CHAPTER 6

EVALUATION OF HR POLICIES IN PHARMA INDUSTRIES

6.1 Introduction:

The policies and practices are always based upon the mindset of the entrepreneurs as well as by and large culture and climate of the respective organization. However, the framework of marketing the products manufactures by them creation of goodwill strategy for advertisement and promoting their products through found different and distinctive as compared to other organizations thee tactical and strategic planning is helping them to earn profit, retain and enlarge their market share. The practices rendered reflecting the organization structure is indicated in this chapter.

The requirement of manpower must be ascertained on the basis of scientific methods. Therefore, Management Programme starts with job surveys, quantifying the workload, defining job specification, correspondingly devising the man specification & to fit them at the proper place. However on account of death, superannuation, resignation, transfer, promotion etc. if vacancies are arising then the right man at the right place at
right time & reasonable pay package & right accountability to the posted.

This chapter covers HR practices in Pharma industries,

**6.2 Human Resources Planning:**

**6.2.1 Process of Human Resources Planning:**

Once the premises are identified, the human planning starts with forecasting and manpower audit as well as Objective setting. This enables the planner to determine the actual manpower of the organization as portrayed on Fig. Human Resources forecasting and auditing provide background material for human planning. While future human resources needs are estimated with the help of human resources forecasting, the current human resources capabilities are properly with the help of human resources audit. As already mentioned it on the basis of the current capabilities and future needs that we make human resource planning for future. Hence, human resource forecasting and auditing on the basis for human resource planning.

**6.2.2 Objective Setting in Human Resources Planning:**

Objective setting is the most basic concept of every human resources planning. Particularly we start from the objectives of strategic planning and operational planning because human resources are planned primarily to achieve the company's objectives. While a long-term human resources
planning (may be for five years or so) is envisaged for the accomplishment of the long-term objectives of the strategic planning of the organization, short-term human resources planning or contingency planning is made for achieving the objectives in the short-run. Thus, short-term and medium-term plans are linked with long-term planning. Thus, in accordance with the company's long-term and short-term objectives, the human resources management sets its Objectives.

For example, if a modernization of the plant is planned by the top management in their strategic planning for the next five years, the human resources department has to start from this objective and plan for human resources for the modernization, pre-modernization and post modernization periods. HR planning must take care of recruitment, selection, training and development to meet the modernization and post-modernization purpose with schemes for golden handshake or retraining and redeploying as well as for additional recruitment wherever necessary. Separating redundant labor and training and updating the existing labor must also include the human resource planning. Modernization plan is bound to fail unless proper manpower planning is envisaged to cope with the (modernization On the basis of the objectives, additional manpower needs are determined. Number of people to be replaced, number of them to be procured a fresh, number of
people to be retired, number of people with special skills to be inducted; all such details must be worked out in advance. Alternative sources, alternative methods for developing, replacing, employing and deploying; all such problems must be tackled. The choice element; i.e., choosing the best alternative, must be prudently utilized. Every element of human resources planning must focus toward accomplishment of objectives, while human resource objectives conform to the overall corporate objectives and the strategic planning objectives;

Manpower planning objectives may focus on:

1. Ensuring optimum use of human resources.
2. Keeping the organization's workforce to cope with the technological development and modernization.
3. Streamlining uninterrupted supply of workforce to the functional needs of business from time to time.
4. Ensuring higher labour productivity.

6.3 Performance Appraisal:

6.3.1 Role of Performance Appraisal in HRM:

Performance Appraisal plays an indispensable role in human resource management. The human resource approach is not only concerned with what the individuals contribute to the organization, but what the organization does
for every individual in the organization., As F. H. Ferris puts it, "what a man makes out of his work is important but what his work makes out of him is more important". It is appraisal that judges what the individual does for the organization and what the organization should give to the individual. We therefore, concentrate some attention on the appraisal function of the human resources management.

Performance appraisal is an indispensable aspect of human resource development, which enables the management to understand where their people stand, what is expected of them, what they actually do, where they lack, how they can be updated, and so on. We have examined the appraisal system in detail separately later.

As a part of appraisal many companies follow a confidential report system. We confidential information and the remarks of the reporting and reviewing officers are kept secrets. Such confidential reports are not communicated to the concerned individual, but used as the basis for decisions concerning them. This is not a policy conducive to the HRD policy.

