SYBBA SEM-III (AICTE) SUBJECT : HUMAN RESOURCE MANAGEMENT

Unit 2 : Plan, Acquire, Develop, Career Management

- **Human Resource Planning: meaning and process**
- **Recruitment and Selection: meaning and process**
- **Training and Development: meaning and methods**
- **Managing the GIG employees and Virtual employees and team**

Human Resource Planning: Meaning and process

Concept of Human Resource Planning

Human Resource Planning is **"the process of determining the right number and right kind of employees at the right place and right time"** to achieve organisational and individual goals.

In the words of Stainer, "Manpower planning is the strategy for the acquisition, utilisation, improvement and preservation of an organisation's human resources. It is aimed at coordinating the requirements for and the availability of different types of employees."

According to Beach, "Human resource planning is a process of determining and assuming that the organisation will have an adequate number of qualified persons, available at the proper times, performing jobs which meet the needs of the enterprise, and which provide satisfaction for the individuals involved."

Thus, **HRP involves estimating future manpower needs and preparing plans to meet them.**

HRP is a **future-oriented and continuous process** that compares **employee demand and supply** to identify shortages or surpluses. It includes **short-term and long-term planning** and considers internal and external factors affecting workforce availability and utilisation.

PLANNING PROCESS

HRP (Human Resource Planning) is the process of estimating the future need for employees, assessing the available workforce, and matching the demand and supply of employees through suitable HR programmes such as recruitment, training, promotion, and transfer. The HR planning process is based on the organization's goals and is influenced by the business environment.

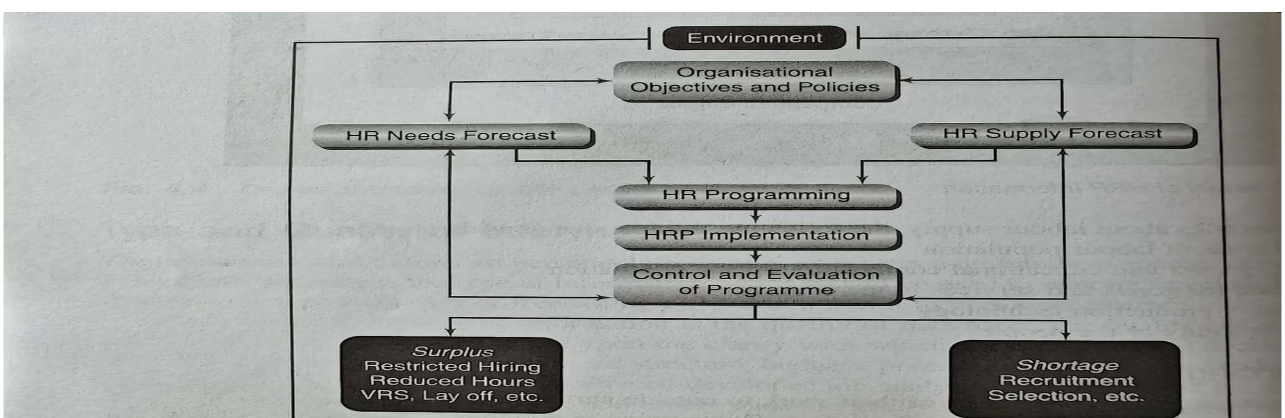

FIG. 4.6 The HRP Process

Environmental Scanning

Environmental scanning refers to the systematic monitoring of the external forces influencing the organisation. Managers monitor several forces, but the following are pertinent for HRP:

- Economic factors, including general and regional/local conditions.
- Technological changes, including robotics and automation.
- Demographic changes, including age, composition and literacy.
- Political and legislative issues, including laws and administrative rulings.
- Social concerns, including childcare, and educational facilities and priorities.

The above factors in the environment are critical in guiding staffing decisions globally also. By scanning the environment for changes that will affect an organisation, managers can anticipate their impact and make adjustments early.

Organisational Objectives and Policies

HR plans need to be based on organisational objectives. In practice, this implies that the objectives of the HR plan must be derived/developed from organisational objectives. Specific requirements in terms of number and characteristics of employees should be derived from the organisational objectives.

Once the organisational objectives are specified, communicated and understood by all concerned, the HR department must specify its objectives about regarding HR utilisation in the organisation.

In developing these objectives, specific policies need to be formulated to address the following questions:

1. Are vacancies to be filled by promotions from within or hiring from outside?

2. How do the training and development objectives interface with the HRP objectives?

3. What union constraints/limits are encountered in HRP and what policies are needed to handle these constraints?

4. How to enrich employee's job? Should the routine and boring jobs continue or be eliminated?

5. How to downsize the organisation to make it more competitive?

6. To what extent production and operations be automated and what can be done about those displaced?

7. How to ensure continuous availability of adaptive and flexible workforce?

HR Demand Forecast

Predicting HR demand is an important step in **HRP**. Changing business trends, technology, competition and new start-ups make workforce requirements difficult to predict. Wrong decisions may increase costs, damage reputation and affect organisational stability. Hence, organisations may **retrain employees, promote internally and outsource work**.

Demand forecasting means estimating the **number and type of employees required in the future**, based on annual budgets and long-term plans.

It considers:

- **External factors:** Competition, economic conditions, laws, technology and social factors.
- **Internal factors:** Budget, production levels, new products/services, organisational structure and employee separations.

Importance of Demand Forecasting:

1. Determines the number of employees required.
2. Identifies the future **staff mix and skills** needed.
3. Maintains appropriate staffing levels and controls costs.
4. Prevents employee shortages.
5. Helps ensure compliance with **legal reservation requirements**.

Forecasting Techniques Demand forecasting techniques vary from simple to sophisticated ones. Before describing each technique, it may be stated that organisations generally follow more than one technique. The techniques are:

1. Managerial judgement

2. Ratio-trend analysis

3. Regression analysis

4. Work study techniques

5. Delphi technique

6. Flow models

7. Others (See Fig. 4.7)

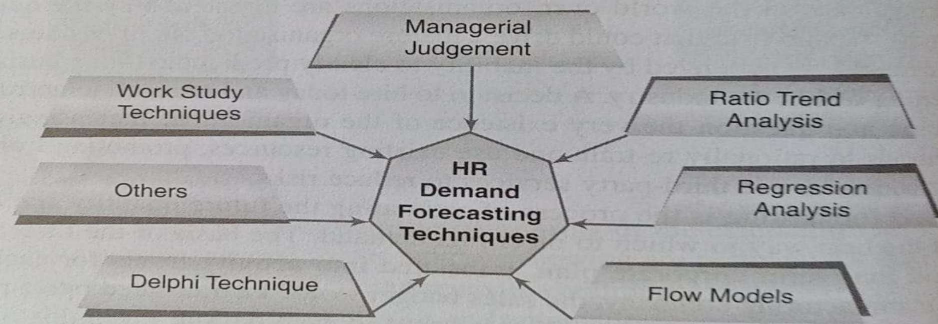

FIG. 4.7 *Techniques of HR Demand Forecasting*

Managerial Judgement

Managerial Judgement is a simple HR forecasting technique in which managers estimate future employee requirements based on their **experience, discussions, and HR analytics data**.

Managers of different departments discuss and decide the **future labour requirements** of their departments.

It can follow two approaches:

- **Bottom-up:** Departmental managers prepare forecasts and submit them to top management for the final company forecast.
- **Top-down:** Top management prepares company and departmental forecasts and discusses them with departmental managers.

A **combination of both approaches** can provide better results. Departmental and HR managers review the forecasts together and submit the final estimate to top management for approval.

This technique is commonly used in **small organisations, organisations with limited data, and new business units**.

TABLE 4.1 Staff Forecast Form

TABLE 4.1 Staff Forecast Form

Category of Staff. . . . . .Year . . . .

	Staff Members and Movements	*No. of Staff to be Provided*		*Remarks*	
1.	Number of staff at 1.1 (excluding known resignations)	75	—	Age groups: Under 25 25–34 35–44 45 and over (dates to be specified)	 30 20 15 10
2.	(a) Expected retirements, transfers out and promotions during year	8			
	(b) Less expected transfers in, promotions and new appointments already made	3	5		
3.	(a) Number of staff required on 1 January, next year	80		Increase in number to be substantiated by *O&M* report	
	(b) Less present staff	75	5		
4.	Expected staff losses due to normal wastage of existing staff	15	15	Estimated by age groups: Under 25 25–34 35–44 45 and over	 12 2 1 —
5.	Expected losses of staff to be recruited in the period	5	5	Short service staff turnover at 20% of 25 (events 2 + 3 + 4 above)	
6.	Total staff to be provided during the period		30	5 to be recruited by 1 February, others to be programmed later	

Ratio-trend Analysis

This is the quickest forecasting technique. The technique involves studying past ratios, say, between the number of workers and sales in an organisation and forecasting future ratios, making some allowance for changes in the organisation or its methods.

Ex. Table 4.2 shows how an analysis of actual and forecast ratios, between the number of routine proposals to be processed by an insurance company's underwriting department and the number of underwriters employed could be used to forecast future requirement.

TABLE 4.2 Demand Forecast—Inspectors

	Demand Forecast – Supervisors					
	Actual Year				Forecast Year	
	−3	−2	Last Year	Next Year	+2	+3
Production Levels	1000	1100	1200	1400	1600	1800
Actual	100	110	120	140	200	200
Ratio (Supervisor: Production)	01:10	01:10	01:10	01:10	01:10	01:09

Regression Analysis

This is similar to ratio-trend analysis in that forecast is based on the relationship between sales volume and employee size. However, regression analysis is more statistically sophisticated. A firm first draws a diagram depicting the relationship between sales and workforce size. It then calculates regression line-a line that cuts right through the centre of the points on the diagram. By observing the regression line, one can find out number of employees required at each volume of sales (see also Fig. 4.8).

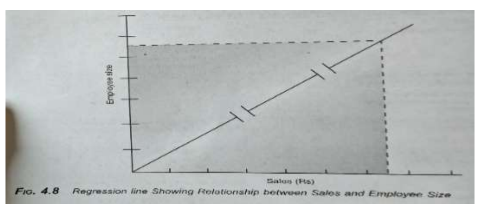

FIG. 4.8 Regression line Showing Relationship between Sales and Employee Size

Work-study Techniques

Work-study techniques estimate labour requirements by measuring the time needed to complete operations. In a manufacturing company, the **production budget** shows the planned output. Standard hours per unit are multiplied by the planned production to calculate **total working hours**. This is divided by the actual working hours of one employee to determine the **number of employees required**. Adjustments are made for **absenteeism and idle time**.

Following is a highly simplified example of this procedure:

1. Planned output for next year 20,000 units
2. Standard hours per unit 5
3. Planned hours for the year 1,00,000
4. Productive hours per man/year
(allowing normal overtime, absenteeism and idle time) 2,000
5. Number of direct workers required (3/4) 50

Delphi Technique

Named after the ancient Greek Oracle at the city of Delphi, the Delphi technique is a method of forecasting personnel needs. It solicits estimates of personnel needs from a group of experts, usually managers. The HRP experts act as intermediaries, summarise the various responses and report the findings back to the experts.

