn colleague against colleague. How is performance to be measured? I doubt that Professor Poon can offer us an objective measure of academic performance. I do not believe, it is possible to accurately assess the work of academics. So much of what we do is intangible. Trying to link pay to performance is a manipulative technique. All it will do is breed discontent and increase disputes over pay. Under the present system, the good people get promoted. The others do not.

I strongly recommend to the committee that it should ignore Professor Poon's recommendations. I suggest instead we develop a program to educate the community on our plight and press the government for more money.

Discussion questions

Who do you agree with? Why? Explain.

BENEFITS AND INCENTIVES

12

Benefits and incentives are the essential concomitant factors of compensation that attract and retain employees in the organisation. A well designed and distinguished set of benefits and incentives along with general practices in the industry will make the organisation a good place to work. This unit will deal with this in detail

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Lesson–1: Benefits and Services

Learning Objectives

After studying this lesson, you would be able to

- Define benefit and service.
- Discuss the objectives of benefits and services.
- Explain various types of employee benefit programs.
- State statutory benefits of employees in Bangladesh
- Describe the voluntary and statutory services .
- Discuss the process of designing benefits and services.

Benefits and services have become a significant part of the employee compensation package of every organization today. The Economist in 1993 reported that these benefits and services account for nearly 40 percent of the average firm's compensation costs in the United States of America (USA) and an even higher percentage in most countries in the European Union. Earlier, benefits and services were called as "fringe" benefits because they were relatively insignificant (fringe) component of compensation. But now they make up such a large part of the total compensation package that the term *fringe* is no longer appropriate. In addition to wages and salaries (direct compensation), organizations provide various indirect compensation to employees that are called benefits and services.

What are Benefits and Services?

All employer-provided rewards and services, other than wages or salaries are benefits and services.- Pam Farr (December, 1999:18-20)

Benefits are all the indirect financial payments an employee receives for continuing his or her employment with the company or firm. - Hills, Bergmann and Searpello (1994: 424), Beatty, (November 1994: 63-68).

Service has got special connotation**. Services** are something of a catchall category of voluntary benefits It includes benefits like cafeterias, saunas and gyms, free parking lots, child care assistance educational assistance etc. (Milkovich and Boudreau, 1997: 531).

Benefits and services are usually extended as a condition of employment and are not directly related to performance and thus are called indirect compensation (Werther and Davis, 1996: 432). Benefits and services represent an increasingly expensive as task and as costs. Administering benefits and services today require specialized skills and expertise. So far the cost is concerned; it varies from country to country. In 1993, USA chamber of commerce reported 41% of payroll as cost of benefits, as compared to 25.5% in 1961 (cited in Dessler, 2000: 503) . This increasing trend equally exists in all other countries including Bangladesh. Management is now highly concerned with controlling benefits and services costs that prompt managers to examine their entire benefits portfolio to address whether the offerings are well managed and make strategic sense.

Objectives of Benefits and Services

Benefits and services are aimed at achieving societal, organisational, and employee objectives (Werther and Davis, 1996: 432, Milkovich and Boudreau, 1997: 573, Mamoria, 1997: 531).

1. Societal Objectives

Societal benefits are to conserve the precious human resource by giving guaranty against its unnatural erosion and providing the climate for its development in working conditions such as life insurance, health care, retirement benefits or benefits for accidents, ill-health and death. These will reduce the burden on community/society as well as attract the job applicants and job incumbents to commit themselves to the organization.

2. Organizational Objectives

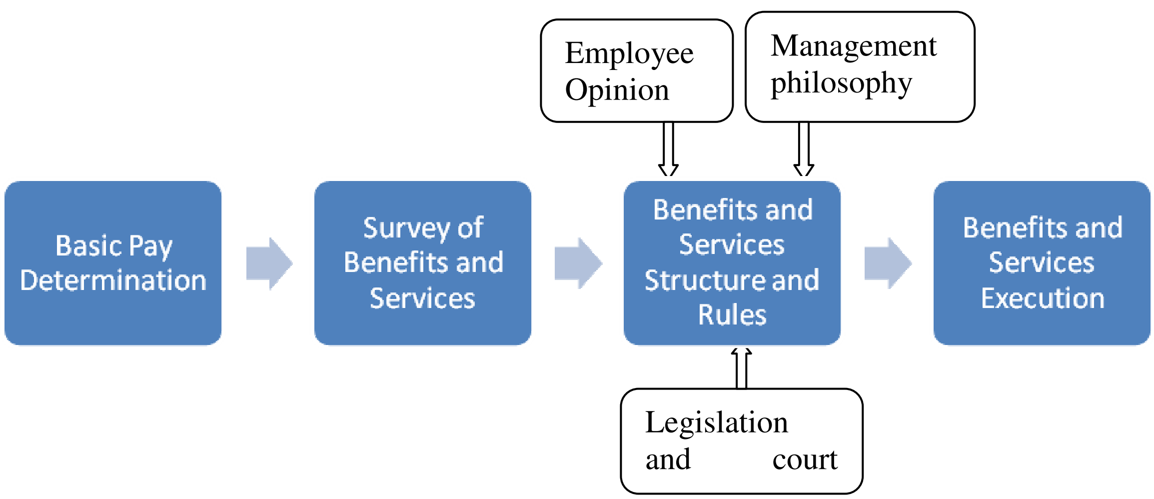
Organizational objectives are the insurance of more productivity from the employees through time off benefits and others that reduce fatigue, turnover, labour unrest, overtime costs and enhance satisfaction of employees. Orgniasation will get continuing service, whole-hearted commitment to the job and participation into orgnisational development from the employees.

1. Employee Objectives

The advantages of benefits and services to employees are lower cost and availability. Employee benefits denote the protection of employees from economic and other crises through inflation protection, lowering tax burden, flexible work hour, cultural recreational facilities etc.

Steps of Benefits and Service Management

Benefits and services are expensive. But management is to maintain a reasonably attractive benefits and services package to recruit and keep qualified employees. How does a firm design attractive benefits and services package? Managing of an effective benefit and service programme involves four steps with three interveners (Ivancevich, 2001; French, 1997):



Step 1: Basic Pay Determination: Benefits and services are the additional motivation to basic pay to the employees. Therefore, management is to decide the basic pay structure of the organization and then benefits and services will be determined and be added with the direct compensation. How human resource management does it is discussed in the previous pay management chapter.

Step 2: Benefits and Services Survey: Now, a survey of the benefits and services offered by other firms in the same industry is to be made to know the existing industry practices. Both primary and secondary data would be used to get full picture view in this respect.

Step 3: Benefits and Service Structure and Rules: Now, actual benefits and service structure will be designed in consistent with the intervening forces discussed above. The specific rules regarding each element of benefits and services shall be prepared in detail to avoid any future problem. Then, communicate these structure and rules to employees so that they can understand the value and usefulness of the organization's benefits and services package. Most studies of employees and executives indicated that they are unaware of the benefits and services or significantly undervalued their costs and usefulness (Ivancevich, 2001: 368). Many communication media can be used: employee handbooks, company newspaper, magazines; newsletters; booklets; bulletin boards; annual reports; payroll staffers; and reports to employees to communicate employees about the benefits and services package to overcome objections and to fine tune it. This stage of preparing benefit and service structure and rules shall be completed in conjunction of three elements. They are :

a) **Employee Opinion:** It is desired to involve employees and unions to make sense to find out desired benefits and services. Interview, discussion reports, memos etc are the tools to know about their preferences. Personal interviews with a cross section of employees, meetings with collective bargaining agent and small groups of employees, and questionnaires circulated among selected employees will provide opinions regarding employee preferences and choices.

b) **Management Philosophy:** Functional actions are derived from organizational mission, vision and management philosophies. Thus, to set objectives and strategy for benefits and services, managerial philosophies will be taken into consideration to ensure consistency of actions.

c) **Legislation and Court Decisions:** The laws relating to benefits and services which is mandatory upon organizations and relevant decisions of the court shall be a benchmark for designing benefits and services structure of the firm.

Step 4 : Benefits and Services Execution: Execution of benefits and services structure needs training to the people who will execute it in the organization. Continuous monitoring will ensure controlling costs of benefits and services and will ensure improving it through adjustments and cost containment.

Types of Benefits and Services

The following table contains the various types of benefits generally offered to the employees of business organizations (Ivancevich 2001:355, Werther and Davis, 1996, Milkovich and Boudreau, 1997, Dessler, 2000, French, 1997).

EMPLOYEE BENEFIT PROGRAMS			
Paid leave	**Medical care**	**Retirement**	**Unpaid-leave**
Holidays	**Employee coverage:**	**Defined benefit pension :**	Maternity leave
Vacations	Wholly employer -financed	Wholly employer financed	Sabbatical leave
Sick leave	Partly employer-financed	Partly employer-financed	Paternity leave
Rest time	**Family coverage:**	**Defined contribution :**	**Life insurance**
Jury duty leave	Wholly employer financed	Savings and thrift	Wholly employer financed
Funeral leave	Partly employer-financed	Deferred profit sharing	Partly employer-financed
Military leave	**Dental care**	Employee stock ownership	**Other insurance**
Personal leave	**Employee Coverage :**	Money purchase pension	Sickness and accident:
Lunch time	Wholly employer financed	**Miscellaneous :**	Wholly employer financed
Maternity leave	Partly employer-financed	Reimbursement account	Partly employer-financed
Sabbatical leave	**Family coverage:**	Flexible benefits plans	Long-term disability:
Paternity leave	Wholly employer financed		Wholly employer-financed
	Partly employer-financed		Partly employer-financed

Statutory Benefits in Bangladesh

The government of Bangladesh has enacted laws, rules and regulations stating various statutory benefits and services mentioned in Bangladesh Labour Code, 2006, and Bangladesh Service Rules 1972. Management of autonomous and Semi-autonomous government organizations also follows these rules. Private organizations have their own rules in which many of the government benefits and services are included with their unique provisions. A short description of major benefits and services are discussed below:

Casual Leave: Every employee is entitled to get casual leave with full pay for 10 days in a calendar year, and if for any reason, he/she does not enjoy such leave, it will remain in his/her credit and leave admissible in one year cannot be enjoyed in the following year.

Sick Leave: Every employee is entitled to get sick leave for 14 days with full pay in a calendar year. The leave period may vary with the organizations. This leave may be extended if a medical board referred the case for further treatment. The extended leave will get admissible payment according to the provisions of specific law. This leave shall not be accumulated.

Medical Treatment: Organisations both private and public are providing cash medical allowance, free medical treatment in government hospitals, subsidized treatment in government hospitals for retired public servants, health insurance coverage in and outside the country up to a certain amount, encashment of medical diagnosis, subsidized treatment in both private and public hospital under corporate agreement for their employees.

Earned Leave with Pay: Every employee who completed continuous service for one year in any establishment shall be entitled to earned leave of 1 (One) day for every 11 days totaling 33 days in a year. This period of leave may vary for workers or other employees in many organizations. For example, factory workers it will be 40 days and tea plantation/shop/industrial establishment worker will be 60 days.

Festival Holidays: Every employee shall get festival holiday with pay for a period declared number of days in a calendar year. If a worker is to work in festival holiday, he/she will get wages for 2 days along with a substitute holiday.

Retirement Benefit: All employees will get one month LPR, pension, encashment of accumulated earned leave, provident fund, group insurance fund, gratuity etc. from the organization as the case may be.

Protection of Provident Fund Benefit: No employee who is a member of any provident fund shall be deprived, duly to retrenchment, discharge, dismissal, retirement, termination or cessation of service, of the benefits which he/she is entitled as per the Provident Fund Rules including the employer's contribution. The Section 30 of the Bangladesh Labour Code 2006 mentions that the employer shall pay all the dues payable to a worker within 30 (thirty) working days from the date of cessation of his/her service due to retrenchment, discharge, dismissal, retirement and conclusion of service.