Appraisal system must, on the contrary, be in-built as a sub-system of the whole HRD system. Appraisal must be a normal aspect of human resources management, and appraisal interviews must be held at regular
intervals, not to find faults of the employees, but to understand the strengths, weaknesses, need for further development, potentials, performance, contribution to the organizational goals, capabilities, organizational commitment, knowledge levels, expectations, aspirations, drawbacks, needs as a human being, abilities, and so on. Both positive and negative aspects concerning each individual must be communicated to the respective person confidentially; and the individual's weaknesses and drawbacks must never be given publicity. Programmes must be planned for developing every individual in terms of his capabilities, updating technical human and behavioral capabilities, overcoming weaknesses, improving productivity of his strengths and so on. It is the appraisal that determines the worth of every employee. One who is capable to take up challenges and responsibilities can be given greater responsibility. One who has the potentials to accept challenges and responsibilities can be trained to be effective. Thus, effective delegation must be based in proper appraisal.

6.3.2 Performance Appraisal Process :

Appraisal is the process of evaluating the performance or contribution of a company's own people, especially executives or managers towards the objectives and goals of the company. In large professionally managed organizations, every executive is subject to periodic appraisal which can
either be formal or informal. In majority of firms, appraisal is conducted in some formal manner. This is the reason why Dale Yoder has observed, "Performance appraisal refers to all formal procedures used in working conditions to evaluate personalities and contributions and potential of group members". It is a systematic and periodic evaluation or rating on an executive's performance in his existing job and on his potentiality for taking up greater responsibilities. Appraisal provides information about the performance of individuals employed in an organization. Such information is useful for any purpose like administration, placement, selection, promotion, financial rewards, determination of grades, incentives, or compensation, etc., as Carl Heyel visualized it. Filippo has rightly observed, "The essential purpose in this systematic and periodic appraisal is the accurate measurement of human performance. It attempts to reduce, if not to eliminate, human bias and prejudice by means of a system, particularly a system that is subject to partial review and check". Thus, the appraisal system seeks to determine that the executive contributes rather than what the executive is. Commenting on performance appraisal, McGregor observed, "Performance appraisal is often perceived simply as a technique of personnel administration, but where it is used for administrative purposes it becomes part of a managerial strategy, the implicit logic of which is that in order to
get people to direct their efforts toward organizational objectives, management must tell them that to do, judge how well they have done, and reward or punish them accordingly". It means that appraisal system works as a part of the strategy to enable managers and executives to set their objectives and standards, direct their efforts for the accomplishment of such objectives, make them understand what the company expects them to do, determine whether they make the contribution expected of them, examine where they stand in their performance and to make appropriate compensation for their efforts and reward (or punishment) for what they have achieved (or not achieved) for the organization. This is the reason why an appraisal system is essentially part and parcel of every human resource management system.

6.3.3 The Purpose of Appraisal:

In the context of the global approach to human resource management, executives with a global outlook are supposed to be developed, not only in global corporations or transnational corporations but even in Indian companies. This has become the need of the hour because every company has to use its resources for operational efficiency in comparison with other competitors including global companies which operate in India successfully. Actually speaking, effective utilization of all resources depends on the
utilization of human resources. Effectiveness of human resources must, therefore, be evaluated periodically for which an appraisal sub-system is indispensable in the HRM system.

We are witnessing a technological revolution in our time. This trend is going to attain greater dimensions in the years to come, when technologically competent manpower, rather brainpower, would be of greater comparative advantage. Lester Thurow emphasizes this aspect when he remarked, "While technology creates man-made comparative advantage, seizing that manmade comparative advantage requires a workforce skilled from top to bottom. The skills of the labour force are going to be the key competitive weapon in the twenty first century. Brainpower will create new technologies, but killed labour will be the arms and legs that allow one to employ to be the low cost masters of the new product and process technologies that are being generated. In the century ahead natural resources, capital and new product technologies are going to rapidly move around the world. People will move slowly than anything else. Skilled people become the only sustainable competitive advantage". Such a sustainable competitive advantage must be determined from time to time for which an in-built appraisal mechanism is essential.
6.3.4 Uses of Performance Appraisal:

(i) It provides a clear understanding to the superior about the subordinate’s contribution and the capability or potentiality to contribute.

(ii) It serves as a basis for improving the quality and quantity of performance of the executives in their present work.

(iii) It helps to identify the strengths and weak and to introduce methods to make the best use of the strengths and to overcome weaknesses.

(iv) It enables to locate the problems which may stand on the way of performances so that corrective action can be taken to improve the performance.

(v) Appraisal enables the concerned executive to know where he stands, and to know his worth.