The experts are surveyed again after they receive this feedback. Summaries and surveys are repeated until the experts' opinions begin to agree. The agreement reached is the forecast of the personnel needs. The distinguishing feature of the Delphi technique is the absence of interaction among experts.

Flow Models

Flow models are used to forecast personnel needs. The simplest is the Markov model, which involves:

1. Determine the time period: Shorter periods are more accurate. The time horizon depends on the HR and strategic plans.
2. Establish categories or states: Employees are assigned to non-overlapping categories covering all possible positions.
3. Count annual movements (flows): Movements between states are studied. Absorbing states involve gains or losses, while non-absorbing states involve changes in position or employment status.
4. Estimate transition probabilities: Probabilities of movement between states are based on past trends. Demand depends on replacing employees who leave or move.

Alternatives

- Semi-Markov Model: Considers employee category and tenure.
- Vacancy Model: Predicts employee movements and number of vacancies.

Advantages and Disadvantages

Advantage: Easy for decision makers to understand and accept.

Disadvantages:
(i) Depends heavily on past data, which may be unreliable during rapid change.
(ii) Individual forecast accuracy may be sacrificed for group-level accuracy.

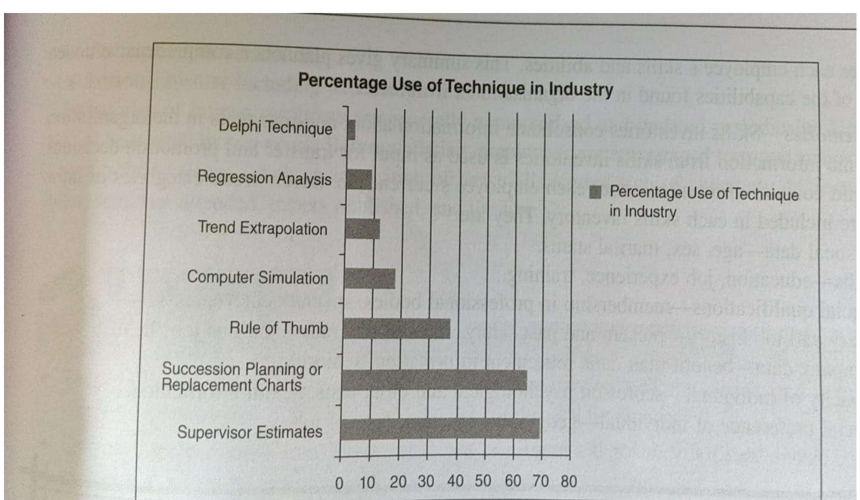

FIG. 4.9 Demand Forecasting Techniques

HR Supply Forecast

Supply forecasting means estimating **how many employees will be available to an organisation in the future** and **where these employees will come from**.

First, **personnel demand analysis** tells the organisation **how many and what type of employees are required**. After knowing this requirement, management must check whether it can actually get those employees. This is done through **supply forecasting**, also known as **bench forecasting**.

Supply forecasting considers employees available from:

1. **Internal sources** – Existing employees who may be promoted, transferred, or given additional responsibilities.

2. **External sources** – New employees recruited from outside the organisation.

It also considers factors that may reduce employee availability, such as:

- Absenteeism
- Resignations and retirements
- Transfers and promotions
- Employee wastage
- Changes in working hours
- Changes in working conditions

Example

Suppose **ABC Ltd.** needs **100 employees** next year.

- 70 employees are expected to be available internally.
- 20 employees may be recruited externally.
- 10 employees may leave due to retirement or resignation.

Therefore, HR must assess whether the expected supply will be sufficient to meet the **requirement of 100 employees**.

Reasons for Supply Forecasting

Supply forecasting is important because it:

1. **Estimates future availability:** Determines the number of employees and positions likely to be available to achieve organisational objectives.
2. **Identifies future staff mix:** Helps determine the likely combination of skills and employees needed in the future.
3. **Assesses current staffing:** Reviews existing staffing levels across different parts of the organisation.
4. **Prevents shortages:** Ensures employees are available where and when they are most needed.
5. **Ensures legal compliance:** Helps monitor future compliance with legal requirements regarding job reservations.

The supply analysis covers:

1. Existing human resources,
2. Internal sources of supply, and
3. External sources of supply.

Present Employees

Analysis of present employees is facilitated by **HR audits**, which summarise employees' skills, abilities and experience. Audits of **non-managers** are called **skills inventories**, while those of managers are called **management inventories**. These inventories help HR understand the workforce and make decisions about **promotion, transfer, training and manpower planning**.

Skills Inventories

A **skills inventory** contains information about non-managerial employees, especially their current job, skills and qualifications. It helps management identify employees suitable for promotion, transfer and training.

Seven broad categories of information are included in each skills inventory. They are :

1. Personal data - age, sex, marital status.
2. Skills - education, job experience, training.
3. Special qualifications - membership in professional bodies, special achievements.
4. Salary and job history - present and past salary, dates of pay raises, various jobs held.
5. Company data - benefit plan data, retirement information, seniority.
6. Capacity of individual - scores on psychological and other tests, health information.
7. Special preference of individual - geographic location, type of job.

HRIS (Human Resource Information System) uses computers to **collect, store, update, retrieve and validate** HR data.
A properly maintained skills inventory helps management **quickly identify employees with required skills** to meet changing organisational needs.

Management Inventories These include such data as:

- Work history
- Strengths
- Weaknesses-identification of specific training programmes needed to remove the weaknesses
- Promotion potential
- Career goals
- Personal data
- Number and types of employees supervised
- Total budget managed
- Previous management duties
- Educational background
- Current job performance
- Field of specialisation
- Job preferences
- Geographic preferences
- Anticipated retirement date
- Personal history including psychological assessments.

Inventories of human resources are generally computerised and updated periodically. Updating is done at least once in two years. Before updating, employees are encouraged to report major changes, if any, in their careers such as acquisition of new skills, completion of university degrees, changed duties, seminars attended, papers published, and the like.

<u>Internal Supply</u> Armed with HR audits, planners can proceed with the analysis of internal supply. The techniques generally used for the purpose are: (i) inflows and outflows, (ii) turnover rate, (iii) conditions of work and absenteeism, (iv) productivity level, and (v) movement among jobs.

Inflows and Outflows The simplest way to forecast internal supply is the inflows and outflows method. The method is illustrated in Table 4.3.

TABLE 4.3 Estimation of Internal Supply for a Word Processing Job

TABLE 4.3 Estimation of Internal Supply for a Word Processing Job

Sources of Inflow	No. of Candidates	Current Level of Onboard Employee	Sources of Outflow	No. of Candidates
		300		
Transfers	15		Resignations	15
Promotions	12		Discharges	3
			Demotions	6
			Retirements	5
			Promotions	15
Total Inflow	27		Total Outflows	44

Current personnel level – Outflows + Inflows = Employees Onboard for Sales Outreach Activities
300 – 27 + 44 = 317

Table 4.3 analyses the **gains and losses of employees** for a particular job during a specific period.

For example, an organisation has **250-word processors**. If **42 employees leave** and **22 employees join**, the expected workforce will be: **250 − 42 + 22 = 230 employees**

The expected supply of **230 employees** is then compared with the **anticipated demand** to identify any shortage or surplus and make necessary adjustments.

A major concern is **estimating employee gains and losses**. Transfers, promotions and retirements can be estimated accurately when employees are already identified for these changes.

However, **resignations, dismissals and demotions** are difficult to predict. HR may use **managerial judgement or past turnover rates**.

Past turnover rates may not always be reliable because resignations can be affected by **labour-market conditions, promotion opportunities and job vacancies**.

Turnover Rate Turnover rate is the traditional and simple method of forecasting internal supply. Stated mathematically, the turnover rate is:

$$\frac{\text{Number of separations during one year}}{\text{Average number of employees during the year}} \times 100$$

For example, if in a year, 30 out of an average force of 150 skilled fitters of a company left, (20 per cent turnover), and this trend continued, then the company will have to recruit 110 fitters during the following year, in order to increase and hold the labour force at 200 in that year (50 extra fitters, plus 40 to replace the 20 percent separations of the average 200 fitters employed, plus 20 per cent to replace separations of the 90 recruits).

Conditions of Work and Absenteeism Changes in working conditions—such as weekly working hours, overtime, holidays, retirement policies, part-time work and shift systems—should be assessed. **HR analytics** can identify absenteeism patterns across departments and help predict future workforce requirements. Work-life balance initiatives should also be reviewed to identify overworked teams that may affect employee availability.

Absenteeism means an employee's unauthorised absence from work despite being scheduled for duty.

Mathematically, absenteeism is calculated thus:

$$\frac{\text{Number of persons - days lost}}{\text{Average number of persons x number of working days}} \times 100$$

Absenteeism obviously reduces the number of employees available for work. If the absenteeism rate is four per cent, only 96 out of 100 people are available for work. The effect of absenteeism on the future supply of labour should be allowed for, and trends in absenteeism should be analysed to trace causes and prescribe remedial actions.

Productivity Level Changes in productivity affect the number of employees required. **Higher productivity reduces workforce needs**, while lower productivity increases them.

Movement among Jobs Some jobs act as **sources of employees for other positions** through promotion or career movement. For example, secretaries may be promoted from word processors, and branch managers may come from section managers.

External Supply:

External Supply In addition to internal supply, the organisation needs to look out for prospective employees from external sources. External sources are important for specific reasons: (i) new blood and new experience will be available, (ii) organisation needs to replenish lost personnel, and (iii) organisational growth and diversification initiatives calls for external sources to obtain additional number and type of employees.

External labour sources differ by **industry, organisation, and location**. Organisations often recruit experienced employees from competing or similar industries through **placement consultants, head-hunters, employee referrals, and unsolicited/unwanted applications**.

HR Programming

Once an organisation's personnel demand and supply are forecast, the two must be reconciled or balanced in order that vacancies can be filled by the right employees at the right time. HR programming the third step in the planning process (see Fig. 4.4), therefore, assumes greater importance. Key human resources staffing decisions are made and approved by the senior management of the organisation. The decisions commonly made can be summarised as shown in Fig. 4.10. There are essentially **six HR programmes** that arise out of a HRP exercise. The programmes are self-explanatory.

Hire	Hire resource to meet the needs of the organization's business plan.
Train	Train the existing resources or obtain trained resources to meet the business needs
Re-train / Re-skill	Identify areas of surplus resources or redundant/terminated resources to re-skill them with new skills that ate required to meet the business needs
Retrench	Letting go of resources in accordance with organisational norms and industry standards
No Action	No action to be taken by HR team to either hire or retrench in a structured manner. Ad-hoc staffing needs that arise from time to time might prevail.
Succession	This activity might take place independent or as part of the HRP process. Key positions and successors are identified and groomed to take on these responsibilities

FIG. 4.10 Six HR Programmes

HR Plan Implementation

Implementation requires converting an HR plan into action. A series of action programmes are initiated as a part of HR plan implementation. Some such programmes are recruitment; selection and placement; training and development; retraining and redeployment; the retention plan and the redundance(unneeded) plan. (see also Fig. 4.11).