Maternity Benefit: Women employees will get six months maternity leave with pay. It is applied to all private organizations too. It is mentioned in the context that-

(i) No employer shall knowingly be able to employ a women in his establishment for a period of eight weeks immediately after the day of delivery of her child;

(ii) No woman shall be able to work in any establishment within the period of eight weeks immediately after the day of delivery of her child;

(iii) Every woman worker shall be entitled to get the maternity benefits from the employ for the period of preceding 8 (eight) weeks immediately after the date of delivery and her employer shall be bound to pay her such benefit;

(iv) No woman shall be entitled to such benefits if her two or more than two children are alive at the time of her delivery;

(v) Any employer shall pay maternity benefit in accordance with the desire of the concerned woman ;

(vi) The maternity benefit shall be paid at the rate of daily, weekly or monthly average wages as the case pay be;

(vii) If a woman entitled to maternity benefit dies on the day of her delivery or during the period of eight weeks thereafter, the employer shall pay the maternity benefit due, if the new born child scurvies her to the person who undertakes the responsibility of taking care of the child and if the child does not survive her, to the person nominated by her ;

(viii) If a woman dies during the period for which she is entitled to maternity benefit but before giving birth to a child, the employer shall be liable to pay such benefit for the period preceding the date of her death including the date of death.

(ix) If within the period of six months preceding before the date of delivery of a woman or during the period of following eight weeks from the date of her delivery, any employer gives her a notice of discharge, dismissal or removal from the employment or for terminating her from the employment or concluding her employment in any other way, and if that notice or order does not have sufficient ground, she shall not be deprived of the maternity benefit which she would have been entitled to get had no such notice or order been given.

Services

Services are those facilities which enhance the lifestyle of employees. These are generally given in kind free or in subsidized rate of pay. Services are given voluntarily or under the directives of the law. Whatever the source of services, these are provided to maintain a quality of work life to create a sense of identity among employees with the organisation and encourage them to stay in the organisation for a long time along with motivating them to be committed to perform their work with their best potentials. Thus, we can say that **services are the organizational facilities provided to the employees for enhancing the quality of work life and life styles of the working people along with boosting them up for staying with the organization with commitment.**

Statutory provisions regarding services to the workers and employees in any establishment are stated in Bangladesh Labour Code, 2006, Public Servant Service Rules, 1972 and other statutory rules of semi-government originations and private organizations in Bangladesh. Besides that there are other voluntary services too. Let's have a look to those now:

1. First-aid appliances: In any establishment there shall be arrangement for at least one box equipped with first-aid appliances or almirah equipped with appliances as prescribed.

2. Ambulance room and doctor: In every establishment wherein three hundred or more workers are employed, there shall be an ambulance room with dispensary of the prescribed size containing the prescribed equipment or other facilities and such room shall be in charge of physical and nursing staff.

3. Washing facilities: In every establishment (a) adequate number of suitable bathrooms and washing facilities shall have to be provided and maintained for the use of the employees employed therein and such facilities shall be separately maintained for the use of male and female workers and shall be appropriately screened. Such facilities shall have to be kept neat and clean and easily accessible.

4. Canteen: In an establishment where more than 100 workers are employed , there shall be sufficient number of canteens for their use in that establishment.

5. Rest room etc.: In every establishment where more than 50 workers are employed sufficient and suitable number of rest rooms shall be provided and maintained and suitable dining room with provision for drinking water where workers can eat meals brought by them shall be provided and maintained. Such rest-room and dining room shall be sufficiently lighted and ventilated and shall be maintained in clean and tolerate temperature. The establishments in which more than 25 female workers are employed , there shall be separate rest-room for the male and female workers, and in which less than 25 female workers are employed , there shall be provision for separate screened space in the rest room for the female workers.

6. Rooms for children: In every establishment, wherein 40 or more female workers are ordinarily employed, there shall be provided and maintained one or more suitable room(s) for the use of their children under age of six years. Such room shall sufficient accommodation, be adequately lighted and ventilated and maintained in a clean and sanitary conditions, adequately furnished and equipped with suitable well fit cot or cradle, sufficient supply of suitable toys for the comparatively older children, suitably fenced and shady open air play-ground shall be provided for the comparatively older children, and shall be under the supervision of woman experienced and trained in the care of children. Such rooms shall be easily accessible to the mothers of the children. **7. Recreational and educational facilities in tea plantation:** Tea plantations shall provide recreational facilities for the workers and their children, educational facilities for the children in such manner and of such standard in accordance with the rule, and medical centre for the workers and their children in the manner.

8. Housing facilities in tea plantation: In every tea plantation the employer provide housing facilities to every worker and his family residing in the tea plantation.

9. Facilities for daily necessities etc. in tea plantation: Every employer of every tea plantation shall provide for the workers facilities in easily accessible place for obtaining the daily necessities.

10. Medical care for the newspaper workers: Every newspaper worker and his dependants shall be entitled to medical care at the cost of the newspaper establishment in such manner and such extent as may be prescribe.

11. Introduction of compulsory group insurance: The establishments where minimum 200 permanent workers are employed, the Government may introduce group insurance scheme there in the manner prescribed by rules.

12. Lunch facility: Many organizations voluntarily have introduced free lunch to workers and employees; many are giving cash amount for lunch to all employees; many organizations have introduced subsidized lunch by arranging such lunch with nearby restaurants.

13. Parking arrangement: It is voluntary arrangement. Industrial organizations and office establishments are giving free parking facility; some organizations have arranged subsidized parking facilities for car, motor cycle and bicycles.

14. Transport facility: Free bus transportation is provided for workers and employees to take in and take out different locations. Executives are provided micro transport facility and higher executives are provided with car facilities at company cost. Some organizations including government ministries and directorates have provided interest free loan to the executives with a particular level with a handsome amount of cash maintenance allowance for installment payment and for bearing operational expenditures.

15. Housing loan with low interest rate: Many organisations particularly banks and other financing organizations are giving low interest bearing long term loan to the employees after serving a particular period for land buying and house construction.

16. Transport allowance and Dearness allowance: Employees are paid double of the actual transportation cost and a set or actual food and lodging (dearness allowance) while they give tour elsewhere for the organizational purpose.

17. Recreation leave and allowance: Employees are paid recreation leave of fifteen days and one month basis pay as cash as recreation leave and allowance in government, semi-government organisations. Other organisations have their own package for this purpose.

List of services and incentives provided to the employees

Services		**Incentives**
Bicycle parking	Education program	Incentive schemes
Discount shop	Tuition Reimbursement	Bonus Scheme
Physical fitness program	Pre-retirement Programs	Reimbursement account
Free coffee/tea and popcorn on work break	Child care	Suggestion scheme
Child development center	Elder care	Incentive schemes
Severance pay	Financial services	Gain sharing
Subsidized transportation	Relocation services	Profit sharing
Subsidized food	Social and recreational programs	Equity sharing
Counseling service	Transport	Low interest bearing housing loan
Loan for buying car and cash maintenance allowance	Lunch (free / subsidized / cash)	T.A. and D.A.

Discussion Questions

1. Define benefit and service.
2. Discuss the objectives of benefits and services.
3. Explain various types of employee benefit programs.
4. State statutory benefits of employees in Bangladesh
5. Describe the voluntary and statutory services.
6. Discuss the process of designing benefits and services.

Case-1: An extra benefit for Clara

Clara Ng smiled as she sat down and took in the luxury of the CEO's office. Tom Alex quickly dealt with the details of Clara's remuneration package. All-was straightforward. Clara felt very satisfied. Her appointment as vice-president of human resources for Pacific Investment Bank was a major career move.

'Oh, I almost forgot your credit card.'

'My credit card?' asked Clara, somewhat confused.

'Yes, sorry about that. lt's not in your contract. lt's just a little extra something we give our top managers to help compensate for the long hours and missed weekends. Sixty hours is an easy week here', smiled lim. 'You will see that the card is in the name of our Hong Kong affiliate. You can charge your personal travel and entertainment expenses on this. It keeps the Australian tax people out of our hair.'

'My personal entertainment expenses?' questioned Clara.

'You got it. You can spend up to $ 50,000 per year, no questions asked. lt's strictly for your personal use. Entertain whoever you like and charge it. Enjoy!' laughed Alex.

Discussion questions

1. What issues are raised in this case?

2. lf you were Clara, what would you do? Why?

Lesson–2: Incentives

Learning Objectives

After studying this lesson, you would be able to

- Define incentives.
- Discuss reasons for giving incentives.
- Explain the requisites of successful incentive plan.
- Discuss various types of incentives.

Definition

Incentives are anything that motivates employees to perform at excellent level beyond normal standard. Incentives schemes are undertaken to achieve goals by inspiring employees to work on time, at exceptional level with commitment and dedication, to be innovative and creative in work, and to contribute best to the achievement of organizational goals.

Incentives plans provide financial and non-financial rewards to employees who make substantial contributions to organizational effectiveness. – Wendell French (1997:396).

There are many types of incentive plans. Some incentive plans tie rewards to the output of individual employees; some incentives are given for the productivity of group; and some incentive plans are related to the overall productivity of the organization. But all types of incentives are directed towards achieving employee involvement, commitment, long standing service, improving quality of life styles of employees and for quality of work.

Reasons

The traditional pay strategies and systems are age old and they are not compatible with the contemporary world. Smith (1992) reported that traditional pay systems do not effectively link pay to performance or production. As a result, managers have increasingly turned to variable pay system that makes an organisation competitive nationally and internationally to get higher production and motivation. Keeping this in view, the incentive schemes are undertaken with the following specific reasons:

1. Achieving compatibility: The needs of the global competition focus on higher quality product and work life. The traditional pay system does not meet these changing needs. Incentives are designed to achieve the compatibility of pay systems with the growing demands for flexible compensation.

2. Maintaining high motivation and commitment: Higher productivity and commitment of the working people deserves incentives for creative and innovative works as well as higher average output. Incentives will motivate the working people to engage in and to involve with their jobs to provide higher output and to be committed to the job and to the organization. It also helps retaining people in the jobs of the organisation for a long time.

3. Ensuring quality of work and life style: Incentives allow employees to work in quality work environment and to earn more in monetary terms to maintain a good life style and standard of living.

4. Recognition for merit: Incentives are given for meritorious and quality work of the people which have substantial contribution to the organizational performance. Thus, people will be encouraged to work better and to maintain quality of work.

Pre-requisites for Successful Incentive Plans

Incentive plans will not be successful if these are well thought out and carefully executed. The success of incentive schemes in an organisation will depend on certain prerequisites. They are stated below:

1. **Management support and commitment:** The success of incentive schemes depends on the total management support to the schemes and their commitment for its execution that needs policy and resource commitment. Otherwise, the incentive programs will not work as they are intended to contribute to the overall performance of the organisation.
2. **Clear goals:** Incentives are designed to achieve goals. Every person, managers and workers, all should have clear understanding about the purpose, mechanism, and execution mechanics of the incentive schemes to avoid any confusion in its calculation and administration.
3. **Eligibility and coverage:** The incentive plans shall have a clear description about who is eligible for incentives of different forms and under what conditions. Coverage of the incentives must be defined broadly enough to facilitate equity and team work but narrowly enough to include only those who affect the results. It will help overcome all future conflicts and contradictions.
4. **Payout standards:** The standards of performance eligible for getting incentives must also be clearly stated in quantitative and qualitative terms. Standards shall include what standard performance will be required to get incentives and when should the payout occur. It should be kept in mind that the organizational culture must be based on teamwork, trust, and involvement of employees at all levels when setting performance goals.
5. **Administration of the scheme:** How the incentive plans will be administered is a complex matter to deal with. The measures of standards, tracking of performance measures, calculations of incentives, clerical supports, cost-benefit analysis of the incentives, framing of incentive related rules and their observance, ensuring union support, and other administrative matters are to be looked into to ensure its smooth operation. If the employees see that these schemes may cause cutting their payouts and suffering their trust, morale, and productivity, they may oppose these incentive schemes. Thus, an efficient administration system and capable people shall be brought in to maintain smooth operations of the incentive schemes.