(vi) An appraisal provides the basis for the superior to direct his subordinates to accomplish the performance, while it enables the subordinates to understand their superior's expectations.

(vii) Appraisal provides basis for promotion.

(viii) It provides basis for fixing compensation grade, and incentives.

(ix) It enables the subordinate executives to make a reassurance of their future in the organization.
(x) Appraisal provides adequate information to the superiors to give appropriate recognition to their subordinates.

(xi) Performance appraisal provides basis for setting realistic standards.

Hence, performance appraisal has become a very common affair in any organization. Actually it is a constant effort on the part of every manager to evaluate the performance of subordinate executives. Particularly, measured appraisals are not rare.

Performance is evaluated in realistic and quantitative terms: maximizing profit margin, reducing sales expenditure, reducing wastage and spoilage, or rejection rate, achieving sales quota, etc., can be easily evaluated. These are measurable quantitative performance standards. Performance is evaluated in terms of the accomplishment of performance in accordance with standards set in these quantitative terms. According to Terry, "In analyzing the person's performance the rater focuses on discovering why the person achieves what one does, how much is it, and how well it is done".

In appraising, the basic questions examined are: whether the executive accomplishes the targets set for him. How much he achieved? How he achieved? When he achieved it? And how well has he done it? This is a continuous process. "The superior continuously draws conclusions as to the
effectiveness of his subordinates as they go about their duties. Sometimes
these conclusions are based on recent incidents which are fresh in the
superior's mind but are not truly representative of the subordinate's
performance. The appraiser must caution himself not to fall victim to such
superficial evidence and must force himself to draw his conclusions as
objectively as possible from the overall performance". Thus, continuous
unbiased evaluation backed by realistic value judgment is at the root of
appraisal.

6.3.5 Potential Appraisal & Succession Planning:

The way it is important to understand the present competencies of
people, it is equally necessary to identify the latest talent of people to cater
to the future needs of the organization. In this context, potential appraisal
and succession planning are crucial functions of human resource
management. In making potential appraisal of managers, levels of talent and
ambition have to be clearly identified. The objectives of potential appraisal
are:

1. To assess an individual in terms of the highest level of work the
   individual will be able to handle comfortably and successfully in future
   without being overstretched.
2. To assist the organization in discharging its responsibility of selection depend developing managers for the future to ensure its continuous growth.

Potential typically represents latent qualities in an individual which manifests in concrete terms while performing various tasks/jobs. Some characteristics representing potential are:

(a) Ability to foresee future opportunities and assess impact of any initiative/ decision taken today.

(b) Has an institutionalized way of working to ensure continuity and consistency of approach.

(c) Ability to identify resource gaps by the use of basic intelligence/subject knowledge/analytical and quantitative skills and further find ways and means of overcoming these so as to ultimately create higher value.

(d) Personal quality to be level-headed and to respond in an effective and measured manner even under conditions of severe stress.

(e) Ability to function in varied environments with confidence and deliver high performance.

(f) Ability to see the larger picture as well as recognize the need to get into micro details.
(g) To display high degree of personal and intellectual integrity at all times.

6.3.6 Performance Management System:

Organizations are run and steered by People. It is through people that goals are objectives realized. The performance of an organization is thus dependent upon the total of the performance of its members. According to Peter Orticker, an organization a tune; it is not constituted by individual sounds but by their syntheses. The success of an organization will therefore: depend on its ability to measure accurately the performance its members and use it objectively to optimize them as a vital resource.

The performance of an employee is his resultant behavior on task which observed and evaluated. It refers to the contribution made by an individual in the accomplished of organizational objectives. Performance can be measured by some combination of quality, time and cost. People do not learn unless they are given feedback on their actions. For learning to take place, feedback must be provided regularly register both successes and failures, and should follow soon after the relevant actions. Performance appraisal system provides management an opportunity to recall as well as feedback to people as to how they are doing, so that they can correct their acquire new skills and not chance, chemistry and convenience. Merit rating
was generally used for blue-collar jobs whereas Performance appraisal is more comprehensive and can be used for all categories—workers, supervisors, and managers.

6.4 Human Resource Information System (HRIS):

A well formulated information system must form part of any human resource development system. All the necessary information about all employees and executives of the company backed by a data bank must be included in such a system. Basic information about each and every employee, including training needs, training programmes attended, potential appraisal records, performance record of accomplishment and rewards, all such information should be updated and stored. Such information can be retrieved whenever required for training and development purposes, career development need, promotions, rewards or punishments, special projects, and so on. Who can be developed for what job can be decided upon with the help of HRIS. Hence, human resource development must be backed by human resources information system.