Strategic HR Initiatives	
Strategies for Managing Shortages	**Strategies for Managing Surpluses**
• Recruit new permanent employees • Offer incentives to postpone retirement • Rehire retirees part-time • Attempt to reduce turnover • Work current staff overtime. • Subcontract work to another company • Hire temporary employees • Redesign job process so that fewer employees are needed.	• Hiring freeze • Do not replace those who leave • Offer VR schemes • Reduce work hours • Leave of absence • Layoffs • Across the board paycuts • Reduce outsourced work • Employee training • Switch to variable pay plan • Expand operations

FIG. 4.11 Strategic HR Initiatives

Recruitment, Selection and Placement

- **Identify vacancies:** Determine available positions and identify suitable sources of candidates.
- **Selection process:** Design a professional selection system and follow government **reservation policies**.
- **Management trainees:** Some organisations recruit qualified trainees who work in different departments before being placed in suitable jobs.
- **Match employees with jobs:** Consider employees' **qualifications, skills and preferences** while making placements.
- **Alternatives to recruitment:** Instead of hiring full-time employees, organisations can:
    - Encourage employees to **postpone retirement**.
    - **Rehire retirees** on a part-time basis.
    - Identify and reduce causes of **employee turnover**.
    - Use **overtime** during temporary increases in demand.
    - **Subcontract** work to outside organisations.
    - Hire **temporary workers** for short-term requirements.
- **Improve efficiency:** Redesign work processes to reduce the number of employees required.
- **Business Process Reengineering (BPR):** Eliminate unnecessary activities and steps to improve efficiency and reduce employee requirements.

Training and Development

The training and development programme should cover the number of trainees required; training and development programmes necessary for the existing staff; identification of resource personnel for conducting development programmes; frequency of training and development programmes; and budget allocation for such programmes.

Retraining and Redeployment

New skills are to be imparted to existing staff when technology changes. When a product line is discontinued, its employees are to be retrained and redeployed to other departments where they could be gainfully employed.

Retention Plan

Retention plan covers actions which would help reduce avoidable separations of employees. Important actions under this head are:

1. Compensation Plan Increasing pay levels to meet competition, improving pay structures to remove inequities, altering payment systems to reduce excess fluctuations, introducing incentives which would match performances.

2. Performance Appraisal To assess employee performance at least once in a year.

3. Employees Leaving in Search of Green Pastures Providing better career opportunities and ensuring that employees are aware of such schemes.

4. Employees Quitting because of Conflict To encourage conflict but maintain it at a reasonable level; when conflict exceeds safe limits, to take steps to resolve conflict.

5. The Induction Crisis Improving recruitment and selection procedures to ensure that job requirements are specified accurately and that the people who are selected fit the specifications; ensuring that candidates are given a realistic picture of the job, pay and working conditions, developing better induction and initial training programmes.

6. Shortages Improving recruitment, selection and training for the people required; introducing better methods of planning and scheduling work to lessen peak loads.

7. Unstable Recruits Taking more care to avoid recruiting unstable individuals by analysing the characteristics of applicants who are likely to cause instability and using this analysis to select the right candidates.

Downsizing Plan

Where there is surplus workforce, trimming of labour force will be necessary. The trimming or downsizing plan shall indicate:

1. Who is to be made terminated and where and when;
2. Plans for re-development or re-training, where this has not been covered in the re-development plan;
3. Steps to be taken to help jobless employees find new jobs;
4. Policy for declaring termination and making termination payments; and
5. Programme for consulting with unions or staff associations and informing those affected.

Another method of dealing with surplus labour is to retain all employees but reduce the work hour (thus realise payroll savings), perhaps to a four-day, 32-hour work week. In this way, a company can spread a 20 per cent decrease in demand (and in pay) equitably across the whole workforce, rather than keep 80 per cent of the employees full-time and lay-off 20 per cent of them.

Laying-off is another strategy for dealing with surplus staff. This action is detrimental to both employees and employers. For employees, lay-off means joblessness and for employers, it means loss of reputation.

Control and Evaluation

Control and evaluation represent the fifth and the final phase in the HRP process. Senior management should regularly **check and review the HR plan (HRP)** along with the company's business goals.

- The HR plan includes **budgets, targets, and standards**, so it should support the business goals.
- If the company **does not achieve its business goals**, the HR plan should be reviewed and changed.
- If the company **achieves more than expected**, the HR plan should also be reviewed to make sure it matches the new situation.

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● Recruitment and Selection: meaning and process

Meaning of Recruitment

In simple terms, recruitment is understood as the process of searching for and obtaining applicants for jobs, from among whom the right people can be selected. Theoretically, recruitment process is said to begin with the receipt of an approved recruitment requisition form the manager who needs to fill an open position. The activity extends from the screening of applications to the shortlisting only those candidates who meet the requirements specified for the job.

According to Flippo, "Recruitment is the process of searching for prospective employees and stimulating/inspiring and encouraging them to apply for jobs in an organisation. "

In the words of Yoder. "Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force. "

Recruitment needs are of three types – 1) planned, 2) anticipated/expected and 3) unexpected. Planned needs arise from changes in organisation and retirement policy. Resignations, deaths, accidents and illness give rise to unexpected needs.

An analysis of these definitions reveals the following **features of recruitment**:

Process: Recruitment is a series of activities, not a single act.

Linking Activity: Connects **employers with job seekers**.

Positive Function: Creates a pool of **eligible candidates** for selection.

Purpose: Finds and attracts candidates with the **required qualifications**.

Important Function: Helps obtain the **right number and type of employees**.

Universal Function: All organisations recruit, though the **nature and extent vary**.

Two-Way Process: Both **employer and employee** have a choice.

Complex Function: Influenced by **company image, salary, working conditions, labour laws and government policies**.

RECRUITMENT REQUISITION

Human Resource Planning (HRP) estimates the organisation's manpower needs before the financial year and helps in budgeting. After HRP approval, departments submit an approved **requisition form** for vacant or new positions along with the **job description**. Recruitment starts when the HR/Recruitment department receives this approved request.

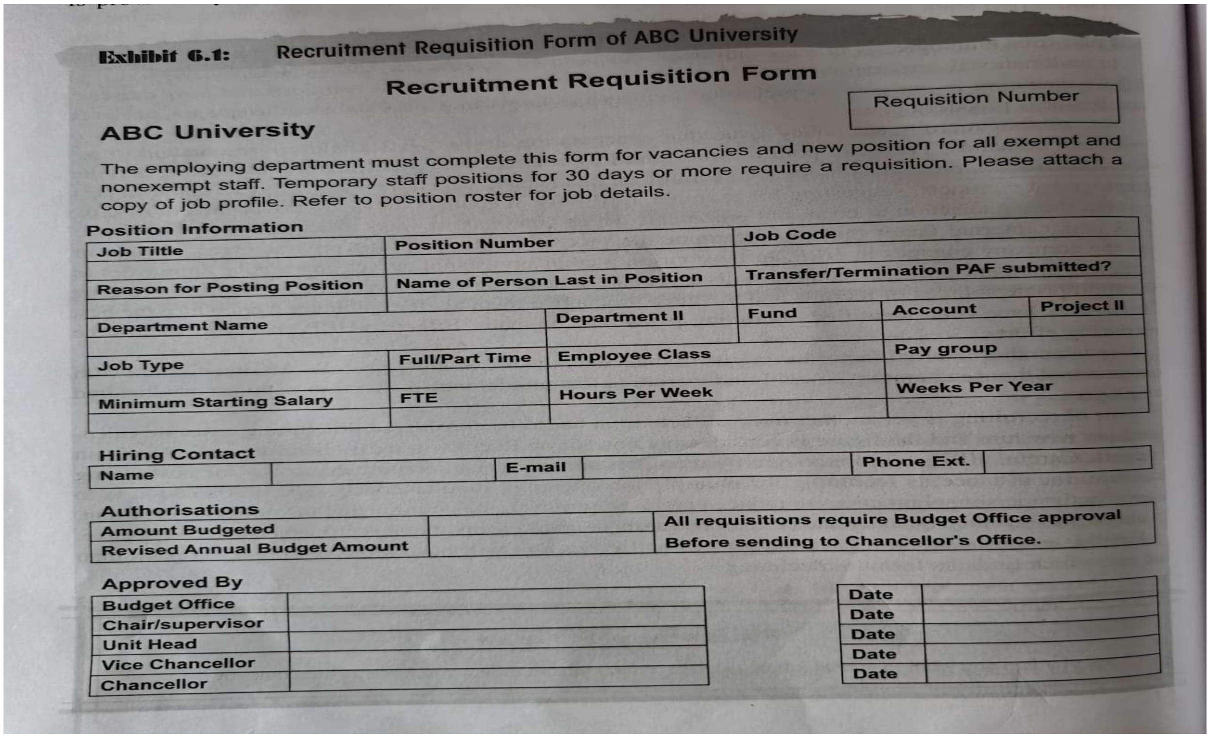


Exhibit 6.1: Recruitment Requisition Form of ABC University

Recruitment Requisition Form

Requisition Number

ABC University

The employing department must complete this form for vacancies and new position for all exempt and nonexempt staff. Temporary staff positions for 30 days or more require a requisition. Please attach a copy of job profile. Refer to position roster for job details.

Position Information

Job Tiltle	Position Number	Job Code		
Reason for Posting Position	Name of Person Last in Position	Transfer/Termination PAF submitted?		
Department Name	Department II	Fund	Account	Project II
Job Type	Full/Part Time	Employee Class	Pay group	
Minimum Starting Salary	FTE	Hours Per Week	Weeks Per Year	

Hiring Contact

Name		E-mail		Phone Ext.	

Authorisations

Amount Budgeted		All requisitions require Budget Office approval Before sending to Chancellor's Office.
Revised Annual Budget Amount		

Approved By

Budget Office		Date	
Chair/supervisor		Date	
Unit Head		Date	
Vice Chancellor		Date	
Chancellor		Date	

RECRUITMENT PROCESS

The recruitment process commences once the approved recruitment requisition reaches the HR team. Recruitment refers the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.

The process comprises five interrelated stages

(i) planning,
(ii) strategy development,
(iii) searching,
(iv) screening, and
(v) evaluation and control.

An ideal recruitment programme **attracts qualified candidates, screens unsuitable applicants and selects suitable employees** who accept the job and perform well.

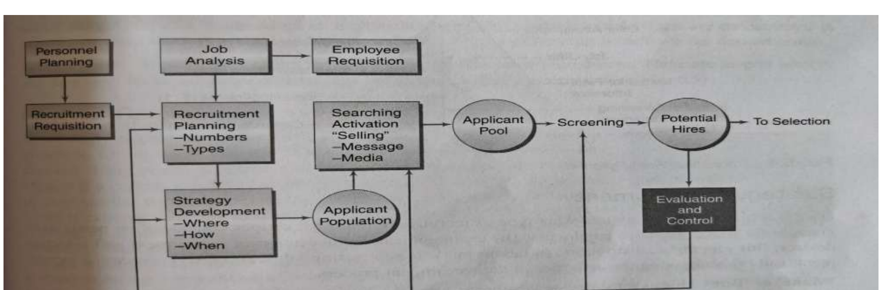


Fig. 6.3 Recruitment Process

The first stage in the recruitment process is planning.