Types of Incentive Schemes

Incentive schemes exist for all types of people working in an organisation – manual, managerial, and professional employees. The most common incentive schemes are stated below:

1. Individual Bonus schemes

This is individual bonus scheme which directly reward the performance of an individual. Individual incentives are used in situations where performance can be specified in terms of output. In addition, employees should work independently of each other so that individual incentives can be applied equitably (Ivancevich, 2001: 326). There are different forms of individual bonus schemes are in use in business organizations . They are discussed below:

(i) Piecework

A system of pay based on the number of items processed by each individual worker in a unit of time, such as items per hour or per day. There are two types of piece rate plan. One is straight piecework plan that pays a set payment for each piece produced or processed in a factory or shop and another is guaranteed piecework plan that pays a minimum hourly wage plus an incentive for each piece produced above a set number of pieces per hour. Taylor's differential piece rate, Merrick's differential piece rate plan, and Emerson efficiency plan are the popular incentive piece rate plan.

(ii) Output and target-based bonuses

This scheme suggests that an employee will get an hourly rate plus a bonus when the employee exceeds the standard output target. The bonus usually equals approximately 50 percent of the labour saved. Halsey premium plan and Rowan premium bonus plan are such incentive schemes. This is also known as production bonus.

(iii) Commission bonuses based on sales

A commission is paid on a percentage of sales in units or taka. It may be paid as a flat amount for each unit sold. When no base compensation is paid, total earnings come from commissions. A sales variation of the production bonus system pays the sales person a small salary and a commission or bonus when he or she exceeds the budgeted sales goals; and

(iv) Bonus measured day work

This bonus scheme suggests that an employee will get a day wages plus a bonus for excess output produced or processed in that day. The output range or level is predetermined. Spot bonus is awarded to individual employees for accomplishments that are not readily measured by standard (Dessler, 2000:471).

2. Group/ Team Bonus Schemes

Group bonus schemes or incentive schemes are designed to motivate the team/group of people to work jointly in collaboration with others as an integrated whole and thus; incentives are given to the team to achieve its target or to contribute significantly to the organizational performance. The team bonus/incentive schemes are undertaken when it is difficult to measure individual output, when cooperation of several employees is needed to complete a task or project, and when management feels this is more appropriate measure on which to base incentives (Ivancevich, 2001: 327).

This bonus scheme is based on output or productivity of group/section/department or the whole company. In this bonus/ incentive plan a production standard is set for a specific work group and its members are paid incentives if the group exceeds the production standard (Dessler 2000:474). Small-group incentive plans are one of the newest and fastest growing reward strategies to ensure

3. Organisationwide Incentives Schemes

This is an incentive scheme is based on total profits of the organisation generated over a year. This is a much more common incentive reward than individual or group incentives (Ivancevich 2001:328). These organization-wide payments are usually based on one of two performance concepts: a sharing of profits generated by the efforts of all employees altogether and a sharing of money saved as a result of employees' efforts to reduce costs (Wallace and Fay 19088:257, Zingheim and Schuster 1995:6-10). Three approaches to incentive plans are used at the organization-wide level:

1) Suggestion scheme
2) Gain sharing
3) Profit sharing

Suggestion Systems: A suggestion scheme is a formal method of obtaining employee's advice about improvements in organisational effectiveness; it includes some kind of reward based on the successful application of the idea (Ivancevich 2001: 328). It is one of the oldest management tools which is pervasive in both private and public organizations. French (1997:408) opines that a suggestion plan is an incentive system under which employees are rewarded if they offer useful ideas for improving organizational effectiveness. All employees' share the cost saved and productivity gained. Scanlon plan, Quality circle etc. are well known suggestion systems. Research shows that about 80 percent of the suggestions prove practical and are adopted (DeCenzo and Robbins 1997:437).

Essential elements for a successful suggestion system includes: management commitment, clear goals, designated administrator, structured awards system, regular publicity, and immediate response to each suggestions. The National Association of Suggestion Schemes mentions that a firm should investigate what competitors are doing and talk to employees to find out what will motivate them (Matthes,1992).

Gain sharing incentive plans: Gain sharing incentive plans are company- wide group incentive plans that, through a financial formula for distributing organization-wide gains, unite diverse organisational elements in the common pursuit of improved organisational effectiveness (Gowen III 1991: 77:99). It allows employees to share in overall labour cost savings and production cost savings through periodic bonus payments. Thus, the system shares the benefits of improved productivity, reduced costs, or improved quality in the form of cash bonuses (Ross and Hatcher November 1992: 81-89). Studies (Schuster 1984:23-28, Wagner, Robin and Callahan 1988:47-72, Welbourne and Cable 1993, O'Dell and McAdams March 1987:32) revealed that gain sharing improves productivity at a faster rate, lowers labour costs and grievance rates as well as gets favourable employees acceptance.

Profit-sharing plans: Profit sharing incentive plans allow employees to share in the success of a firm by distributing part of the company's profit to the employees in the form of cash bonuses or deferred bonus amounts (Ivancevich, 2001:333, DeCenzo and Robbins, 1997: 437, Werther Jr. and Davis, 1996:421, Milkovich and Boudreau, 1997: 313). A percentage of profits, usually 15% to 20%, is distributed as profit shares at regular interval (Dessler, 2000: 484). Profit sharing is more common among senior managers (Werther Jr. and Davis, 1996: 421). This plan creates trust and a feeling of a common fate among workers and management. Usually, profit plans reserve a percentage of the firm's overall profits or a percentage above a threshold and distribute those monies to employees. The distribution formulas vary, though many give a flat bonus to each employee based on the employee's job category or tenure. Some plans give employees a percentage of their annual pay. Thus, profit sharing plans are found in three combinations:

1. Cash or current distribution plans provide full payment to participants soon after profits have been determined ; this is usually quarterly or annually.
2. Deferred plans credit a portion of current profits to employees' accounts with cash payments made at the time of retirement, disability, severance or death.
3. A combination of both incorporates aspects of current and deferred options.

The effectiveness of these plans may suffer because profitability is not always related to the employee's performance due to prevailing situation. Moreover, employees may not perceive their efforts as making much difference because of the way profits are distributed. Since each individual worker has little impact on overall profits, profit sharing is more common among senior managers.

4. Ownership sharing plan: Under this plan, employees receive stock in the company. Here, benefits are paid to the employees in the form of company stock. This plan is known as employee stock ownership plan (ESOP). Stocks are sold to the employees who often pay for it by accepting stock shares instead of pay or pay rises. In other form, employees may simply pledge to buy stock as a way of helping a company to pay off a debt. Therefore, it is a way of creative financing. The price of the stock, under this scheme, is negotiated price.

Employees will become the owner of the company and thus they may accept lower wages since they share the profits of the company in the form of dividend.

Discussion Questions

1. Define incentives.
2. Discuss reasons for giving incentives.
3. Explain the requisites of successful incentive plan.
4. Discuss various types of incentives.

Case-2: A New Sales Force

After 10 years in business, Khaled Khan has determined that it is time to hire a few sales representatives. As the founder and president of United Transport Company, Khaled has been the main driver of new business sales for the company. However, as the company has grown, Khaled has found that he must spend more time on planning and administration, having little time to generate sales leads or call on potential customers.

Khaled wanted to design an incentive structure to the new sales force. He studied (i) Piecework incentive system of pay based on the number of items processed by each individual worker in a unit of time, such as items per hour or per day ; (ii) Output and target-based bonus scheme that an employee will get an hourly rate plus a bonus when the employee exceeds the standard output target; (iii) Commission bonuses based on a percentage of sales in units or taka. It may be paid as a flat amount for each unit sold; (iv) Bonus measured day work that an employee will get a day wages plus a bonus for excess output produced or processed in that day; (v) Group or team Bonus Schemes in which members are given incentive on their joint work that achieves its target or contributes significantly to the organizational performance. He also studied the schemes with organization –wide impact such as suggestion scheme , gain sharing , and profit sharing .

Khaled was in a puzzle to decide which one will suit best with his new company as he wanted effective contributions from the sales force and that fits with his organization.

Discussion question

Which type of incentive scheme will you think best –fit with the company and why?

13

EMPLOYEE/ INDUSTRIAL RELATIONS

Employee or Industrial relations are a critical activity of human resource management that maintains a cordial relationship with the employees of the enterprise. People may have different reasons for discontent or grievance. Whatever the reason, that must be resolved satisfactorily to prevent any unrest. This unit will deal with mechanisms to maintain smooth industrial relations.

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Lesson–1: Conception, Functions, Approaches, and Actors of Employee or Industrial Relations

Learning Objectives

After studying this lesson, you would be able to

- Define industrial relations.
- Discuss the functions of industrial relations.
- Explain the approaches of industrial relations.
- Mention the actors and forces of industrial relations.

Employee or labour relations are significant aspect of human resource management (HRM) to maintain a peaceful working environment in the enterprise. Employees need to have involvement in the managing of human resources that affects their interests. A well thought-out structure of employee participation system, grievance system, dispute handling management, disciplining system and labour representation system maintain conducive labour relations in the organization which will ultimately ensure interrupted operations, progress and prosperity of the firm.

Definition

Employee relations as a dynamic and developing concept which is not limited to the complex relations between trade unions and management but also refer to the general web of relationships normally obtaining between employers and employees – a web much more complex than the simple concept of labour-capital conflict.- T.N.Kapoor (1998)

Employee or industrial relations are the relationships between the state on the one hand and the employers' and employees' organizations on the other or are the relationships among the occupational organizations themselves. International Labour Organization (ILO)

It involves with freedom of association and the right to organize; and the application of the principles to the collective bargaining, conciliation, arbitration, and the machinery for cooperation between the authorities and the occupational organizations at various levels of the economy. Labour or industrial relations are an integral aspect of social relations arising out of employer- employee interaction in modern industries, which are regulated by the state in varying degrees, in conjunction with organized social forces and influenced by the existing institutions.

Labour or industrial relations include individual relations and joint consultation between employers and work people at the place of work, collective relations between employers or the organizations and the trade unions, and the part played by the state in regulating these relations. - The Encyclopedia Britannica (2005)

Industrial relations system provides the structure and the machinery for the functional relationship between the managers and the managed in any industrial society.

Labour relations is the continuous relationship between a defined group of employees and management and it includes the negotiation of a written contract concerning pay, hours, and other terms and conditions of employment as well as the interpretation and administration of this contract over its period of coverage. – John M. Ivancevich (2001)

Employee or industrial relations do not constitute a simple relationship, but a set of functional, inter-dependent complexities involving with the conditions of work, levels of wages and security of employment, social conflict, attitudes of the working people, the government, the press, cultural inter- actions, legal aspects of disputes, technological aspects, the control of temperature and the introduction of rationalization of disputes, human rights and other rights and privileges ensured by the laws and constitution of the country as well as international agencies.