In the context of the recent developments in business, particularly dynamic technological development, human resources information system has a special significance. In large organizations Computerized Human Resources Information System (CHRIS) can play a very vital role. It not
only stores and retrieves information regarding training and development needs, but training details and information about those who undergo the various types of training which would be helpful both in potential appraisal and performance appraisal.

Effective communication is an essential aspect of human resources management. Human resources information system helps the communication process in an organization. (We deal with communication separately.) CHRIS is, thus an effective tool in the tool kit of human resource managers for HRD in particular and HRM in general.

6.5 Organization:

Human resources management in particular, management process as a whole in general, largely depends on organizational effectiveness. Failure of an organization leads to failure of management itself. On the other hand organizational success depends on the success of the human resources management which facilitates effective actuating process. Hence, a discussion on human resources management is bound to be incomplete without a proper study of organization.

The process of management becomes meaningful only when the activities are properly organized. Hence, the organizing function is a primary concern of the manager. On the basis of proper analysis of the activities and
abilities of people who are supposed to carry out the activities, the manager classifies the activities and divides the whole work into manageable activities and tasks. Then he groups these activities and tasks into an organization structure, and selects people to shoulder the responsibilities connected with the activities.

As a single individual cannot accomplish all the activities pertaining to a work, organizational structure is created. It means that every individual has a task to accomplish; a task which is most suited to his ability, talent and temperament. Activities carried out by all such individuals must be coordinated which is the most basic function of an organization. Such a coordination results in the establishment of an organizational structure.

Thus, an organizational structure enables an appropriate division of work, departmentalization, delegation and coordination. Hence, it is essential for an organization builder to ensure that these aspects are clearly facilitated and perfected by an organization for which organization development is an essential prerequisite. This is the reason why every manager is involved in organization development. According to Scheir, "an organization is the rational coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy or authority
and responsibility". Pertinently an organization may consist of many people for accomplishing various tasks resulting in spectacular human resources needs.

6.5.1 Organization & Development:

Not only individual employees or groups which must be responsive to the changes that take place in the business environment and business, but the whole organization must be responsive to changes. This is the reason why organization development deserves to be taken care of in response to the demands of the changes in the business environment. Actually speaking an organization responsive to the development alone will be able to face, the challenges from time to time. Such an organization with be able to provide management with methods and techniques for “systematically diagnosing, planning, implementing, and sustaining change in order to increase the organizational effectiveness” as Mescon (etal) observed. Organization development is a “long range effort to improve an organization’s problem.

6.5.2 Organization and Human Resource Needs:

Every organization must, therefore, have a concern for procuring and developing human resources to man the various activities. There are many activities which are to be carried out by different people who have to work together in a coordinated fashion though they have their own differences. It
is here that the organizational framework comes into existence. This is the reason why Earnest Dale observed, "Organization will be considered a means of getting people act together for a purpose, particularly for a business purpose. Also the business organization itself will be considered to narrow its limits sometimes ascribed to it". An organization chart represents the framework that consists of all such different functions coordinated and integrated, each function (activity) of a department being represented by an individual.

Obviously, an organization is a well planned social system, represented by a structure rationally coordinating the activities and functions of many people identified with various individual positions for the achievement of the common predetermined objectives and goals through organizational hierarchy or delegation of authority and responsibility. Thus, every organization consists of many people: Senior managers, middle layer managers, lower level major executives, scientific staff, technical staff, research and development people, skilled workers, and so on. They form the human resources of the company; their skills, knowledge, ability, talents, potentiality and commitment.

When the jobs, tasks, and functions of all such people are classified, divided and grouped under executives and people at various levels, it would
give birth to a framework on which an organizational structure is established. However, there are occasions in an organization to establish an organizational structure first on the basis of the jobs to be carried out and then making placement of the people in the given organizational situations.

6.5.3 Planning and organizing ability :

This implies that one should have the ability, in the context of organizational objectives, to clearly define the requirement/course of action so as to achieve goals/targets.

6.6 Career :

6.6.1 What is Career?

A person's career is a "sequence of positions occupied by him or her making an occupation, vocation or profession during the course of a lifetime." "A career is a sequence of positions occupied and tasks carried out by a person during the course of his work life." It implies the tasks completed the changes in the nature of tasks, changes in the values fostered, changes in the attitudes and motivation that occur as an individual progress in his work life. It includes any work, paid or unpaid, pursued by an individual over an extended period of time.