Planning involves the translation of likely job vacancies and information about the nature of these jobs into a set of objectives or targets that specify the (i) number, and (ii) type of applicants to be contacted.

Number of Contacts Organisations, nearly always, plan to attract more applicants than they will hire. Some of those contacted will be uninterested, unqualified, or both. Each time a recruitment programme is contemplated/examine, one task is to estimate the number of applicants necessary to fill all vacancies with qualified people.

Companies calculate yield ratios (yRs) which express the relationship of applicant inputs to outputs at various decision points.

For example, assume that an organisation attempting to recruit salespeople ran a series of newspaper advertisements. The advertisement generated resumes from 2000 applicants, of which 200 were judged to be potentially qualified (yR = 10:1). Of these 200. 40 attended the interview for final selection (yR = 5:1). Of these 40, 30 were actually qualified and offered jobs (yR = 4:3); and of the 30, 20 accepted (yR = 3:2). In this case, the overall yR is 100:1 Thus, a requirement of 30 hires, during a specified period, would mean a recruitment target of 3000. (see Fig. 6.4)

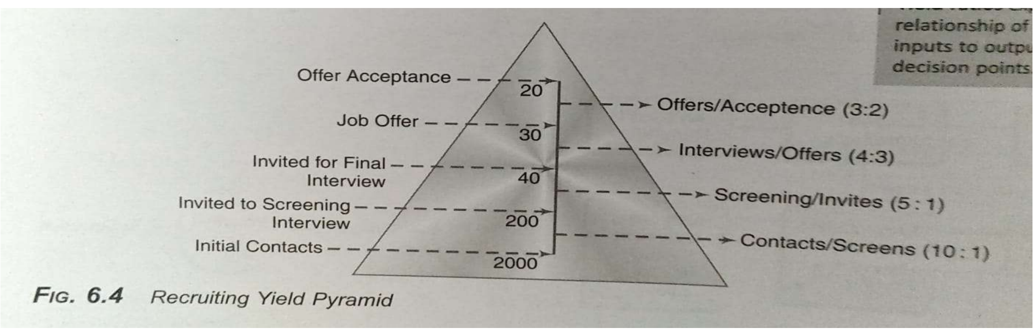


FIG. 6.4 Recruiting Yield Pyramid

Yield ratios express the relationship of applicant inputs to outputs at various decision points.

Type of Contacts. This refers to the type of people to be informed about job openings. The type of people depends on the tasks and responsibilities involved and the qualifications and experience expected. These details are available through job description and job specification.

Strategy Development

Once it is known how many and what type of recruits are required, serious consideration needs to be given to (i) 'make' or 'buy' employees; (ii) technological sophistication of recruitment and selection devices; (iii) geographic distribution of labour markets comprising job seekers; (iv) sources of recruitment; and (v) sequencing the activities in the recruitment process.

(i) **'Make' or 'Buy'** Firms must decide whether to hire less skilled employees and invest on training and education programmes, or they can hire skilled labour and professionals. Essentially, this is the 'make' (hire less skilled workers) or 'buy' (hire skilled workers and professionals) decision. Organisations which hire skilled labour and professionals shall have to pay more for these employees.

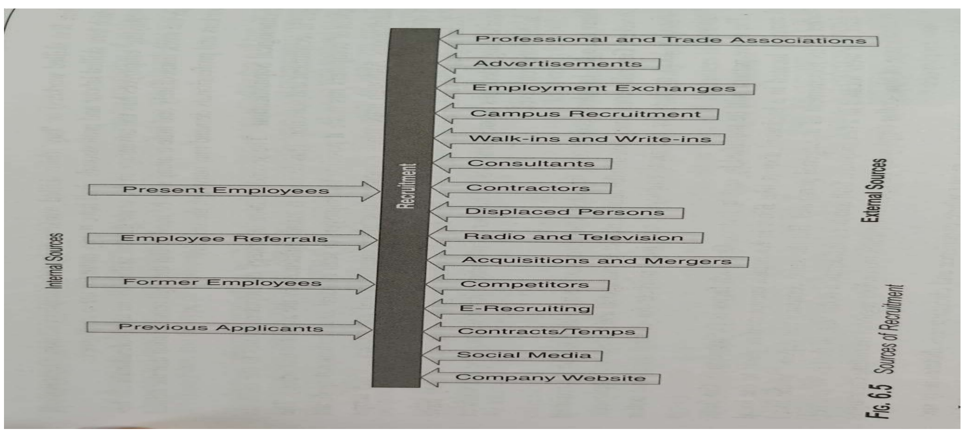
'Buying' employees has the advantage in the sense that the skilled labour and professionals can begin the work immediately and little training may be needed. But the high remuneration that the skilled workers and professionals demand may be greater than the benefits.

(ii) Technological Sophistication The **second decision in recruitment strategy** concerns the **methods of recruitment and selection**, mainly influenced by **technology**. Computers help employers scan **national and international applicants** and provide wider options during **initial screening**. Technology also helps job seekers apply easily through **video applications**, saving **time and travel costs**.

(iii) Geographic distribution of labour markets comprising job seekers; Where to Look - To reduce costs, firms choose labour markets based on the **type of employees required**: **national markets** for managerial and professional employees, **regional/local markets** for technical employees, and **local markets** for clerical and blue-collar employees.

This pattern may change due to the **firm's location** and **labour market conditions**. For example, labour shortages may require recruitment from wider areas. Organisations often follow an **incremental strategy**—starting locally and expanding the search if necessary.

(iv) Sources of recruitment; How to Look refers to the methods or sources of recruitment. There are several sources and they may be broadly categorised into (i) internal, and (ii) external. (See Fig. 6.5)



Internal Recruitment

Increasingly, organisations use **internal recruitment** as the first option for filling vacancies. Managers check whether existing employees can take up the vacant or new position by assuming **additional responsibilities**, avoiding unnecessary new hiring. For example, a senior team member may take team-leader duties instead of hiring a new person.

Only when internal options are unavailable is **external hiring approved** by the department head and HR.

Internal sources include: Present employees, employee referrals, former employees, and former applicants.

Present Employees

Present employees are an important source of recruitment through **promotions and transfers**. Promotion improves **morale**, encourages competent employees, ensures better selection through known performance, reduces recruitment costs, and develops future managers.

Promotions are supported by **job posting, personnel records and skill/competency banks**. Job posting informs employees about vacancies and invites applications. Personnel records and skill matrices help HR identify employees with the **right skills and qualifications**.

Transfers also help employees gain wider company experience and prepare them for **future promotions**.

Employee Referrals

Employee referrals are a popular recruitment source where employees recommend **qualified friends or relatives** for job vacancies. Companies follow an **Employee Referral Policy** and may provide **referral bonuses** for successful hires. The candidate goes through the **same selection process** as other applicants.

Advantages: Low cost, faster recruitment, wider talent pool and better employee retention.

Disadvantages: Risk of **bias, favouritism, inbreeding and employee groups/cliques**. Therefore, selection should remain fair and unbiased.

Former Employees

Former employees can be an important internal source of recruitment. Organisations share job vacancies with ex-employees and ask them to **rejoin or refer suitable candidates**. Good former employees are often contacted by HR for suitable opportunities.

Advantages: Quick hiring, lower training needs and faster adjustment, as they already know the company's policies and procedures. Some retired employees may also return on a **part-time basis**.

Previous Applicants

Former applicants who previously applied for jobs can be contacted when a vacancy arises. Organisations maintain **applicant databases**, making recruitment **quick and inexpensive** and avoiding repeated advertisements.

Walk-ins are useful mainly for **unskilled and semi-skilled jobs**, while some **professional positions** can also be filled from previous applicants.

External Recruitment

External sources include **professional/trade associations, advertisements, employment exchanges, colleges, walk-ins, consultants, contractors, competitors, social media and company websites.**

Temps and Contract Workers

Temporary (Temps) and contract workers are increasingly used by organisations, especially during **sudden demand or uncertain business conditions**.

Advantages:

- **Lower cost** and fewer benefits.
- **Quick hiring** during high demand.
- Helps identify potential **permanent employees**.
- Reduces **unemployment** and supports job stability.

Disadvantages:

- Lower wages and fewer **welfare benefits**.
- **Job insecurity** and limited bargaining power.

E-Recruiting Electronic,

E-Recruiting means recruiting employees through the **Internet** using job portals like Naukri, Monster and Shine. It helps organisations reach many candidates, conduct **online tests, background checks and video interviews**.

Advantages: Wide reach, **low cost, faster recruitment** and more job opportunities for candidates.

Disadvantages: Many **unqualified applicants**, increased screening work, and some candidates may lack Internet access.

Professional and Trade Associations Many associations provide placement services for their members.

Professional/trade associations provide **placement services; job lists and advertisements**. They are useful for recruiting **highly educated, experienced and skilled employees**, especially for **technical jobs**.

Advertisements These constitute a popular method of seeking recruits as many recruiters prefer advertisements because of their wide reach.

Advertisements are a popular recruitment method with **wide reach**. They provide details about the **job, employer, benefits and application process**. Newspapers and professional journals are common media.

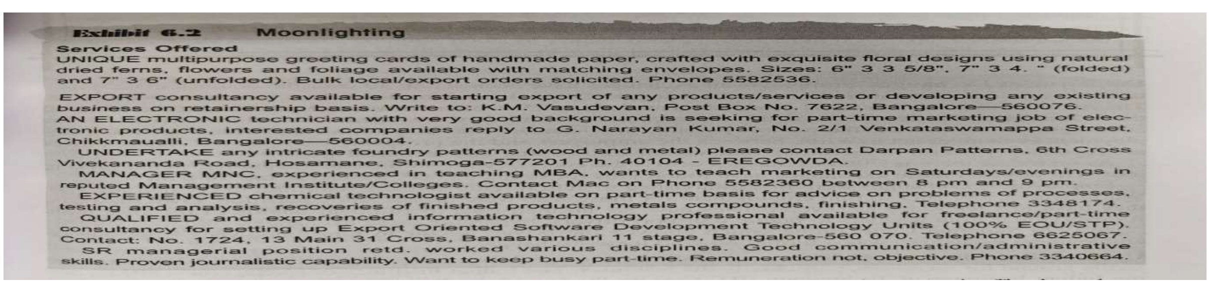


Exhibit 6.2 Moonlighting

Services Offered

UNIQUE multipurpose greeting cards of handmade paper, crafted with exquisite floral designs using natural dried ferns, flowers and foliage available with matching envelopes. Sizes: 6" 3 3 5/8", 7" 3 4. " (folded) and 7" 3 6" (unfolded). Bulk local/export orders solicited. Phone 5582536.

EXPORT consultancy available for starting export of any products/services or developing any existing business on retainership basis. Write to: K.M. Vasudevan, Post Box No. 7622, Bangalore—560076.