Functions of Industrial /Employee Relations

Industrial Relations are one of the most delicate and complex problems to modern industrial society. It embraces diversified issues into a consolidated manner to deal successfully with the complicated scenarios of the industry and its society. The functions that industrial relations perform for this purpose are stated below:

1. **Employer- employee Relations:** Personal attention given by the employers /management to their employees. It involves with the Wages and salaries administration; career prospects and promotion; retirement benefits and medical cover; redress of grievance and discipline; training and development of employees; counseling ; compensation on accidents, insurance cover etc.
2. **Labour- management Relations:** Industrial relations promote healthy labour- management relations. It involves with the group relations. It covers the aspects of recognition of union and bargaining agent; collective bargaining; industrial disputes; bipartite and Tripartite dispute settling machinery; welfare measures and benefit schemes; health and safety etc.
3. **Industrial Peace and Productivity:** Industrial relations try to maintain the peace in the industry so that the productivity of the industry maintains a systematic standard. It involves with the aspects of improving union-management relations; avoiding strikes and go-slow tactics; preventing lock out and layoffs; upgrading technology and production method; secure employees cooperation in improving productivity; minimize loss of man days per year; retraining and redevelopment of surplus labour etc.
4. **Industrial Democracy:** Industrial democracy is a mechanism to ensure the dignity and welfare of the individual so that he may develop into a good citizen- a citizen free from domination, regimentations or arbitrary authority. Industrial relations should be based on an integrated and synthetic approach and should aim at the development of a common social, cultural and psychological understanding on the one hand and restraining the conflict or struggle on the other. Industrial relations with its application of the industrial democracy will bring about solutions of conflicts between labour and management, between objectives and values, between the profit motive and social gain, between discipline and freedom, between authority and workers,

between bargaining and cooperation. Therefore, It deals with humanism in industry; focus on employees; public relations; social orientation of business; public relations; participative management; formation of works committee, etc.

5. **Liaison:** Industrial relations maintain strong communication and public relations with the parties who have influence upon the industry and its associated forces. This gives a broad network of relations that helps establish, maintain and promote relations of mutual interests for the benefit of all parties.

Actors and Forces of Industrial Relations

Employee relations are being shaped by many actors and forces which can be segmented into two parts inner and outer actors and forces. Inner actors and forces are constituted with the:

(1) Government i.e. Legal and political environment such as Bangladesh Labour Code 2006 , Minimum Wages Board etc

(2) Management of the enterprise

(3) Workers Union.

The outer actors and forces are constituted with the :

(1) United Nations Organization (UNO)

(2) International Labour Organisation (ILO)

(3) WTO World Trade Organisation (WTO)

(4) International Organization for Standardization (ISO)

(5) Regional Pacts i.e. SAARC, SAFTA, NAFTA, ASEAN etc.

(6) Bilateral Agreements between countries

(7) Non Government Organizations (NGOs) i.e. human rights organizations, labour rights awareness development organizations etc.

(8) Chamber of Commerce and Industries (CCIs) and Federation of the Chamber of Commerce and Industries (FCCIs)

(9) International Trade Union Confederations (ITUCs)

(10) Pressure Groups i.e. Green Peace Movement, Anti-pollution Group etc.

Approaches to Industrial Relations

Industrial relations are interpreted from various dimensions. A well founded understanding of these dimensions of industrial relations is benchmark knowledge of human resource managers because they provide the ideological perspectives of industrial relations. The approaches are discussed below:

The Unitarist Approach

This approach of industrial relations is grounded in mutual cooperation, individual treatment, teamwork, and the sharing of common objectives (kochan and Barocci, 1985). Conflict in the industrial organisation is seen as a temporary anomaly or deviation from the normal acceptable situations , resulting from poor management, misfit employees with the organizational culture, or unfair trade union activity. Trade unions are regarded as competitors for the employee's commitment and cooperation. Management's right to manage is accepted because there is no 'them and us'. The underlying assumption is that it is to the benefit of all to focus on common interests and promote harmony. Conflict in the form of strikes is therefore regarded as not only unnecessary but also destructive.

The unitarist approach to industrial relations is considered as management ideology that legitimizes management authority and control, blames conflict on employees rather than management, threatens the existence of unions, and is manipulative and exploitative. Thus, this approach views human resource management (HRM) as a management tool for seducing employees away from unionism and socialism. Participation of government, courts and unions is not sought or seen as being necessary to achieve good industrial relations.

The approach is criticized as over-simplified. It ignores any diversity of interests within the workplace, the nature of work and the work environment, complexity of the underlying historical, economic, social, political, industrial and technological influences that generates tension, dissension, contradictions and conflict in the workplace (Osborn, 1992, 72).

The Pluralistic Approach

The pluralistic approach to industrial relations sees that organization is a coalitions of competing interests, where management's role is to mediate among the different interest groups; trade union is a legitimate representatives of employee interests; stability in industrial relations is the product of concessions and compromises between management and unions (Farnham,1993).

The pluralistic approach believes that conflict is inevitable and obvious in the society. So, conflict is inherent in all organizations. The legitimacy of management authority is no automatically accepted. Unions of employees promote their interests and influences management decision making. Thus, unions balance the power between management and employees. Therefore, in the pluralistic society, a strong union movement is not only desirable but also a necessity. Here, society's interest is protected through legislation and industrial tribunals. The pluralistic approach is pragmatic.

Critics say that power is heavily balanced in the favour of management, though many managers believe that unions have too much power. It is further argues that industrial relations is about the relationship between an employer and an employee, not a relationship between organizations represent them.

The Radical /Marxist Approach

The radical approach to industrial relations believes that conflict within the organization is the product of a capitalist society in which capitalists are in constant struggle with workers to have major control on factors of production. Therefore, industrial relations are considered as political and social conflict between haves (bourgeois) and have-nots (proletariats). Only solution to this alienation and exploitation is to overthrow the capitalist economic and social system and is replaced by a system in which workers own and control the means of production (Kochan and Barocci, 1985).

Here, trade union is seen as logical employee reactions to capitalists' exploitation and as part of the overall political process for achieving fundamental changes in society. Unions thus act as instruments for challenging the capitalist system of class domination and as school of solidarity generating consciousness for the class struggle and their main concerns are issues of control, power and ownership. It is primarily concerned with improving the workers' position within the capitalist system and not it overthrow (Bilton, Bonnett, Stanworth , Sheard and Webster, 1981).

Discussion questions

1. Define industrial relations.
2. Discuss the functions of industrial relations.
3. Explain the approaches of industrial relations.
4. Mention the actors and forces of industrial relations.

Case-1 : ASTRA CORPORATION

“The best test and the acid test of sound policy in industrial relations”, said the Astra Corporation’s general manager, ‘is our ability to make a union unnecessary in this organization. I say that,” he continued, “not because of any personal objection to unions. If I were an employee of most organizations, I think I would belong to a union, even if I had to organize it. Unions never appear unless management is negligent. Employees join unions because management has somehow overlooked their interests and needs.

“If policies are carefully considered and kept up to date”, he went on, “they should provide ideal working conditions. They should ensure the selection of the right employees for each job. They should make the firms objectives coincide with those of employees. They should insure the protection of employee interests in a manner superior to anything a union can possibly do. Under these circumstances if unions gain membership among employees, one can only conclude that managers have been inadequate."

Six months after this statement to his associates, the general manager was presented with a demand for election among employees of Astra. Shortly thereafter, a local of the International Association of Machinists was certified is there bargaining agent. The general manager immediately asked for the resignation of the industrial relations director and all members of his stuff. He began an immediate search for replacements and told the first applicant that, in his opinion, the test of the new manager's success would lie in his ability to get rid of the union within twelve months.

Discussion questions

1. Summarize the points you would make agreeing with or challenging the manager's viewpoint.
2. How would you regard the test to be applied to the new industrial relation director?

Lesson-2: Union Relations

Learning Objectives

After studying this lesson, you would be able to

- Define union.
- Explain the role of human resource management in union relations.
- Explain the unfair labour practices by the management and by the union.
- Discuss the methods of building union-management cooperation.
- Discuss the functions of participation committee in Bangladesh industrial enterprises.

Concept of Labour Union

A labour union is an organization of employees formed to advance, through collective action, its members' interests in regard to wages and working conditions. – John M. Ivancevich (2001:515).

A labour union is an organisation that bargains for employees over wage hours, and other terms and conditions of employment. – Wendell French (1997:450).

Employees join union to gain strengths together to overcome the power of management /capitalists or to make them compatible with the power of capitalists to protect their interests in regard to wages and working conditions. Bangladesh Labour Code 2006 mentions that without any difference whatsoever, all workers shall have the right to form trade unions and to join their chosen trade union subject to the constitution of the concerned union; mainly for the purpose of regulating the relations between workers and employers or workers and workers (Sec.176a). Employers shall have the same right to form trade unions to regulate the relations between employers and workers and employers and employers (Sec. 176b). The chapter XIII of this Act deals with trade union and industrial relations in Bangladesh.

In general, there are two types of unions: industrial and craft. Members of an industrial union are all employees in a company or industry, regardless of occupation. Members of a craft union belong to one craft or to a closely related group of occupations. Trade unions may be local, national and international.

Role of Human Resource Management

Human resource management is entrusted to protect the interests of the organisation against the union activities and to maintain a harmonious and cordial relationship with the union so as to keep the operations of the organizations uninterrupted. The specific roles in this regard are-

1. **Watching the unfair labour practices** by the union organizations and for unlawful infringements on the company's property rights.
2. **Advising first-line supervisors and other managers** about what they can and cannot do during the unionization campaign.
3. **Maintaining cordial relationship with unions** through regular communication in the form of formal and informal interactions with the

union officials and addressing their issues with amicable solutions with mutual respect and interests. Human resource management shall try to minimize defensive behaviour of both supervisors and employees which will be derogatory to mutual relationship. The sooner hostile feelings diminish, the sooner both parties can move to establish a constructive working relationship.

4. **Refraining organisation** from doing any unfair labour practices that will jeopardize harmonious relationship between management and the union.
5. **Arranging training programmes** for the union officials about employment laws, labour laws, company practices and organizational culture to educate them to behave in formal and informal interactions with other employees and with managerial people to ensure desirable organizational actions from them.

Unfair Labour Practices

Every country has its own law regulating unfair labour practices on the part of management and of unions. The laws are almost similar in content. Bangladesh Labour Code 2006 has pointed out these practices by management in sections 195 and by workers in section 196 which are unlawful on the part of management and of union.

Unfair labour practices by management /employers

No employer or trade union of employers or no person acting on behalf of either shall-

1. **Impose** any condition in a contract of employment seeking to restrain the right of a person who is a party to such contract to join a trade union or continue his /her member ship of a trade union.
2. **Refuse** to employ or refuse to keep employed any person on the groud that such person is or in not, member or officer of any trade union.
3. **Discriminate** against any person in regard to any employment, promotion, condition of employment or working condition on the ground that such person is, or is not, a member or officer of any trade union.
4. **Dismiss,** discharge, remove from employment or threaten to dismiss, discharge or remove from employment a worker or injure or threaten to injure him/her in respect of his/her employment by reason that the worker is or proposes to become, or seeks to persuade any other person to become, a member or officer of a trade union or participates in the promotion, formation or activities of the trade union.
5. **Induce** any person to refrain from becoming or to cease to be a member or officer of a trade union, by conferring or offering to confer any advantage on or by procuring or offering to procure any advantage for such person or any other person.
6. **Compel** any officer or the collective bargaining agent to sign a memorandum of settlement by using intimidation, coercion, pressure, threat, confinement to a place, physical injury, disconnection of water, power and telephone facilities and such other methods.
7. **Interfere** with or in any way influence the balloting for electing one trade union to act as collective bargaining agent.
8. **Recruit** any new worker during the period of lawful strike or during the currency of a strike which is not illegal except where the conciliator has,

being satisfied that complete cessation of work is likely to cause serious damage to the machinery or installation, permitted temporary employment of a limited number of workers in the section the damage is likely to occur.