A career may undergo four stages, viz., exploration, establishment, mid career and late career according to E.H. Schein. During the first stage
an individual explores the possibilities to get into and develop a career. Once he gets into a career which he desires to retain, his effort would be to establish himself in it. As long as he fails to gain a career which he wants to stick to, his exploration stage will continue. On the other hand, as long as his search for a good career continues, he may not stick to a career. Once he attains a career which he desired for, his effort would be to establish him in the career.

According to another view, a career may undergo five stages, viz., fantasy stage, tentative stage, realistic choice stage, mobility stage, and stagnation stage. During the fantasy stage, a person may not relate his occupation or career choice to his intellectual or personnel capabilities or qualifications. During the tentative period a person may recognize the need to decide on a career, while the person tries to work out a suitable occupational plan in accordance with the existing realities in the realistic choice stage. During the mobility stage the person gains spectacular growth of his career and hence he may make changes for better prospects. The final stage is stagnation when his mobility is limited and he may be locked into his current job. In this context, the concept of career anchors deserves a reference.
6.6.2 Career Anchors :

On many occasions people may stick to a particular job or a career. Just like boats down anchors to keep them from drifting too far, "people put down anchors to stabilize their career decisions and keep them within constraints." This is a decision for no-mobility. According to Schein, "Career anchors, then, are distinct patterns of self perceived talents and abilities, motives and needs, and attitudes and values that guide and stabilize a person's career after several years of real-world experience and feedback. When the people reach 'mid-age (early thirties) they may begin making decisions to stick to certain careers. In order to avoid erratic or random decisions, they develop career anchors. Stephen P. Robbins had observed that the anchor may pull people back into situations that are more congruent with their self image if they sense a job or job situation would not be consistent with their talents, needs and values.

6.6.3 Successive Planning :

Human resource development is at the centre of human resource management, while organization development is closely linked with human resource development. Career planning is an integral aspect of human resource development and hence it occupies a crucial place in human resource planning.
6.6.4 Career Planning and Development:

Organizational development, increased productivity and fulfillment of corporate objectives can be accomplished only if the employees of the organization get a feeling of satisfaction and achievement; and consider themselves a part of that organization. Normally, employees have aspirations to advance and grow in their organization, and a desire to achieve higher and more satisfying performance. An organization will gain strength and vitality only when its employees are convinced that they will only have financial gains but also emotional and mental satisfaction—ascending the so-called Maslow's scale. One way to achieve all this is a well thought of system of career planning.

Career planning essentially means helping the employees to plan their career internals, of their capacities within the context of organizational needs. It is described as devising an organizational system of career movement and growth opportunities from the point of entry an individual in employment to the point of his retirement. It is a management technique for mapping out the entire career of young employees in higher skilled, supervisory, and managerial positions. Thus, it is the discovery and development of talents, and planned deployment and redeployment of these talents. It is also described as a process of synthesizing and harmonizing the
needs of the organization with the innate aspirations of the employees, so while the later realize self-fulfillment, the organizational effectiveness is improved. For an employee career planning provides him an answer as to where he will be in the organization after five or ten years or what are the prospects of his growing in the organization. Career, planning is not an event or an end in itself but a process of human resource development. It is an essential aspect of managing people to obtain optimal results.

A career can be defined as all the jobs occupied by a person during his working life. It consists of a series of properly sequenced role experiences leading to an increasing level responsibility, status, power, and rewards. It represents an organized path taken by an individual across time and space. Planning a career is not a guarantee for success; it also depends upon qualifications, experience, superior performance and some occasional luck.

6.7 Human Resources Development:

6.7.1 Basic Concepts of HRD:

Speaking at the World Management Congress held in New Delhi in December 1978, Peter Drucker (in his keynote address) has emphasized the need for developing human beings in an organization viewing them as human resources. He called upon the management to make substantial capital investment on human resources to develop the human beings in the
organization through training, organizing, and developing the people at work, so that they will be able to make the business productive with the help of the best contribution of their people at work. Not only Peter Drucker, but every management practitioner of our time now seriously thinks in terms of developing the human resources through various HRD programmes.

Various views are expressed about human resources development. In the second and third parts of T. V. Rao's Book Readings in Human Resource Development the concepts like HRD mechanisms and HRD Implementation are presented. Four aspects of HRD intervention stressed are: (1) Performance appraisal; (2) Training and development; (3) Performance Counseling; and (4) Potential appraisal and assessment.