AN ELECTRONIC technician with very good background is seeking for part-time marketing job of electronic products, interested companies reply to G. Narayan Kumar, No. 2/1 Venkataswamappa Street, Chikkmaualli, Bangalore—560004.

UNDERTAKE any intricate foundry patterns (wood and metal) please contact Darpan Patterns, 6th Cross Vivekananda Road, Hosamane, Shimoga-577201 Ph. 40104 - EREGOWDA.

MANAGER MNC, experienced in teaching MBA, wants to teach marketing on Saturdays/evenings in reputed Management Institute/Colleges. Contact Mac on Phone 5582360 between 8 pm and 9 pm.

EXPERIENCED chemical technologist available on part-time basis for advice on problems of processes, testing and analysis, recoveries of finished products, metals compounds, finishing. Telephone 3348174.

QUALIFIED and experienced information technology professional available for freelance/part-time consultancy for setting up Export Oriented Software Development Technology Units (100% EOU/STP). Contact: No. 1724, 13 Main 31 Cross, Banashankari 11 stage, Bangalore-560 070. Telephone 6625067.

SR managerial position retd. worked various disciplines. Good communication/administrative skills. Proven journalistic capability. Want to keep busy part-time. Remuneration not, objective. Phone 3340664.

Exhibit 6.2 Moonlighting

A good recruitment advertisement should include:

1. **Job content** – Duties and responsibilities
2. **Working conditions** and **job location**
3. **Salary and benefits**
4. **Job specifications** – Required qualifications and skills
5. **Growth prospects**
6. **Application details** – Whom to contact/apply to

A recruitment advertisement should not only announce a vacancy but also **attract candidates by promoting the company and job**. It can also help build the **company's image**.

Employment Exchanges

Employment exchanges act as a **link between employers and job seekers**. They help increase the pool of applicants and conduct **preliminary screening**. They are useful for recruiting **blue-collar, white-collar and technical workers**.

Under the **Employment Exchanges Act, 1959**, eligible establishments must notify vacancies before filling them.

Over time, their importance has declined due to **state recruitment boards** and increased **private-sector recruitment**.

Campus recruitment

Campus recruitment means recruiting students from **colleges, universities, IIMs, IITs and other institutes**. It is an important source for **management trainees and talented graduates**.

Many companies recruit through campuses, including from **global institutions**. It provides access to **young and skilled talent** but can be **expensive** and may lead to high employee turnover.

Walk-ins, Write-ins and Talk-ins

Walk-ins, write-ins and talk-ins are forms of **direct recruitment** where job seekers directly submit their **applications or resumes** without waiting for an advertisement.

They are **simple and low-cost** and are useful for **entry-level, unskilled and skilled jobs**. Organisations may also maintain these applications for **future vacancies**.

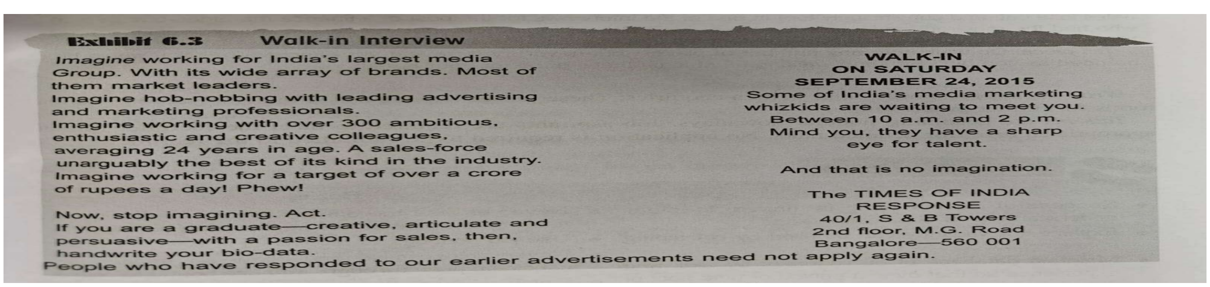


Exhibit 6.3 Walk-in Interview

Imagine working for India's largest media Group. With its wide array of brands. Most of them market leaders.
Imagine hob-nobbing with leading advertising and marketing professionals.
Imagine working with over 300 ambitious, enthusiastic and creative colleagues, averaging 24 years in age. A sales-force unarguably the best of its kind in the industry.
Imagine working for a target of over a crore of rupees a day! Phew!

Now, stop imagining. Act.
If you are a graduate—creative, articulate and persuasive—with a passion for sales, then, handwrite your bio-data.

WALK-IN
ON SATURDAY
SEPTEMBER 24, 2015
Some of India's media marketing whizkids are waiting to meet you.
Between 10 a.m. and 2 p.m.
Mind you, they have a sharp eye for talent.

And that is no imagination.

The TIMES OF INDIA
RESPONSE
40/1, S & B Towers
2nd floor, M.G. Road
Bangalore—560 001

People who have responded to our earlier advertisements need not apply again.

Consultants –

Recruitment consultants/agencies help organisations recruit **managerial and executive personnel**. They have **nation-wide contacts**, provide professional hiring services and maintain **confidentiality**.

The main disadvantage is their **high cost**, as they may charge **20–50% of the first-month salary** of the selected candidate.

Contractors are used to recruit casual/temporary workers. Their employment records are maintained by the staffing agency, reducing the company's administrative responsibilities.

Guidelines:

- Training and pay should be handled by the agency.
- Performance issues and leave should be referred to the agency.
- Avoid treating contractors as regular employees or giving them employee facilities without approval.
- HR/legal approval is required for badges, business cards, etc.
- Termination should be done through the agency.

Displaced Persons. **Displaced persons** are people who lose their homes or livelihoods due to **projects or industrial development**. Rehabilitating them is a **social responsibility** of business. They can also become a source of **recruitment** for the project or other organisations.

Radio and Television. **Radio and television** are used less frequently for recruitment, mainly by **government departments**. Private companies avoid them due to **high cost** and fear of damaging their image. However, these media can effectively reach **skilled workers**. Their impact depends on the **message and presentation**.

Acquisitions and Mergers When organisations **merge or acquire** another company, they get a pool of **existing qualified employees**. The new organisation can select the **best-suited employees** for existing or newly created positions.

Competitors Rival firms can be a source of recruitment. **Competitors** can be a source of recruitment through **poaching or raiding**, where companies attract skilled employees from rival firms by offering **better salary and benefits**. However, this method involves **legal and ethical issues**, such as obtaining a **No Objection Certificate (NOC)** and concerns about **employee loyalty and commitment**.

Social Media A new and rapidly emerging source of recruitment is the extensive use of social media. **Social media** is a modern recruitment source used to **post job openings, advertise careers and find talented candidates** through platforms like LinkedIn and Facebook. It provides a **wide network** and helps employee referrals spread quickly.

Company Website Organisations also use the company's website extensively to advertise the job openings. **Company websites** are used to **advertise job vacancies** and invite interested candidates to apply directly. This helps candidates avoid placement agencies, while organisations save **middlemen costs**.

Sourcing

Once a recruiting plan and strategy are worked out, the sourcing process can begin. As seen in the figure, sourcing involves two steps (i) source activation, and (ii) selling.

Source Activation

Source activation means **starting recruitment after a vacancy is confirmed**. It begins when the line manager issues an **employee requisition**.

Once activated, the firm receives applications/resumes. These are **screened**, suitable candidates are invited for interviews, and unsuccessful applicants are informed.

Selling

Selling in recruitment means **communicating with potential applicants to attract suitable candidates to the organisation**.

The organisation must present the **job and company honestly** without overstating its benefits or advantages.

- **Message:** The content of the employment advertisement.
- **Media:** The method used to communicate the job vacancy, such as employment exchanges, job portals, newspapers or business magazines.
- The choice of media should be made carefully because its **credibility affects the response**.

Example: A company publishes an attractive but truthful job advertisement in a reputed business magazine to attract qualified managers.

Selling means promoting the job and organisation to attract suitable applicants.

Screening

Screening of applications is an **important part of recruitment** and is often considered the **first step of selection**. Applications are **scrutinised and shortlisted**, and only eligible candidates proceed to the next stage.

The main purpose is to **remove clearly unqualified applicants early**, saving time and cost. Candidates should be judged fairly based on the **knowledge, skills, abilities and interests** required for the job.

Screening methods: Application forms, résumés, preliminary interviews and reference checks.

EVALUATION AND CONTROL

Evaluation and control are necessary as considerable costs are incurred in the recruitment process. The costs generally incurred are:

These are the **expenses incurred by an organisation to find and attract suitable candidates** for vacant jobs.

1. **Recruiters' salaries** – Payment to employees involved in recruitment.
2. **Management time** – Time spent preparing job descriptions, advertisements and specifications.
3. **Advertisement costs** – Expenses for advertisements, agencies and other recruitment methods.
4. **Supporting literature** – Cost of preparing brochures, forms and other materials.
5. **Administrative costs** – Recruitment overhead and office expenses.
6. **Vacancy costs** – Overtime or outsourcing expenses while posts remain vacant.
7. **Selection costs** – Expenses incurred for recruiting suitable candidates for the selection process.

Recruitment costs are the **total expenses involved in attracting and preparing suitable candidates for selection**.

Statistical information on the cost of advertisements, time taken for the process, and the suitability of the candidates for consideration in the selection process should be gathered and evaluated. However, exercises seem to be seldom carried out in practice.

Evaluation of Recruitment Process

The recruitment process has the objective of searching for and obtaining applications from jobseekers in sufficient numbers and quality. Keeping this objective in mind, the evaluation might include:

1. Return rate of applications sent out.
2. Number of suitable candidates for selection.
3. Retention and performance of the candidates selected.
4. Cost of the recruitment process.
5. Time lapsed data. (**Time taken** – Time required to fill the vacancy.)
6. Comments on image projected.

Evaluation of Recruitment Methods

The evaluation of recruitment methods might include:

1. Number of initial enquiries received which resulted in completed application forms.
2. Number of candidates at various stages of the recruitment and selection process, especially those shortlisted.
3. Number of candidates recruited.
4. Number of candidates retained in the organisation after six months.

Selection meaning and process

After recruitment, **selection** is the process of choosing qualified and competent people for jobs. Selecting the right talent is important because wrong hiring increases costs and affects performance.

Selection *is the process of* ***choosing the most qualified and competent candidate from a pool of applicants to fill a job in an organisation****.*

Recruitment and selection are different:

- ***Recruitment:*** *Attracts as many suitable candidates as possible.*
- ***Selection:*** *Eliminates unsuitable candidates and chooses the* ***right person for the job****.*

SELECTION PROCESS

Figure 7.2 shows a generalised selection process. In practice, the process differs among organisations and between two different jobs within the same company. Selection procedure for senior managers will be long-drawn and rigorous/hard, but it is simple and short while hiring shop-floor workers.