9. **Fail** intentionally to take measures as per the recommendation of the participating committee.
10. **Fail** to give answer to any letter sent by the collective bargaining agent regarding an industry dispute.
11. **Transfer** the president, the general secretary, the organizing secretary, or the treasurer of any trade union in contravention of the provision of the Act that prohibits transfer of such officials from one district to another without his/her consent.
12. **Commence** or continue an illegal lock-out or persuade any other person to take part in that.
13. **Refuse** to bargain in good faith with employee representatives (National Labour Relations Act, USA)

Unfair labour practices by workers

1. **No worker shall remain engaged** in any trade union activities during his/her working hour without the permission of the employer.
2. No worker or trade union of workers or no person acting on behalf of such trade union shall –
   a) **Intimidate** any worker to become, or refrain from becoming , or to continue to be , or to cease to be a member or officer of a trade union;
   b) **Induce** any person to refrain from becoming , or cease to be a member or officer of a trade union, by conferring or offering to confer any advantage on , or by procuring or offering to procure any advantage for, such person or any other person;
   c) **Compel** or attempt to compel any worker to pay, or refrain from paying, any subscription towards the fund of any trade union by using intimidation , coercion, pressure, threat, confinement to any place, physical injury and by disconnecting water, power or telephone facilities or adopting any other method;
   d) **Compel** or attempt to compel the employer to sign a memorandum of settlement by using intimidation , coercion, pressure, threat, confinement to a place , physical injury, disconnection of telephone, water and power facilities or by any other method;
   e) **Commence** or continue any illegal strike or go slow work, or persuade any other person to take part in that ;
   f) **Create** blockade, obstacle in transport or communication system or cause damage to any property for the purpose of satisfying any demand or object of a trade union.
3. It shall be **an unfair practice** for a trade union if it interferes in any election held under this Act by the exercise of undue influence, intimidation, impersonation or bribery through its executive or through any person acting on its behalf.
4. Demand excessive or discriminatory initiation fees (National Labour Relations Act, USA)

5. **Refuse** to bargain with an employer in good faith. (National Labour Relations Act, USA)
6. **Picket** an employer to force it to recognize the union as the employees' representative without requesting a government election within a reasonable time period ((National Labour Relations Act, USA)
7. **Force** an employer to discriminate against an employee because of that employee's membership or non-membership in the union National Labour Relations Act , USA)

Union –Management Cooperation

Management and union are two wings of the same bird. But historically, they are two contending parties of an organization engaged in maximizing their own interests through enmity. Gradually, over the time, both management and union understand that enmity does not pay, rather cooperation will serve best their interests. Through cooperation, both parties can replace reactive measures with proactive ones which will benefit the union and the management by saving time and expense leading to higher profits the company and better contract for the union. So, building union-management cooperation is a primary task of human resource management. How? Let us observe the following methods:

Methods of Building Union-Management Cooperation

Many things may create barrier in the way of establishing good union –management cooperation. A good will is enough to overcome those barriers. Union and management are two essential parties of the organisation without any of them organisation cannot exist. So, it is better to maintain collaboration between them rather than confrontation. In this respect, Werther and Davis (1996:545) have mentioned the following methods to build union-management cooperation:

1. **Prior consultation** with union leaders to defuse problems before they become formal grievance. Open and frequent communication will help developing mutuality, friendliness, cordiality and better understanding of each other. This
2. **Sincere concern** for employee problems and welfare even when management is not obliged to do so by the labour agreement. This may be shown through prompt settlement of grievances, regardless of who wins; honest effort to prevent strike; continuation of benefits even during strike etc.
3. **Training programs** that objectively communicate the intent of union and management bargainers and reduce biases and misunderstandings. Training programs will empower union officials with laws relating to industrial relations, employment laws, bargaining techniques, consequences of illegal union activities, union responsibilities and roles etc about union relations. This will facilitate smooth operations of unions, collective bargaining agent, and that of company too.
4. **Joint study committees** that allow management and union officials to find solutions to common problems. This forum would allow union and management to exchange information relating to employment flaws, employee grievances, and union demands. It will also allow both to

investigate jointly many matters that obstacle good union-management relations and will lead to amicable solutions thereof.

In Bangladesh, a participation committee shall be formed in every establishment in which at best fifty workers are employed taking equal members from both management and union and collective bargaining agent according to the section 205 through section 209 of the Bangladesh Labour Code 2006. It also specifies the functions of the participation committee. They are –

1. **To plant and develop** a sense of being embodied in every worker and employer and enliven the workers' commitment and the sense of responsibility towards the establishment.
2. **To endeavour to promote** mutual trust, understanding and cooperation between the employer and the worker.
3. **To ensure** application of labour laws.
4. **To encourage** the sense of discipline and to improve and maintain safety, occupational health and working condition.
5. **To encourage** vocational training, workers' education and family welfare training.
6. **To adopt** measures for improvement of welfare services for the workers and their families.
7. **To fulfill** production target, to increase productivity, reduce production cost and impede wastes and raise the quality of products.

5. **Third parties** who can provide guidance and programs that bring union leaders and managers closer together to pursue common objectives. Third party intervention is sometimes desirable when union and management neither could nor resolve the issues of dispute through mutual dialogue and negotiation. There shall be a legal or agreed upon system to have third party intervention. The Bangladesh Labour Code 2006 has prescribed the rules of third party intervention which is discussed in lesson 3. Both parties can take shelter of these third parties to intervene and resolve the industrial dispute.

Discussion questions

1. Define union.
2. Explain the role of human resource management in union relations.
3. Explain the unfair labour practices by the management and by the union.
4. Discuss the methods of building union-management cooperation.
5. What are the functions of participation committee in industries in Bangladesh?

Case-2: Management and the Union united

The managing director of Sky Timber Industries Ltd, Akram Hossain, pushed his chair back from the gleaming Oak table. ‘Well, I guess that’s it. We are agreed that we stand united against the environmentalists and their opposition to logging the region’s old growth forests?’

‘Absolutely, Akram. The union is 100 per cent with you on this. If that mob os protesters is successful, it’s going to cost the jobs of hundreds of my members. Unemployment is already a major problem and I don’t want to see it get worse’, grumbled Abdur Rahman, Secretary of the United timber worker Union.

‘I agree Akram, these long-haired hippies and radicals from the big cities just don’t understand. The logging industry in this area generates more than Tk. 2 billion worth of business and supports more than 10,000 jobs. But what do the protesters care? All they worry about is that the habitat of some bug that no one has ever heard of might be threatened’.

‘Yeah!’ snapped Rahman, ‘that mob never thinks about the workers and their families and what’s going to happen to them’.

‘The one problem as I see it’, interrupted Jareen Ahmed, HR manager, ‘is that more than 70 per cent of the community is against us’.

‘So what?’ snapped Rahman. ‘The public are fools. They’ve been misled by all the environmentalist propaganda’.

‘You can say that again, Rahman. Their new releases are straight –out lies. It’s a disgrace ‘, added Akram angrily.

‘Look, if we don’t fight this together ‘, barked Akram, ‘there will be no Sky Timber Industries, no timber workers and no bloody union!’

Discussion questions

1. If you were Jareen , what would you do?

2. What ethical issues are raised in this case?

3. Identify the key stakeholders and their interests.

Lesson–3: Grievance and Dispute Handling

Learning Objectives

After studying this lesson, you would be able to

- Define grievance and industrial dispute.
- Explain the process of grievance handling.
- Discuss the grievance handling practices in Bangladesh.
- Describe the dispute handling process.

There is hardly an organization which functions without any grievance or complaint. It is an expression of individual dissatisfaction or discontent either from worker or from management. Grievances have considerable significance as harbingers of industrial dispute. Unresolved grievances can become an industrial dispute and may cause serious disruption in the organisation's operations system.

Definition of Grievance

A grievance is defined as any real or imagined feeling of personal injustice that an employee has about the employment relations. – William B. Werther and Keith Davis (1996).

A grievance is any discontent or dissatisfaction, whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks , believes or even fees to be unfair , unjust or inequitable. – Michael J. Jucious (1971)

A grievance is any dissatisfaction or feeling or injustice in connection with one's employment situation that is brought to the notice of the management. - Beach (1985,583)

All these concepts of grievance does not emphasized on expression of discontent or dissatisfaction as a priori condition. But Flippo (1976, 430) has made expression of discontent as priori condition to be a grievance. He opined that the grievance is a type of discontent which must always be expressed but he agreed with the condition that it must be connected with the company operations or policy though it may be valid or ridiculous.

Grievance is a written complaint filed by an employee and claiming unfair treatment. - Yoder (1972)

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. - International Labour Organization (ILO)

All these concepts of grievance does not emphasize on expression of discontent or dissatisfaction as a priori condition. But Flippo (1976, 430) has made expression of discontent as priori condition to be a grievance. He opined that the grievance is a type of discontent which must always be expressed but he agreed with the condition that it must be connected with the company operations or policy though it may be valid or ridiculous.

There is a debate whether grievance is dissatisfaction only or a complaint. So, both Yoder and ILO pointed out grievance as complaint but others are not.

Thus, grievance is a feeling of injustice arising out of employment situation into human resources working in the organization. This feeling does not have to be expressed to become a grievance, neither does it has to be true or correct; a feeling that arise from imaginary conditions or from incorrect reasoning is still a grievance if it caused a feeling of injustice.

Process of Grievance Handling

Human resource management has to handle this grievance with well thought out strategy so that it can be prevented or can be handled with a systematic procedure to resolve it satisfactorily and ensure the peaceful human and work environment into the organization. Because, grievance or mishandling of grievance causes loss of employee interest in work reduces morale and commitment, lower productivity and quality of production, increases wastage and costs of operations, makes employees indisciplined, increases turnover and absenteeism, and at the end, may lead to unrest.

An effective grievance handling system will have well designed procedure, simple, fair, easy to understand, communicated to all, prompt and speedy, accepted by employees, designated authorities to handle grievance and must ensure natural justice to the aggrieved person. In this respect, there exists a conventional procedure to deal with grievances of employees that involves with the following steps:

1) Receiving the grievance: The aggrieved employee shall give in writing to the authorized person about his/her grievance. He/she may give it personally to the head or may give through registered post or through e-mail to the authorized person. The authorized competent person may be head of the respective section/department in which the aggrieved employee is working or head of the human resource department or head of the institution which is mentioned in the grievance handling procedure of the organization. This grievance may be received in writing or in oral presentation but it is better to receive grievance in writing.

If the grievance is related to any working condition, then the head will settle it by taking appropriate action. Then, other steps are dropped. But if the grievance is caused by the action of other employee, then the next steps will be followed.

2) Issuing show cause to the parties to explain his/her position in person / in writing: The involved parties will be issued a show cause notice to explain their position in person or in writing. The oral explanation will be recorded in writing.

3) Giving personal hearing: The head will take personal hearing of both the parties and therefore, he/she will give a specific venue, date and time to the parties to this effect. The personal hearing will be recorded. The involved parties will provide their arguments and records in their favour. The witnesses, if any, shall be examined. If necessary, they will be cross examined.

4) Examining the personal records of the employee: At this stage, personal records of the parties will be examined to verify their past activities. This will give an insight about the behavioural pattern of the employees involved with the given situation. This will help the head to understand the situation and the persons and to take appropriate corrective actions.

5) Consulting organizational and legal provisions: Human resource manager shall search organizational practices, legal provisions and court verdicts related to settle the concern grievance. We shall keep in mind that organisation shall maintain consistency in actions so far taken and conventionalized in the organisation over the years to avoid any further grievance.

6) Taking appropriate action. After careful consideration of nature of grievance, evidences, testimonies, organizational practices, and legal provisions, human resource manager /authorized person will take most appropriate action to settle the grievance. There shall be no discrimination in actions and shall maintain equity and consistency in action to make the person satisfied and to keep the organisation fair .

Grievance Handling Practices in Bangladesh

The Bangladesh Labour Code 2006 has prescribed a grievance handing procedure in its Section 33 (Grievance procedure). The Section says that:

1) An worker including such worker whose employment came to an end on account of being laid off, discharged, dismissed, terminated or for any other reason, who has grievance about any matter under this chapter and if he desires to get any relief regarding that matter under this section, he shall submit his grievance in writing to his employer within thirty days from the date of being informed of the cause of the grievance by registered post: provide that the submitting of the grievance not by registered post shall also suffice if the appointing authority acknowledges directly in writing the receipt of the grievance.