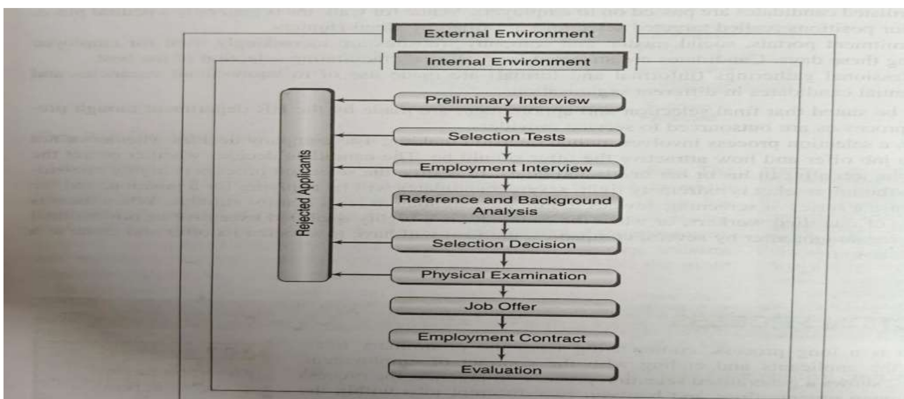


FIG. 7.2 Selection Process

Environmental Factors Affecting Selection

The selection of employees is affected by many factors. These factors are divided into external and internal factors.

External factors:

- **Availability of required skills in the labour market**
- **Unemployment rate**
- **Labour-market conditions**
- **Legal and political factors**

Internal factors:

- **Company's image**
- **Company's recruitment policy**
- **Human Resource Planning (HRP)**
- **Cost of hiring**

The organisation's selection decisions depend on both outside conditions and factors within the company.

Preliminary Interview

After receiving applications, HR first **checks the application forms** and removes candidates who do not meet the basic requirements. This is usually followed by a **preliminary interview**, which helps HR identify and reject candidates who are **not suitable for the job** for reasons not clear from their application forms. It is also called a **courtesy interview** because it creates a **good impression of the organisation** among applicants.

A preliminary interview is a short initial interview used to remove unsuitable candidates before the main selection process.

Selection Tests

Candidates who pass **screening and the preliminary interview** are called for different tests. These tests help the organisation assess their **ability, aptitude, personality, interests and fitness** for the job.

1. **Ability Test:** Measures how well a person can perform job-related tasks.
   Example: Data-entry test for a computer operator.
2. **Aptitude Test:** Measures a person's **potential to learn** a particular skill or area.
   Example: GMAT (General Management Aptitude Test) for admission to business programmes.
3. **Personality Test:** Measures personality traits and suitability for a particular work environment.
4. **Interest Test:** Identifies a person's **preferred activities or career interests**.
5. **Graphology Test:** Analyses **handwriting** to identify certain personality traits.
6. **Polygraph Test:** A **lie-detector test** used to check the accuracy of information provided.
7. **Medical Test:** Checks the candidate's **physical fitness and health** for the job.

Selection tests help employers find out whether a candidate has the required ability, potential, personality, interests and physical fitness.

Choosing Tests - Selection tests should be chosen carefully based on four important qualities: reliability, validity, objectivity and standardisation.

1. Reliability: The test should give similar results when repeated under similar conditions.
   Example: A person scoring 110 in an intelligence test should get a similar score later.
2. Validity: The test should accurately predict whether a candidate can perform the job successfully.
   Example: A typing test should help predict performance in a data-entry job.
3. Objectivity: Different evaluators should get the same conclusion from the same test results, without personal bias.
4. Standardisation: The test should be conducted under uniform conditions and compared with established standards or norms.

A good selection test should give consistent results, measure what it is supposed to measure, be free from personal bias, and follow the same procedure for everyone.

Employment Interview

Employment Interview

An **employment interview** is a formal, in-depth conversation used to evaluate whether an applicant is suitable for a job. It is flexible and can be used for **unskilled, skilled, managerial and professional employees**. It provides a **two-way exchange of information** between the interviewer and applicant.

Types of Interviews

1. **Structured Interview:** Uses preset, standardised questions for all candidates.
2. **Unstructured Interview:** Largely unplanned; the candidate does most of the talking. It encourages friendly conversation but may lack uniformity.
3. **Mixed Interview:** Combines structured and unstructured questions, allowing comparison and better understanding of candidates.
4. **Behavioural Interview:** Focuses on a problem or hypothetical situation and asks how the applicant would respond.
5. **Stress Interview:** Tests how an applicant responds to pressure; useful for stressful jobs such as police work.

Other Types

- **One-to-one:** One interviewer and one candidate.
- **Sequential:** A series of interviews with different interviewers.
- **Panel:** Two or more interviewers' interview one candidate.
- **Telephone:** Conducted by phone; saves **time and cost** and is commonly used for technical recruitment.
- **Online/Computer:** Uses computers or the Internet to assess candidates.
- **Video Interview:** Conducted through video conferencing; it is **flexible, fast and less expensive**.

Reference and Background Checks

Many employers ask for **references** to verify the applicant's information and obtain additional background details. References are usually checked after the applicant reaches the later stage of selection.

Sources of References

- Previous employers
- Public figures
- University professors
- Neighbours or friends

Previous employers are preferred because they know the applicant's work performance. However, they may sometimes over-rate the applicant to avoid taking responsibility for them.

References may be obtained through **letters or telephone calls**. Telephone references are useful because they are **quick, inexpensive and relatively candid**.

Types of Reference Checks

- Criminal record
- Previous employment
- Educational records
- Credit records
- Civil records
- Union affiliation
- Character
- Neighbourhood

Selection Decision

After tests, interviews and reference checks, the organisation makes the **final selection decision**. The earlier stages reduce the number of candidates, and the final choice is made from those who successfully pass these stages.

The decision can be difficult when there are many applicants. For example, **Infosys received one million applications in 2003 but hired only 10,000**.

The **line manager's opinion** is important because they are responsible for the new employee's performance. The **HR manager** also plays a crucial role in the final selection.

Selection decision means **choosing the most suitable candidate from the final shortlisted applicants**.

Physical Examination

After the **selection decision and before the job offer**, the candidate may be required to undergo a **physical fitness/medical test**. The job offer may depend on the candidate being declared fit.

Objectives:

1. **Detect infectious diseases.**
2. Check whether the candidate is **physically fit for the job**.
3. Identify physical abilities related to **successful job performance**.
4. Protect candidates from work that may **harm their health**.
5. Protect the employer from **invalid compensation claims** for existing injuries or illnesses.

The physical fitness test ensures that the candidate is **medically and physically fit to perform the job safely and effectively**.

Job Offer

The next step is to make a **job offer** to candidates who have successfully completed all selection stages. The offer is made through an **appointment letter**, which mentions the joining date. Reasonable time should be given, especially if the candidate is already employed or has to move to another city.

The company may also ask the candidate to **delay joining** if training is scheduled later, but this should not be misused.

Rejected candidates should be informed about their non-selection. Applications of both selected and rejected candidates may be **preserved for future reference**.

Contract of Employment

After candidates accept the job offer, they may need to sign an **attestation form and employment contract**. The attestation form verifies important personal details for future reference.

An **employment contract** generally includes:

- Job title and duties
- Joining date, salary and working hours
- Holidays and sickness rules
- Notice period
- Grievance and disciplinary procedures
- Termination conditions
- Union membership, confidentiality and special terms

Purpose: Employment contracts help prevent job-hopping, protect company information and discourage competitors from hiring valuable employees.

Companies carefully draft these contracts, often with legal help. Some firms use **employee bonds** requiring employees to stay for a specified period.

Drawback: Such contracts are difficult to enforce because determined employees may still leave by paying penalties or receiving compensation from a new employer.

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● Training and Development: meaning and methods
TRAINING AND DEVELOPMENT

Content and Scope of Training - meaning

Training is an organized process of improving employees' knowledge, skills, and attitudes for a specific job, bridging the gap between job requirements and current competence. It is continuous.

Training and Education: Training builds job-specific abilities and is employer-funded; education builds general knowledge, is broader, and is government-funded.

Training and Development: Training is short-term, for non-managerial employees, building technical skills for the present job. Development is long-term, for managers, building conceptual knowledge for future roles.

Methods and Techniques of Training

The methods employed for training of operatives may be described as under:

1. On-the-job Training (OJT).

The trainee learns by doing the actual job under a supervisor's guidance — observing and handling real work. Methods include coaching and job rotation. A popular form, Job Instruction Training (JIT), involves 4 steps: preparing the trainee, presenting the job, trying it out, and following up on errors. It gives quick feedback but needs skilled trainers.

Merits: The trainee learns on the real machine in the real environment, boosting motivation and easing skill transfer to the job. It's economical, as the trainee produces while learning. Rules and procedures are learned through daily observation, and it suits unskilled/semi-skilled jobs like machinist, clerical, and sales roles, with active supervisor involvement.

Demerits: Workplace noise distracts learners, training is often unorganized due to poor trainers, and equipment may get damaged.

OJT is still the most widely used method, fit for all employee levels. Success needs planned content, a trained instructor, and follow-up.

2. Off-the-Job Training.

Off-the-Job Training: Training given away from the job, where the trainee gives full time to learning.

(a) Vestibule Training: A separate training centre simulating actual job conditions is set up, using identical equipment and expert trainers.

Merits: Trainees concentrate without workplace noise, stay motivated by realistic conditions, and practice without fear of being watched. It's essential for high-risk jobs (e.g., aviation), efficiently trains many employees at once, and is common for clerks, bank tellers, and typists.

Demerits: It's expensive due to added infrastructure and trainers, feels artificial compared to the real job, and separating training from supervision can cause organizational issues.

(b) Apprenticeship Training: Trainees get theoretical and practical instruction at training institutes (e.g., ITIs in India), mandated under the Apprenticeship Act, 1962 for certain industries. A stipend is paid, making it an "earn while you learn" scheme aimed at developing all-round craftsmen.

Merits: Combines theory with practice, builds market-valuable skills, and supplies industry with skilled workers.

Demerits: Time-consuming, expensive, and many trainees drop out during the 1–5-year training period.

It's the oldest training method, suited to technical trades like machinist, carpenter, electrician, and toolmaker, where proficiency needs long training.

(c) Classroom Training. Training given in company classrooms or educational institutions using lectures, case studies, discussions, and audio-visual aids. Suitable for teaching concepts, problem-solving, orientation, and safety training. Some companies run their own institutes for special courses (e.g., management courses for foremen); small firms rely on outside schools.

(d) Internship Training. **Internship Training**: A joint program between educational institutions and firms, where candidates study theory while working in a factory/office for practical experience. It balances theory and practice but takes a long time. Used in professional courses like MBBS, CA, ICWA, and Company Secretaries.

(e) E-Learning. Training delivered via electronic technology — CD-ROMs, internet/intranet, satellite broadcasts, virtual classrooms, and digital collaboration. Firms use a learning management system (LMS) as a single access point, along with social tools like blogs and podcasts.

DEVELOPEMNT – MEANING AND METHODS

MANAGEMENT DEVELOPMENT

Development mainly refers to management development — efforts aimed at managers and supervisors to make them better leaders, while training targets lower-level employees for productivity. Some training methods (case studies, role plays) do aid development, but development broadens vision and gives a longer-term view of one's organizational role, requiring different methods than employee training.