2) The employer shall inquire into the grievance and by giving the worker concerned a chance of being heard inform him of his decision about the matter within 15(fifteen) days from the date of the receipt of the grievance.

3) If the employer fails to give a decision under sub-section (2) or if the worker is dissatisfied with such decision , he may lodge a complaint with the Labour Court within 30 (thirty) days from the date of the expiry of the time allowed under sub-section (2) or within thirty days as the case may be, from the date of the employer's decision.

4) The Labour Court, after receiving the grievance, by serving notice upon both the parties shall hear them about the grievance and give such decision as it deems fit and proper in the circumstances as per its discretion.

5) The Court by its order passed under sub-section (4) may, amongst other relief's, give direction to reinstate the complainant with or without back wages and transform the order of dismissal, termination or discharge into minor punishment as provided for in section 23(2).

6) Any worker aggrieved by the order of the Labour Court may prefer an appeal before the tribunal within 30 (thirty) days from the date of the order and the decision given on the appeal shall be final.

7) No court-fee is payable for lodging any complaint or appeal under this section.

8) Any complaint under this section shall not be treated as a criminal prosecution under this Act.

9) Notwithstanding anything provided for in this section, no complaint can be lodged against the order of termination given under section 26, unless the order of termination is given on account of the worker's trade union activities or complaint is made to the effect that the impugned order was given being actuated by motivation or unless he is deprived of the benefits which he is entitled under that section.

Dispute Handling Mechanisms

Industrial dispute is any dispute or difference between employee and employer, or between employee and employee, or between employer and employer which is connected with the employment or non-employment or the terms of employment or with the conditions of work of any person. For the settlement of industrial dispute, various methods are used. They are:

1. **Negotiation**
2. **Conciliation**
3. **Arbitration**
4. **Adjudication by the Labour Court**
5. **Adjudication by the Labour Appellate Tribunal.**

In Bangladesh, Bangladesh Labour Code 2006 has given the legal system to settle industrial disputes besides generally accepted system of settling disputes. One important issue is that as per the Code, an industrial dispute can only be raised by the Collective Bargaining Agent (CBA) of workers in a particular organisation.

Negotiation

Negotiation is a voluntary method to settle disputes. Parties of dispute will sit together, discuss the matter with mutuality and tries to come to an settlement of the dispute. Bangladesh Labour Code 2006 prescribes that -

1. If at any time, an employer or a collective bargaining agent finds that in industrial dispute is likely to arise between the employer and the workers, the employer or the collective bargaining agent shall communicate his or its views in writing to the other party.
2. Within 15 days of the receipt of a communication, the party receiving it shall, in consultation with the other party, arrange a meeting with the other party for collective bargaining on the issue raised in the communication with a view to reaching an agreement thereon through the procedure of a dialogue.
3. The meeting may also be held between representatives of both the partied authorized in this behalf.
4. If the parties reach a settlement on the issues discussed, a Memorandum of settlement shall be recorded in writing and signed by both the parties.
5. If no settlement can be reached within one month from the date of the first meeting held for settlement of the dispute through the negotiation process of reciprocal dialogue between both the parties or within the time extended through the written consent of both the parties, any of the

parties may, within fifteen days of the expiry of the time limit , may request him in writing to settle the dispute through conciliation.

Conciliation

Conciliation is an industrial relations mechanism to bring about a settlement in disputes through a third party intervention. The conciliation service in Bangladesh is regulated by the provisions of the Bangladesh Labour Code 2006. The Government appoints as many persons as conciliators for this purpose and specifies the area within which, or the class of establishments or industries in relation to which, each one of them shall perform his/her functions.

1. The Conciliator shall start conciliation after receiving the written request from any of the parties or from both the parties to the dispute to settle the dispute through conciliation.
2. He/she will get 30 days for conciliation.
3. The conciliator shall, within 10 days of the receipt of such request, start his/her conciliation and shall call a meeting of the pasties to the dispute informing them the date, time and the venue for the purpose of bring about a settlement.
4. The parties to the dispute shall appear before conciliator on the prefixed date and time in parson or through their representatives nominated by them and authorized to negotiate and enter into an agreement binding on both the parties.
5. If any settlement is arrived at, the conciliator shall send a report of the settlement to the government together with a memorandum of settlement signed by the parties to the dispute.
6. If no settlement is arrived at within thirty days of the receipt of a request by the conciliator, the conciliation shall fail or the conciliation proceedings may be continued for such further period as may be agreed upon by the parties.
7. If the conciliation fails, the conciliator shall try to persuade the parties to agree to refer the dispute to an arbitrator for settlement. The conciliator shall issue a certificate to the effect that the conciliation has failed to the parties within three days of the failure of the conciliation proceedings.

Arbitration

Arbitration is a third party intervention mechanism to settle dispute if conciliation fails. If the parties agree to refer the dispute to an Arbitrator for settlement, they shall make a joint request in writing for the reference of the dispute to an arbitrator agreed upon by them. The arbitration of any industrial dispute is done as per Bangladesh Labour Code 2006.

1. The arbitrator shall give his/her award within a period of 30 days from the date on which the dispute is referred to him or such further period as may be agreed upon by the parties to the dispute.

2. After the arbitrator has made an award, the arbitrator shall forward copy thereof to the parties and to the Government.
3. The award of the arbitrator shall be final and no appeal shall lie against it.
4. An award of the arbitrator shall be valid for a period not exceeding two years or as may be fixed by the Arbitrator.

Adjudication by the Labour Court

The labour court and its operation is regulate the Bangladesh Laobur Code 2006. A Labour Court consists of a chairman and two members to advise him. The chairman of the Labour Court is appointed by the Government from amongst the sitting District Judges or Additional District Judges. Among the two members of the Labour Court, one is to represent the employers and the other to represent the workers. The government shall constitute two panels of members, one of which shall bear the names of six representatives of employers and the other six representatives of workers for two years.

1. If any parties do not agree to refer the dispute after failing conciliation for the arbitration, any party of the dispute can refer the case to the labour court for the adjudication.
2. No curt fee shall be payable for filing, exhibiting or recording any document in, or obtaining any document from a Labour Court.
3. The labour Court shall, within not more than 10 (Ten) days of institution of a case, direct the opposite party through executor/process server or special bearer or through registered post or through both to submit its written statement or objections.
4. If the opposite party fails to submit a written statement or objection within the time specified in the notice or extended, the case shall be decided ex parte.
5. The Labour court shall after giving both the parties to the dispute an opportunity of being heard, make its award as expeditiously as possible but not exceeding 60 days from the date on which the dispute was referred to it. Provided also that any delay by the labour court in making an award shall not affect the validity of any award made by it.
6. An award, decision or judgement of a Labour Court shall be given in writing and delivered in open court and a copy thereof shall be forwarded to each of the parties concerned.
7. An award of the labour court shall be for such period, as may be specified in the award, which shall not be more than two years.
8. A decision of the Tribunal in appeal against an award shall be effective from the date of the award.

Adjudication by the Labour Appellate Tribunal

Any party aggrieved by an award , decision or judgement of the Labour Court , may prefer an appeal to the Labour Appellate Tribunal which functions under the provisions of the Bangladesh Labour Code 2006. Labour Appellate Tribunal in Bangladesh consisting of a Chairman or /and such number of members as determined by the Government, for the purpose. The Chairman and the Members, if any, of the Tribunal shall be appointed by the Government. The Chairman shall be a sitting judge, or a retired judge or an additional judge of the Supreme Court.

1. Any appeal to the Tribunal shall be made in a prescribed form.
2. The hearing or disposal of an appeal or a case pending or under consideration before the Tribunal may be held in the full Court or in any of its Benches.
3. The Tribunal may, on appeal, confirm, set aside, vary or modify any award , decision, judgement or sentence given by the Labour Court or

send the case back to the Labour Court for rehearing; and shall exercise all the powers conferred by this Code on the Labour Court, save as otherwise provided.

4. The judgement of the Tribunal shall be delivered within a period of not more than 60 days following the filing of the appeal; provided that no such judgement shall be rendered invalid by reason only of any delay in its delivery.
5. The decision of the Tribunal in such appeal shall be final.

Discussion Questions

1. Define grievance and industrial dispute.
2. Explain the process of grievance handling.
3. Discuss the grievance handling practices in Bangladesh.
4. Describe the dispute handling process.

Case–3 : Disaster in Garment Industry

We are experiencing a series of incidence in the garment industry of Bangladesh that affect negatively the industrial peace and productivity in this sector as well as its foreign market. One such incidence occurred recently at Savar in ABC factory. A group of workers had burned it. Nearly 500 workers lost their jobs and the company sustained 10 crore taka damage of property. It also has lost its market .

Investigation found that only 2 weeks wages were not given to the workers and they started a movement for getting arrear wages and at times, they set fire with the factory. It is also found that there was no trade union or any kind of representation of workers with whom management can sit and discuss the matter. The sporadic communication by the individual worker with the management did not work and convince management to intervene immediately. The investigation further revealed that a set of outsiders also involved with the incidence and had taken the opportunity to make the industry unsettled or to serve the purpose of others which was not discovered by any investigating body but everybody guessed it.

The management said that it was the general practice to pay the wages on or before 15th day of the next month. The payment was delayed by another 7 days only. The workers were told that due to financial hardship this delay had happened and they were convinced. The management did not understand why workers had done this type of destructive action against the factory. The management believed that there was some obvious third party involved with it to destroy the reputation of garment industry of Bangladesh to get benefit out of it but it did not specify who the third party was.

The ministers of the government of Bangladesh also said that neither the workers nor any of the persons of management was involved with the incidence but the vested interested group was involved, but they also did not disclose who the vested interested party was.

Discussion questions

1. What type of conflict, do you think it was?

2. What negotiation mechanism, do you think, would work well to settle the conflict?

Case–4 : Rahman Textile Industry

Rahman Textile Industry Limited is operating since 1977 at its present premise Tongi. The present human resource of the company is 1480 of which 1320 are workers of various grades. It has been working with a profit since its very inception. The management is thinking to make it an automated production system to be more competitive and enduring with high profit potential.

The company has 3 (three) registered trade unions. It conducts regular election of Collective Bargaining Agent. Last year, the then CBA did not turn good result in the election and the obvious result of which is a new CBA. The executive body of the CBA did not agree with the management to the proposal of automation. They argue that Bangladesh is a labour surplus country and the present workforce is highly efficient and effective which has been reflected into high increasing output and the profit. The workers are regularly getting 2 (Two) incentive bonus and two festival bonus on the eve of two Eid occasions. So, there is no need to covert the present work system into automation. Moreover, it will cause a large labour retrenchment which will made unemployment of many workers. Thus, the CBA has made strong objection against this proposal and a threat to go on strike if management goes ahead with its automation plan.

The Board of Directors of the company in a meeting takes a unanimous decision to go ahead with the automation plan because it will help the company to reduce the manpower and human –related problems. It will also increase productivity, and makes the company comfort to begin with three shift output. The decreased manpower reduces human resource management problems and cost. The management believes that human is the primary problem to the organization to Bangladesh and the workers are obvious trouble to all management. So, automation will help to get rid of the problem.

The decision of the management has caused havoc among the workers. The CBA immediately has met in an emergency meeting and decided to raise the issue to the management. Accordingly, the CBA has sent a communication explaining its position and requested the management to seat in a meeting to discuss the issue. But the management did not respond. The CBA after a few days has given another communication to the management and also did not get any response from the management.

Discussion question

Suggest the CBA about the courses of action it may take against the management under the situation along with justifications in favour of your recommendations.

Lesson–4: Employee Protection

Learning Objectives

After studying the lesson, you would be able to

- Define the concepts of safety, security and health.
- Explain the universal safety measures along with that of in Bangladesh.
- Discuss the health and hygiene measures in Bangladesh and elsewhere.
- Explain the process of institutionalizing safety and health program.
- Discuss the financial securities to the employees.

Human Resource Management (HRM) or management of all organisations is responsible for ensuring protection of employees from any kinds of hazard that may cause harm to employees' physical or mental health. It is not only required for increasing employees' morale and productivity but also for reducing costs. Research shows that average cost of a serious accident incurred by employers is over $23,000 during 1990s (Toscani and Windau, Oct.1994: 17-28). Research further shows that there are approximately 20 million work related injuries each year, 3,90,000 work related illnesses, and 1,00,000 work-related deaths (Levy and Wegman, 1983:10). Another report shows that in recent years, there were more than 6200 deaths and over 6.5 million injuries resulting from accidents in 1992 (BNA 1994:276-277). Countries made laws, established institutions to inspect operations and train all concerned parties about safety hazards to reduce burdens on the organizations and on the society. The Government of Bangladesh has reframed a new improved law naming "Bangladesh Labour Code , 2006" mandatory for all producing organizations to minimize negative aspects of working conditions affecting the employees' health, safety and security.

Safety, Security and Health Measures

Safety hazards are aspects of the work environment that have the potential of causing immediate and sometimes violent harm or even death such as poorly maintained equipment, unsafe machinery, exposure to hazardous chemicals and so on. Health hazards are aspects of the work environment that slowly and cumulatively lead to deterioration of health.

WHO defines health as a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity. According to the joint ILO/WHO committee on organizational health, industrial health is : (1) the prevention and maintenance of physical, mental and social well-being of workers in all occupations; (ii) prevention of workers from ill-health caused by the working conditions; (iii) protection of workers in their employment from risks resulting from factors adverse to health; and (iv) placing and maintenance of the workers in an occupational environment adapted to his physical and psychological equipment.

In Bangladesh, workers health, safety and security are dealt with by formal laws : The Bangladesh Labour Code 2006 (GOB) states accident as **an occurrence in any establishment causing loss of life or bodily injury that compel the worker to remain absent from the employment for more than 48 hours** (Sec. 80). The Code defines serious physical injury as any such injury by which the use of any organ of any person is permanently damaged or a probability of being damaged exists which has been caused by an accident or an occupational disease, and which arises out of, or in the course of, employment, and which would entitle such employee to compensate under the Code (Sec. 1(75) and 150) . Accident may cause death or disablement. Disablement is classified into two: partial and total disablement. Partial disablement may be temporarily and permanent in nature that incapable a person temporarily or permanently in earning income. Total disablement incapacitates a workman for all work, which he was capable of performing at the time of accident.

Safety, security and health management represents an organization's response to a number of compelling influences- legal, social and humanitarian responsibilities as well as union, general public and international pressure. The establishment of a safe, healthful and environmentally sound working condition is a priority in any socially responsible organization. It is better to go beyond the standards required by law under the context of the present global economy. Our laws do not in many occasions comply with the standards of the ISO 9000-9003 and the social accountability standards of the advanced industrial nations. But firms engage in international trade have to comply with those standards or to take the risk of losing market.

These are costly for the organization but it will also be paid back in many kinds of return to the organization for which incurring these expenditure is justified. The costs to an organization of accidents, injuries, and occupational diseases are both tangible and intangible. The tangible costs are the measurable financial expenses. The intangible costs include lowered employee morale, less favourable public relations, and weakened ability to recruit and retain employees.

Frequently, organizations ignore or are not aware of the tangible but "hidden" costs of occupational illness or injury. Peterson (1976:50-53) prepared a list of the **costs associated with a single-accident** in the workplace:

- The cost of wages paid to workers who are attracted to the accident site and therefore not working.
- Equipment or work in process that is interrupted, spoiled, or damaged; slowdowns at later production stations caused by interruptions in the work of the injured person as well as the work of those who came to the scene.
- The repair of damaged equipment to work in process.
- Cleanup costs.
- Payments to the injured employee in excess of workers' compensation.
- Dispensary services provided by the plant nurse, company infirmary, and so on.
- The diminished productivity of the injured person after his or her return to the job but before full work output can be sustained.
- Costs of supervisory time (incurred because accidents must be investigated, and reports must be made and processed).
- Extra overtime costs occasioned by the initial interruption of work.

- Costs associated with the recruitment, selection or transfer, and training of a replacement for the recuperating worker.
- Costs associated with the higher scrap, spoilage, or generally lower efficiency of the replacement.
- Legal costs for advice with respect to any potential claim.
- Costs of rental equipment placed temporarily in service while unsafe equipment is repaired or replaced.

The present legal framework of the country provides a lot of actions to ensure safety, security and health protection of the working people. The statutory provisions (Sec. 61- 78) in this respect of the Bangladesh Labour Code, 2006 are given below:

Safety Measures

i) **Safety of building and machinery**: If it appears to any Inspector that nay building or any of its parts or any pathway, machinery or plant in any establishment is in such a condition that it dangerous to human life or safety, he may direct the employer to take necessary measures as he thinks necessary within the time specified in the directive. If the building or any part thereof, machinery or plant thereof in an establishment is imminently dangerous to human life or safety, the inspector can prohibit its use (Sec. 61)

ii) **Adopting precaution regarding fire:** The following precautions shall be taken in case of preventing fire:

a) Exit path shall be made to go out at the time of conflagration along with at least one alternative staircase maintaining connection with every floor and fire extinguishing appliances in the manner prescribed by rules.

b) Exit doors shall not be locked or fastened and shall be capable of being easily opened; and they shall be so constructed as to open outwards;

c) Every doors, window or exit, through which persons can escape in the event of a fire, shall be distinctly marked in Bangla letters in red colour or by any easily comprehensible manner. of adequate size in a language that is understood by workers,

d) A clearly audible signaling system of giving warning at the time of fire or danger to every worker employed therein shall be maintained.

e) All the exits should be easily and freely accessible to all the workers in every room in the factory premises, so that they can easily make their escape when a fire breaks out; and

f) All workers shall know the means of escape and be trained about their duty to be done at the time of fire.

g) Factories with fifty or more workers / employees shall have to arrange a fire extinguishing demonstration at least once a year. (Sec. 62)

iii) Fencing of Machinery: Every part of the machinery, either in motion or in use, shall have to be strongly fenced by adequately construction maneuvere. Every ser-screw, bolt orkey of every revolving shaft, spindle-wheel or pinion and all spur, warm and other toothed or friction gearing with which any worker is bound to come tin contact, shall have to be strongly fenced with a view to making it free from the risk of coming in such contact. (Sec. 63)

iv. Work on or near machinery in motion: The examination of any part of machinery while in motion or to carry out any mounting or shipping of belts, lubrication or other adjusting operations while the machinery is in motion, shall be carried out by a specially trained adult male worker wearing tight-fitting clothing but shall not handle a belt at a moving pulley unless the belt is less than fifteen centimeter in width and unless the belt-joint is flush with the belt and laced. (Sec.64)

v. **Striking gear or device for cutting off power:** A suitable striking gear or other efficient mechanical appliance shall be provided and maintained and used to move driving belts to and from fast and slow pulleys which form part of the transmission machinery, and such gear or appliances shall be so constructed , placed and maintained to prevent the belt from cropping back on the first pulleys. Suitable devices for cutting off power in an emergency shall be provided and maintained in every work room. (Sec. 65)

vi) Self-acting machines: No traversing part of a self-acting machine in any establishment and no material carried thereon shall, if the space which it runs is a space over which any person is liable to pass whether in the course of his employment or otherwise, be allowed to run on its outward or inward transverse within a distance of forty five centimeters inches from any fixed structure which is not a part of the machine.(Sec.66)

vii) Casing of new machinery: In every machinery driven by power installed in any establishment after the commencement of this Act (a) set-screw, belt or key or any revolving shaft, spindle, wheel or pinion shall have to be sunk, encased or otherwise effectively guarded so that danger can be prevented; (b) all spur, worm and other toothed gearing which does not require frequent adjustment while in motion shall lhave to be completely encased unless it is situated in such a manner as to be as safe as it would be if it were completely encased. (Sec. 67)

viii) Cranes and other lifting machinery: Cranes and other lifting machinery along with their every part shall be excellently made of adequately strong and sound material, shall have to be maintained properly, and shall have to be examined by a competent person at least once in every six months; no such machinery shall be loaded beyond its carrying capacity marked thereon; and which any person working in the wheel-tract of a moving crane in a place where there is an apprehension of his being struck by the crane , effective measure is to be adopted so that the crane does not approach within six meters of that place. (Sec. 68).

ix) Hoists and lifts: Hoists and lifts shall be excellently made of adequately strong and sound material, maintained properly, and examined by a competent person at least once in every six months; every hoist way and lift way shall be adequately protected by an enclosure fitted with gate and shall be so constructed as to prevent any person or thing from being trapped between any part of the hoist or lift and any fixed structure or moving part; the safe working load shall have to be plainly marked on every hoist or lift and no load greater than such load shall be carried thereon; in case of every hoist or lift used for carrying persons shall be fitted with a gate on each side from which access is afforded to a boarding and landing; every gate shall have to be fitted with interlocking or other efficient device to secure that the gate cannot be opened at the time of its descending and that the cage cannot be in motion so long as the gate is not closed; where the cage is supported by rope or chain , there shall be at least two ropes or chains separately connected with the cage and maintain its balance and each rope or chain shall be such so as to be capable of carrying the cage together with its maximum load; effective devices capable of supporting the cage together with its maximum load shall have to be provided; there shall be appropriate automatic device for controlling the excess velocity of the cage. (Sec. 69)

x) Revolving machinery: In every room of any establishment where the process of grinding is carried on, a notice indicating the maximum safe velocity of every grind-stone or abrasive wheel, the velocity of the shaft or spindle upon which the wheel is mounted, the perimeter of the pulley mounted on such shaft or spindle necessary for ensuring the safe speed shall be fixed near each machine; the speed mentioned shall not be superseded; effective measure shall have to be taken so that each revolving vessel, cage, basket, flywheel, pulley-disc or similar appliances driven by power cannot transcend their prescribed speed. (Sec.70)

xi) Pressure plant: Where in any establishment any plant or any part of the machinery used in a manufacturing process is operated at a pressure above normal atmospheric pressure; necessary measures should be taken to ensure the safe working pressure. (Sec.71)

xii) Floors, stairs and pathways: All floors, stairs, and pathways shall have to be soundly construction and appropriately maintained and where it is necessary for ensuring their safety arrangement for strong railings shall have to be adopted; there shall be provision for safe access to every place at which any person is , at any time, required to work; and all the floors of the working place, pathways and stairs shall have to be clean, wide and free from any hindrance. (Sec.72)

xiii) Pits, sumps, opening in floors, etc: While in any establishment, every fixed vessel, pit, hole or tunnel entrance is such that it shall, by reason of its depth, situation, construction or internal contents, it may be the cause of danger, be either securely covered or secured fenced. (Sec.73)

xiv) Excess weights: No worker shall be employed to lift, carry or move any load which is so heavy as to cause him a possible injury. (Sec.74)

xv) Protection of eyes: Suitable goggles or eye –screen shall have to be provided for the protection of eyes of the workers if such process involves with risk of injury to the eyes from particles or fragments thrown off or ejected on account of the process; and risk to the eyes by reason of exposure to excessive light or heat. (Sec. 75)