Management Development Programmes (MDPs)

Manager development also has two broad methods — on-the-job and off-the-job — together called Management Development Programmes (MDPs) or Executive Development Programmes (EDPs). An MDP is a planned, deliberate/cautious effort to improve managerial effectiveness through learning.

On-the-Job

Job Rotation. Job rotation places employees through a series of jobs, evaluating their performance and giving firsthand exposure to each job's challenges. It offers stimulation and networking, builds multi-skilled employees for scheduling flexibility, and prepares high-potential employees for future leadership. Drawbacks include rising training costs, work disruption, and potential demotivation for specialization-seeking employees.

Coaching. **Coaching**: A short-term process between employees and their line managers to improve performance and skills, often to fix poor performance. It's flexible and popular for senior managers (executive coaching), helping them balance the seven life dimensions — family, profession, health, social, financial, spiritual, mental — often neglected due to work pressure.

Coaching lets managers inspire and develop employees, while both coach and learner gain self-discovery. Formal coaching involves steps like assessing organizational readiness, selecting and training coaches, clarifying roles, monitoring progress, and ensuring the learner is self-motivated.

Action learning. Action learning is an on-the-job EDP (employee development programme) where a group of 4-5 learners (an "action learning set") work on real workplace problems instead of classroom exercises, meeting regularly to question causes and solutions. The focus is L = P + Q (Learning = Programmed learning + Questioning/insight), based on the belief that managers learn best by doing. A set of managers tackles a live problem over several months, meeting weekly with an advisor's guidance, managing the project like any real assignment while learning management processes as they happen.

It's used by NGOs and companies alike; the Tata Management Training Centre (TMTC) at Pune uses it to train Tata Group executives.

Staff Meetings. Staff meetings facilitate participants to become more familiar with problems and events occurring outside their immediate area by exposing them to the ideas and thinking of other managers.

Lateral Transfer. Lateral (crosswise) transfer involves horizontal movement through different departments, along with upward movement in the organisation.

Off-the-Job

Seminars and Conferences. **Seminars and Conferences**: Group programs bringing managers together for mutual development, used to communicate ideas, policies, or procedures and discuss issues.

The most popular is the Leadership Grid by Blake and Mouton, focusing on two dimensions — concern for people and concern for production — using seminars, discussions, and reflection to help managers achieve the ideal "9,9" leadership style and improve interpersonal effectiveness.

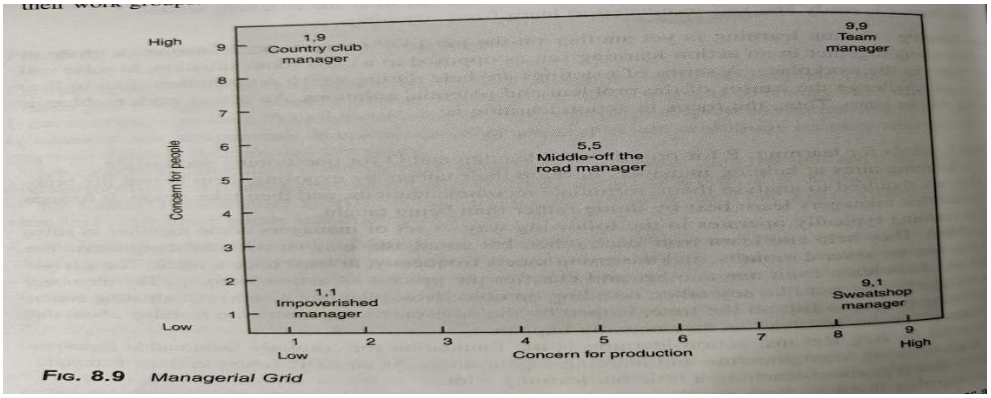

FIG. 8.9 Managerial Grid

Case Studies. Case study is a key management development technique using a written real/simulated decision-making situation, where managers identify problems, analyze them, and propose the best solution. Learning improves through interaction with the instructor, who acts as a facilitator involving all participants.

Case study method can be most effective where

1. Analytic, problem-solving and critical thinking skills are most important.
2. The KSAs are complex and participants need time to master them.
3. Active participation is desired.
4. The process of learning (questioning, interpreting, etc.) is as important as the content.
5. Team problem-solving and interaction are possible.

When using case studies:

- Be clear about learning objectives, and list possible ways to achieve the objectives
- Decide which objectives would be best served by the case method
- Identify available cases that might work, or consider developing own
- Set-up the activity including the case material, the room and the schedule
- Follow the principles of effective group dynamics
- Provide a chance for all learners to take part and try to keep the groups small
- Stop for process checks and be ready to intervene if group dynamics get out of hand
- Allow for different learning styles
- Clarify the trainer's role
- Bridge the gap between theory and practice

Case studies are used in manager training on the belief that discussing real-life events builds competence. However, trainees may see them as irrelevant despite being fact-based, making analysis feel unrealistic — so trainers must ensure managers don't settle for half-baked comments.

Management Games.

Management games are simulations where participants form groups representing competing hypothetical companies, playing roles like director or marketing manager and making decisions on pricing, production, and inventory. A computer often processes decisions to show market-like results, letting participants see the impact of their choices. Popular examples include Looking Glass and Simmons Simulator.

Benefits include realistic decision-making practice, feedback, active participation, and development of leadership and teamwork skills. Criticisms include high design costs, unrealistic models, and participants focusing on "winning" rather than sound decision-making.

Role Playing.

Role playing trains supervisors and managers by assigning them characters in an organizational situation to enact with other trainees, promoting self-discovery and interpersonal skill-building. For example, trainees might act out both manager and subordinate roles in a conflict scenario to understand each perspective. A feedback session (sometimes with video review) follows to discuss performance. Success depends on how convincingly trainees play their roles; done well, it builds sensitivity to others' feelings.

Behaviour Modelling. Behaviour modelling improves interpersonal skills through observation-based learning, rooted in social learning theory — employees learn behaviours by watching role models like supervisors, managers, and co-workers, who strongly influence individual behaviour.

HUL's Business Leadership Training (BLT) gives new hires a six-week international stint and four-week rural India spell to install core values and culture. Citibank's two-year Management Associate Programme (MAP) similarly trains fresh graduates into effective bankers.

Corporate Universities. Many large organizations set up their own corporate universities — in-house training centres like Toyota's Toyoland, GE's Corporate University, and McDonald's Hamburger University — to custom-train employees to fit their culture and business goals, nurturing core competencies for competitive advantage. Run by the organization's own professionals, these centres can positively impact a company's long-term financial health.

Around 4,000 companies worldwide have their own universities, especially useful when changing organizational culture. Unilever's university played a key role in shifting its ethos toward "sustainable" business, leading it to invest $65 million in a Singapore campus in 2013.

● Managing the GIG employees and Virtual employees and team

Gig Worker

A **gig worker** is a freelancer or independent contractor who works on **short-term projects or specific jobs** instead of receiving a regular salary. They may work for **multiple clients** at the same time.

Key Features:

- Flexible and project-based work.
- Can work for multiple employers.
- Paid for individual projects rather than a fixed salary.
- Greater freedom over working hours and location.
- Usually receives fewer benefits such as health insurance, paid leave, and retirement benefits.
- May not receive the same employment protections as regular employees.

Advantages: Gig work offers flexibility, allowing people to **choose their working hours, work from home, and earn additional income**.

MEANING:

Gig has various meanings in English, but it has two modern meanings: any paid job or role, especially for a musician or a performer and any job, especially one that is temporary.

A gig worker is an individual who works on a per-project or freelance basis, they are usually self-employed and work independently, often through online platforms that connect them with clients.

Gig workers are sometimes called "independent contractors," or "freelancers." They differ from temporary workers in that they are not hired to work for a specific period of time, and they are not employees of the companies they work for. Gig workers are becoming increasingly common as more and more businesses move to an on-demand, "gig" model. This type of work arrangement is often seen in industries like transportation, food delivery, and home services.

A gig worker takes on short-term or project-based jobs, often for multiple clients at once, rather than being employed by a single company. Many freelancers find gigs through online platforms.

The **gig economy** refers to the growing trend of workers taking **short-term, contract-based jobs**, often through online platforms connecting workers with companies or customers. Gig workers usually do not receive benefits such as **health insurance, paid leave, or retirement plans**, but enjoy greater flexibility.

Examples: Uber and Ola (ride-sharing), Zomato and Swiggy (food delivery), and Big Basket (grocery delivery). Unlike traditional employment, gig work provides **flexible schedules, location freedom, and opportunities for multiple jobs or side incomes**. It offers adaptable work arrangements for both companies and workers.

TYPES OF GIG WORKERS:

There are a wide variety of gig services across industries and employers. Some of the major types include:

(1) Freelancers: **Freelancers** are independent workers who take **short-term projects** in fields like technology, marketing, and consulting. They may create website content, develop apps, or provide consultancy. They can work with **long-term clients or different clients for each project**, often through digital platforms.

(2) Tutors and Teachers: **Tutors and teachers** can work as freelancers or independent contractors outside traditional full-time jobs. For example, they may **record courses for online platforms**. This provides flexibility in **where, when, and how they work**.

(3) Construction Employees: **Construction workers** such as electricians, plumbers, welders, carpenters, architects, and site engineers often work as **independent contractors** on a project basis. This provides **part-time and short-term opportunities** outside traditional employment.

(4) Finance Professionals: **Finance professionals** such as accountants, financial planners, and stockbrokers can work as **freelancers or independent contractors**. They take specific projects for different clients, using their **specialised skills to earn income flexibly**.

(5) Administrative Support Professionals: **Virtual assistants, data entry specialists, and appointment setters** often work as independent contractors on a part-time or short-term basis. Their work may include **file organisation, information desks, and HR support**.

(6) Foodservice and Hospitality Professionals: **Caterers, personal chefs, bartenders, and food preparers** often work on a gig basis. For example, a bartender may work at **special events or weddings**. Hotel concierges and maintenance workers may also take gig jobs.

(7) Transportation Service Professionals: **Drivers** can work in package and food delivery or **ride-sharing services**, transporting goods or people through flexible gig arrangements.

HUMAN RESOURCE AND GIG ECONOMY:

The concept of gig workers removes the traditional employment between an employee and an employer. The challenge to HR is that each of the workers will have different rights, duties, and benefits.

(1) Workforce Planning: in gig economy, the workforce planning largely relates to matching the demand and supply for labour. Therefore, intermediary platforms are observing carefully and plan accordingly.

(2) Recruitment and Selection: Careful selection of gig workers can be a guarantee to of multilateral value to all parties involved. This is a case of such 'gig' that require a certain qualification or knowledge to successfully carry out the job.

(3) Training and Development: According to research, freelancers do not share the same levels of involvement in training and development as traditional employees. This is often also the case due to the fact they have to fund it themselves. On the other hand, the gig platforms often provide valuable information or training on such areas as how to improve customer ratings.