xvi) Precautions against dangerous fumes: (a) No person employed in any establishment shall enter or be permitted to enter any room, vessel, tank, pit, pipe, flue or other confined space in which dangerous fumes are likely to be present to such an extent as to involve risks or persons being overcome thereby, unless it is provided with a manhole of adequate size or other effective means of egress; (b) No portable electric light of voltage exceeding 24 volts shall be permitted for use inside any confined space and where the fumes present are likely to be inflammable lamp other than of flame proof construction shall be permitted to be used in such space; (c) No person shall enter or be permitted to enter any such confined space unless all practicable measures are adopted for removing fumes therefrom and for preventing any ingress of fumes and either a certificate is taken from a competent person on the basis of tests indicating that the space is free form dangerous fumes and fit for persons to enter or the concerned worker wears a suitable breathing apparatus and a belt securely attached to a rope , the free end of which is held by a person standing outside the confined space; (d) Suitable breathing apparatus , reviving apparatus, belts and ropes shall be kept ready for instant use close to any such confined space and such appliances shall have to be periodically examined and certified by a competent persons and there shall be provision for imparting training to workers about its use and method; (e) No person shall be permitted to enter any boiler, boiler furnace, flue, vessel, tank, pipe or any confined space for the purpose of working or carrying on any examination thereon until it has been sufficiently cooled by ventilation otherwise made safe for persons toe enter. (Sec.77)

xvii) Explosive or inflammable dust, gas, etc.: (a) Where in any establishment ejected gas, fume, vapour, or dust on account of any manufacturing process is of such character and to such extent as to be likely to explode on ignition, all practicable measures shall have to be taken to keep the plant or the machinery effectively enclosed while in use, to remove or prevent the accumulation of such dust, gas, fume or vapour and to keep all possible sources of ignition effectively enclosed; (b) Where the establishment is not constructed to withstand the probable pressure produced at the time of explosion, all practicable measures shall have to be taken for preventing the spread of explosion or its effect by making arrangement for the use of chokes, baffles, vents or any other effective appliances is such plants or machinery; (c) Any part of any plant or machinery is under pressure greater than normal atmospheric pressure, that part shall not be opened except before opening the entrance of gas or vapour is stopped by a stop-valve or by any other means, all practicable measures are taken to reduce the pressure of the gas or vapour, and where loosen fastening is repaired, preventive measures are taken to control explosion until the fastening has been secured or securely replaced; (d) Where any plant, vessel or tank contains or has contained nay explosive or inflammable substance , no work of welding or cutting can be carried on therein buy using hear unless adequate measure have first been taken to remove such substance or fume or transforming into not –explosives or non-inflammable , and no such substance shall be allowed to enter such plant, vessel or tank after any such operation until the concerned metal has cooled sufficiently to prevent any risk of igniting the substance. (Sec.78)

Health and Hygiene Measures

The Bangladesh Labour Code, 2006 of the Government of Bangladesh contains the provisions from Section 51 to 60 that deal with health and hygiene of the working people. The statutory provisions are:

i) Neatness and Cleanliness: Every establishment shall be kept neat and clean and free from effluvia arising out of any drain, latrine or other nuisance and in particular the dirt and refuges from- (a) The floors, workrooms , staircases, passages of the establishment shall have to be removed daily by sweeping in a suitable manner; (b) The floor of every workroom shall have to be washed at least once in a week and ,if necessary, disinfectant is to be used in the washing task; (c) Where the floor becomes wet because of any manufacturing process to such an extent that drainage of eater becomes necessary, adequate arrangement is to be made for draining water; (d) All inside walls, partitions, ceilings, staircases, passages shall (i) where they are painted or varnished, be repainted and revarnished at least once in every three years, (ii) where they are painted or varnished and have smooth outer surface, be cleaned at least once in every fourteen months in the manner prescribed by rules, (iii) in other cases, white-washing or colour-washing be done at least once in every fourteen months. (Sec.51)

ii) Ventilation and temperature: (a) Adequate provision for ventilation by circulation of fresh air in every work-room of the establishment shall have to be made; (b) In every such room suitable arrangement for securing and maintaining such temperature shall have to be made so that the workers employed therein can work in reasonable conditions of comfort and injury to the health of the workers is prevented; (c) Walls and roofs of the rooms shall have to be made in such a manner so that such temperature does not increase and is kept as low as practicable; (d) Where the nature of work carried on in any establishment is such that it is likely to produce excessively high temperature , such adequate measures as are practicable shall have to be taken for separating the source from which such temperature is produced or its hot parts from the work-room of the workers by insulating them with non-conducting material; (e) If it is possible to reduce the excessive high temperature of any establishment by white-washing , spraying or insulating oar screening side-walls, roofs or windows or by raising the level of the roof or by any other special method, Government can direct to do so. (Sec. 52)

iii) Dust and fume: Effective measures shall have to be taken to prevent the accumulation of dust and fumes in any work-room and its inhalation by workers. Exhaust appliances, if necessary, shall be installed as near as possible to the source of such dust, fume or other befouled matter and that place is to kept enclosed as far as practicable. No internal combustion engine shall be operated unless the exhaust is conducted into open air and no internal combustion engine shall be operated in any work-room unless effective measures have been taken to prevent the accumulation of such fumes given off therefrom as are likely to be injurious to the health of the workers. (Sec. 53)

iv) Removal of waste and effluents: Proper arrangement is to be made in every establishment for the removal of wastage and effluents originating from the manufacturing process carried on therein. (Sec. 54).

v) Artificial humidification: In any establishment where the humidity of the air is artificially increased, the water used for that purpose shall have to be collected from the Government water supply system or from any other source of drinking water or shall have to be suitably purified before it is used. (Sec. 55).

vi) Overcrowding: No work-room in any establishment shall be overcrowded to such an extent injurious to the health of the workers employed therein, and in every work-room there shall be at least 9.5 cubic meter space for every worker employed therein. (Sec. 56).

vii) Lighting arrangement: (a) In every part of any establishment where the workers work and passes there shall be arrangement for sufficient lighting, natural, artificial or both. (b) All glazed windows and skylights used for lighting the work rooms of every establishment shall be kept clean on both sides and free from obstruction as far as possible. (c) In every establishment effective provision shall have to be provided for the prevention of glare emanated or reflected from any transparent substance or form any lamp and the formation of such shadows as to cause strain on the eyes or creation of risk of accident to any worker. (Sec. 57)

viii) Drinking water: (a) There shall be arrangement for the supply of sufficient pure drinking water in nay convenient place of every establishment for all the workers employed therein. (b) Every point of water –supply shall be legibly marked in Bangla . (c)All those establishments, in which ordinarily 250 or more workers are employed, shall have to make arrangement for the supply of drinking water by cooling it during the summer reason. (d) If dehydration is caused to workers because of working close to machinery which gives out heat to the extent of excess over limit, provision for oral dehydration therapy shall have to be made for those workers. (Sec. 58)

ix) Overcrowding: No workroom shall be overcrowded to an extent injurious to the health of the workers employed therein.(Sec.17)

x) Lighting: Sufficient and suitable lighting , natural or artificial or both, should be made available in the factory premises. (Sec. 18)

xi) Drinking water: Effective arrangement shall be made to provide and maintain at a suitable point conveniently situated for all workers employed a sufficient supply of wholesome drinking water and shall be legibly marked "Drinking Water" in a language understandable by the majority of the workers and no such point shall be situated within twenty feet of any washing place, urinal or latrine. (Sec. 19)

xii) Latrines and Urinals: Necessary number of latrines and urinals of prescribed types shall be provided in convenient places so that the workers employed therein can use them easily during the working hours. Enclosed latrines and urinal shall be provided separately for male and female workers. Such latrines and urinals shall be adequately lighted and ventilated and be maintained in a clean and sanitary condition at all times with suitable detergents or disinfectants.(Sec.59)

xiii) Waste –basket and Spittoons: (a) In every establishment, sufficient number of waste-baskets and spittoons are to be provided and these are to be kept clean and in hygienic condition. (b) No person shall be allowed to throw waste-matters or spit anywhere other than in such waste-baskets or spittoons.

Institutionalizing the safety and health programmes

In order to institutionalize the safety and health programmes into the organization several basic elements are to exercise. French (1997:546) pointed out five elements to maintain in this regard. They are:

1. Management policy, assigning and supporting responsibility, setting of an example, and involving employees into planning process.
2. Continual analysis of work environment to identify all hazards and potential hazards.
3. Placing methods for preventing or controlling existing or potential hazards and to maintain them in order.

4. Train managers, supervisors, and employees to understand and deal with worksite hazards.

5. Make a comprehensive, ongoing effort to help employees at all levels to manage stress. Lack of fit between the person and the environment results stress. The relationship between stress and accidents and stress and illness is well documented; therefore, organizations must pay careful attention to the psychological and emotional climate of the work setting, as well as to mechanical and physical conditions (Jones, DuBois and Wuebker, June1986: 41-44) . It may costs an organization in premature death of employees, higher rates of accidents, increased disability payments and many other areas.

Financial Security

Employees are financially dependent on a pay cheque. Anything that keeps them from earning a pay cheque threatens their financial security. Because retirement, disability, layoffs, and injuries limit the earning power of many employees, government has intervened with the law for giving compensation to workers besides organizational efforts to reduce the financial hardship. The Bangladesh Labour Code, 2006 of the Government of Bangladesh provides the following financial securities for the workers:

1. **Permanent Total Disability Benefit:** Where permanent total disablement takes place as a consequence of the injury , the concerned workers if he is an adult, shall be entailed to get Tk. 125,000; and if the concerned worker is a minor, he shall be entitled to Tk. 10,000. (Sec. 151)

2. **Permanent Partial Disablement Benefit:** Where permanent partial disablement occurs as a consequence of the injury, the concerned workers will get the amount from Tk. 125,000 proportionate to the percentage of the loss of earning capability caused by the injury. (Sec. 51)

3. **Accidental Death Benefit:** Where death occurs owing to the injury, the concerned worker shall be entitled to get TK. 100,000. (Sec. 51)

4. **Occupational Disease Benefits**: In case of chronic occupational diseases, half of the monthly wages during the period of disablement for a maximum period of two years shall be paid. (Sec. 51)

5. **Normal Death Benefit:** If any worker during the continuous service for more that three years under any employer meets death, the employer shall pay 30 days wages or gratuity whichever is greater for the service of each full year or for a period of more than six months to the nominated person of the deceased worker. (Sec. 19).

Discussion Questions

1. Define the concepts of safety, security and health.
2. Explain the universal safety measures along with that of in Bangladesh.
3. Discuss the health and hygiene measures in Bangladesh and elsewhere.
4. Explain the process of institutionalizing safety and health program.
5. Discuss the financial securities to the employees.

Case-5: A Hazardous Problem

Tina Sexton fumed. 'lt's blatant discrimination! The company should never ask such a question. What business is it of yours whether I'm pregnant or not? I'm qualified to do the job. That's what counts!'

Leslie Crossland, IR manager for Global Chemicals, leaned forward. 'Tina, calm down. You know that in the new plant you will be exposed to toxic substances that may farm a foetus. lt's simply not a chance we want to take. How would you feel if you became pregnant and your baby 'as harmed?'

'That's not the point!' snapped Tina. 'The company has a responsibility to provide a safe working environment.

Refusing to consider women of my age for a job in the new plant because we might become pregnant is not fair. lt's outright discrimination against women of childbearing age. The company is using this toxic hazard as an excuse to discriminate.

'Tina, be reasonable. The company can't give a pregnant woman a 100 per cent guarantee that their foetus will not be harmed. We employ the latest and safest technology. What more can we do?'

'As far as l'm concerned, Leslie, the company isn't interested in protecting me, it just wants to protect itself and keep the best-paying jobs for the boys. It should be my decision, not the company's. lt's my baby, not yours.'

Discussion questions

1. Who do you agree with- Tina or Leslie? Why?
2. Do you think it is appropriate for a company to prohibit pregnant women, or women in their childbearing years, from dangerous or hazardous jobs?

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