(4) Performance Management: Most commonly, the gig workers are evaluated thorough ratings of the requestor. Depending on if a gig worker only interacts with the customers or also with regular employees, the performance management is provided in a form of customer ranking or based on the client's perceptions of the performance of gig worker. This provides an opportunity to generate feedback at least two ways; the perception of the customer as well as the requestor.

(5) Compensation. Compensation normally takes a form of short-term economic inducements. This needs to be seen as beneficial and appropriate by both parties to keep them engaged.

(6) Job Design: The rise of gig economy also affected the design of the jobs; thus, human resources departments have to rethink the job offerings and responsibilities of these short-term arrangements. Moreover, the legal attributes and regulations of gig economy remain challenging and need to be further addressed by the departments.

LEGAL CONSIDERATIONS FOR GIG WORKERS:

Navigating the gig economy requires skills in respective field, as well as an understanding of some fundamental legal issues may be described as under:

(1) Independent Contractor Status: Gig worker is often classified as an independent contractor, not an employee, which can affect tax responsibilities, benefits, and legal rights. For example, the worker might miss out on things like minimum wage, overtime, and unemployment benefits as a contract worker.

(2) Self-employment Taxes: Taxes aren't as straightforward when the worker is his own boss. He must take care of the employer and employee parts of Social Security and Medicare taxes. Be sure to save for any income taxes one may owe.

(3) Insurance: Many protections offered to traditional employees, like workers' compensation or unemployment insurance, may not apply to gig workers. The worker might also need to arrange his own health insurance.

4) Business Licenses: Depending on where the office is located and what the worker does, he might need a small business license. Be sure to check respective legislation requirements.

(5) Contractual Agreements: Before diving into a new gig, take the time to read the contract. It gives all details about payment, the nature of work, and any liabilities. If the worker is not sure about the language, consider getting advice from a legal professional.

(6) State Laws: Some states have specific laws regarding gig workers. For instance, Assembly Bill has implications for the classification of workers in the gig economy. Stay informed about the laws in respective state or region.

(7) Intellectual Property: If the nature of work is about creating original material such as designs, content, or software, he should know the ins and outs of intellectual property laws. Depending on the contract, once a client pays, they might own the rights to their work. It requires to make sure and clear on that upfront.

ADVANTAGES OF GIG WORKERS:

(1) Flexibility: Gig workers often have the freedom to choose when, where, and how much they work. This is especially beneficial for those who have other commitments or prefer non-traditional work hours. For example, a rideshare driver might choose to work only during peak demand times to maximize earnings, while a freelance writer might opt to write early in the morning before their kids wake up.

(2) Independence: Being own boss means taking charge of projects, rates, and workflow. This can be a big plus if the worker is a self-starter and thrive in environments where he has the freedom to make decisions. For instance, a freelance graphic designer can choose clients that align with their style, while a consultant might pick projects based on interest or expertise.

(3) Diverse Opportunities: From driving for Uber to helping with software development, the range of opportunities in the gig world is diverse.

(4) Expanding Network: Gig workers often meet various clients and professionals. An event planner, for example, might connect with caterers, DJs, and venue owners, expanding their professional network and potentially leading to more opportunities.

(5) Supplemental Income: Gig work is often used to supplement a primary job's income. For instance, a teacher might tutor students in the summer, or an artist might sell crafts to support their primary passion projects.

(6) Increased Work Security: Freelancers have a different expectation of the cycle of their professional relationships. Because they are often doing short-term work and have multiple clients at once, the end of a professional relationship doesn't mean their income stops. They likely have a fully updated portfolio and can quickly transition to new clients, or they may be able to take on more work with a client they are already collaborating with.

DISADVANTAGES OF GIG WORKERS:

(1) Lack of Job Security: Unlike a traditional 9-to-5 job, gig work doesn't promise long-term employment. A fired employee might take redress with their company, receive a severance package, or apply for unemployment. But these avenues are typically unavailable to gig workers; their professional relationship with their clients ends when the contract is met.

(2) Lack of Benefits: Many gig workers miss out on employer-provided perks. For example, unlike their counterparts in full-time roles, freelancers don't typically receive health insurance, paid time off, or a retirement plan from clients. In fact, a 2023 study showed that 23% of gig workers did not have health insurance.

(3) Inconsistent Income: Earnings in the gig economy can be erratic. For example, a freelance illustrator might land several commissions one month and none the next, making financial planning essential yet challenging. According to a 2020 Economic Policy Institute study, 1 in 7 gig workers earned less than the federal hourly minimum wage.

(4) Isolation: Working independently can sometimes mean working alone. For instance, a virtual assistant working from home might miss the camaraderie and team environment that comes with office-based roles.

(5) Administrative Tasks: The behind-the-scenes work can be daunting. For example, gig workers have to handle their own invoicing, tax payments, and marketing-tasks that are typically spread across departments in larger organizations.

TEAM:

INTRODUCTION:

The concept of team was developed and applied in Japan in the 1950s, particularly, to deal with quality problems. Now, it is a widely used term in almost all human activities. Decades ago, when some leading corporate houses such as W. L. Gore, Volvo, General Good, SAIL, and Tata Motors introduced teams into their production processes, it made news because no one else was doing it. Today, it is just the opposite; most of companies use it. Teams have become the primary unit of performance in high-performance organisations. Teams are highly flexible and more responsive to changing events, than traditional groups. Team is the better way to use the employees' talent. It is a popular means for management to democratize organisations and increase employee motivation.

MEANING OF TEAM:

Team or work team has been defined as under:

John W. Newstrom: A team is a cooperative small group in regular contact that is engaged in coordinated action.

Ramesh B. Rudani: "Team is a group of individuals with the ability to do special tasks, who prefer to work collectively for a specific purpose, have a shared leadership, and bear individual and collective accountability."

Robbins, Judge, and Vohra: A group whose individual efforts result in performance that is greater than the sum of the individual inputs.

NATURE OF TEAM:

Based on this definition it is very clear that it has many characteristics. The following characteristics of a team can be described on the basis of it.:

Management of GIG Employees and Team

(1) Few People: A team consists of small number of people because the interaction and influence processes needed for the team to function can only occur when the number of team members is small. When large numbers of people are involved, they have difficulty in interacting and influencing each other, utilising their complementary skills, meeting goals, and holding themselves accountable for results.

(2) Complementary Skills: A team consists of people with complementary skills to get the things done. Three types of skills are usually required in a team, which are described as under:

(1) The team needs to have members with the technical or functional skills to do the job.

(2) Some members need to have problem-solving and decision-making skills to help the team to identify problems, determine priorities, evaluate alternatives, and make decisions about the direction of the team.

(3) Members need interpersonal skills to manage communication flow, manage conflicts, direct questions and discussion, provide support, and recognise the interests of all team members.

These complementary skills are required in the team so that it can function well without receiving support from outside.

(3) Collective Purpose and Performance Goals: A team has common purpose and performance goals which set the tone and direction of the team. A team comes together to pursue a set of goals which becomes the focus of the team; all decisions and actions are directed to pursue these goals. Team members pull together, find resources within themselves, and develop and use skills to achieve team goals.

(4) Collective Approach: A team evolves a common approach which is followed by team members in true spirit. Team's approach usually covers how work will be done, social norms regarding dress, attendance at meetings, norms of fairness and ethical behaviour, and what will or will not be included in team activities.

(5) Mutual Accountability: A team holds itself mutually accountable for results, rather than merely meeting a manager's demands for results. Mutual accountability is essentially a promise that team members make to each other to do everything possible to achieve their goals, and it requires the commitment and trust of all members.

TYPES OF TEAMS:

Teams are widely used in business. Modern business organisations perform their operations through teams. Some popular forms of team are as under:

(1) Cross-functional Teams:

A **cross-functional team** consists of specialists from different functional areas or departments who work together on specific tasks. Its main purpose is to **make decisions, solve problems, and complete assignments** that cannot be handled by one department alone.

Examples: A team of doctors treating critical patients, or B-school teachers from management, computer science, mathematics, and economics working together.

In the corporate world, companies such as **Boeing, IBM, LG, Toyota, Honda, Suzuki, Tata Group, and Ford** use cross-functional teams to improve **efficiency, quality, and reduce costs**.

(1) Choosing members carefully

(2) Clearly establishing purpose of team

(3) Ensuring that everyone understands how the group would function

(4) Conducting intensive team building efforts so that everyone learns how to interact effectively

(5) Achieving noticeable results so that morale remains high and members can see the impact of their efforts.

(2) Virtual Teams: **Virtual teams** use computer technology to connect geographically scattered members and achieve common goals. They communicate through **email, video conferencing, phone, chat rooms, and networks** without regular face-to-face interaction.

Virtual teams are increasingly used due to **globalisation, advanced technology, and the need for speedy communication**. They are flexible and useful for **global partnerships, outsourcing, and knowledge-based tasks**.

Their effectiveness depends on **suitable technology, skilled members, training, and the nature of work**. However, they may not be suitable for tasks requiring **physical presence and face-to-face interaction**.

(3) Self-managed (Self-managing) Teams: **Self-managed teams** are self-directed groups given substantial **autonomy and responsibility** for their work. They plan, organise, monitor, and control their own activities.

They are **multi-skilled and empowered** to hire staff, organise activities, and obtain resources without regular approval from higher authorities. They promote **teamwork and participation**.

Advantages: They can improve **productivity, job satisfaction, customer service, and organisational commitment**.

Limitations: They may struggle with **conflict, power struggles, and coordination**. Their success requires maturity, understanding, cooperation, and compromise among members.

(4) Problem-solving Teams: Problem-solving teams, also called **corrective teams**, are formed to solve specific organisational problems. Members share ideas and suggest improvements in work processes and methods.

Members are selected from the affected departments and may come from one or more areas. These teams consist of **experienced experts** who use suitable techniques to identify problems, develop alternatives, evaluate them, and select the best solution.

Today, such teams not only **recommend solutions but also implement them and take responsibility for results**. Their functions depend on the organisation’s policies.

TEAM BUILDING: Team building is the **process of increasing trust, cooperation, and openness among team members** to improve performance. Top management provides guidelines and assigns a **team leader or facilitator** for this task.

According to **Joban W. Newstrom**, team building makes teams more effective by encouraging members to examine their working methods, identify weaknesses, and develop better ways of cooperation.

It involves **forming, developing, and maintaining groups** committed to common goals and collective responsibility. Training helps members understand their roles, improve teamwork, make effective decisions, and achieve group goals.

The main goal of team building is to **increase team effectiveness**. Large organisations often conduct special team-building programmes for this purpose.

TEAM BUILDING SKILLS

Team building is performed by **internal or external experts**. The facilitator plays a key role and must possess skills to develop effective teams.

1. **Consultation Skills:** Ability to provide advice and guidance on team building, including **coaching, diagnosing problems, decision-making, and identifying capabilities**.
2. **Research Skills:** Ability to **collect relevant information, diagnose problems, conduct research, and evaluate results**.
3. **Interpersonal Skills:** Ability to **listen, build trust, give feedback, resolve conflicts, show empathy, and communicate effectively**.
4. **Presentation Skills:** Ability to present ideas effectively through **good communication, confidence, subject knowledge, effective speech, and gestures**.