Development of a-new organizational culture - A revolutionary cultural change triggered by globalization of business and the resultant demand for strong operational managers necessitate a greater reinforcement in the human resources system. Human resources development to cope with the corporate cultural change is the need of the hour. "It is important to make the implicit explicit: to continually examine the culture through a variety of mechanisms, mapping out the culture, assessing where the organization is, where it wants to go, carefully identifying strategies for change which
constantly deal with the cultural gaps, and working the organization culture if relationship to the particular national culture in which it is embedded.

Human resources development must focus on new organization forms. Human resource planning and development strategy must be rightly coupled to business strategies to the extent that the whole organization may take the shape of a viable global organization, New concepts regarding what is work and how to redistribute tasks, redefine roles, authority relationship and sources of power must be based on the new models emerging globally. Recruiting, selecting, developing, rotating, and managing human resources must aid such a global organization with a new form and perspective.

Human resource development must be able to develop overall capability of individual employees of an organization, and discover and exploit their own potentials for the common goals of the organizations to which they belong, for the betterment of themselves and their families, and for the country as a whole. For this purpose appropriate job design and succession plan must be integrated with any human resource development programme. In fact, HRD approach may take into account the principle of "form-storm-norm-perform".

Six dimensions of human resource development which were put forward by 'Udai Pareek and T. V. Rao included the four areas which T. V.
Rao had presented. These six dimensions are: (a) Performance, appraisal ; (b) Potential appraisal; (c) Employee counseling; (d) Career development and planning; (e) Training; and (l) Organizational development. In general any human resource development programme must enable the company’s people to acquire and sharpen their abilities to perform well on their, develop and stimulate their potentialities, and to help them make their best contribution to develop’ an organizational culture of team spirit, cordial relationship, human values and oneness of the management and its people. From this viewpoint HRD enables an executive to gain a job that provides variety and challenge to one’s ability and competence, opportunity to learn and develop skills and competence, social support and recognition at work place, opportunity to relate what an individual performs and produce to his social life, and feeling that work would lead to a desirable future as S. N. Pandey observed.

Thus, HRD a continuous process, which matches organizational, needs for human resources and the individual needs for a career development. It enables the individuals to gain their best human potential by attaining a total all round development. It promotes dignity of employment of every employee of an organization, and provides opportunities for team work, personal development and career development. Hence a well planned HRD
system must be a part of human resource management of every organization.

Such a human resource development system may have the following elements:

(i) Development of leadership and organizational commitment;
(ii) Career planning and development;
(iii) Performance Appraisal;
(iv) An adequate reward system;
(v) Potential Appraisal;
(vi) Effective counseling;
(vii) Well formulated Human Resource Information System (HRIS);
(viii) An effective grievance handling;
(ix) Management development;
(x) Technical development;
(xi) Supervisory development;
(xii) Organization development;
(xiii) Training and educating;
(xiv) Succession planning;
(xv) Employee welfare; and
(xvi) Feedback.
6.7.2 HR Audit and Research:

HR managers have to periodically evaluate how effectively the human resources are put to use in various departments of divisions. To ensure effective personnel control, they require records, reports, and research and audit findings from time to time. Only through such important tools, they are able to provide effective Control over operations at various levels. This chapter critically examines the usefulness Personnel records, research and audit reports in controlling the utilization of human resources in the organization.

Managers require information on the general health of the organization under their care from time to time. They require feedback that accurately reflects how well the parts of an organization are moving. Personnel records and reports enable them to obtain the requisite information concerning the use of human resources in various departments and divisions. Personnel audit helps in finding out the usefulness of personnel programmes and practices followed by the organization. The inadequacies and deficiencies in personnel programmes could thus be easily traced and rectified promptly.
6.7.3 Personnel Records and Reports:

A record is a piece of writing or a chart which provides ready information and which preserves evidence for future reference or use. Personnel records provide information relating to the use of human resources in an organization, e.g., personnel history cards, training records, performance records, and absence data: turnover records, wage and salary records, etc. Personnel records preserve information in files and documents like cards, papers, video files, audio cassettes, etc.

A report is a statement describing an event, a situation or a happening in a clear manner. It described clearly as to what has happened or is happening. It provides both qualitative and quantitative information. Personnel records are generally prepared and compiled from reports and are meant for long-term use.

6.7.4 Purposes of Records:

Records management is the planned control of records. It includes decision making regarding the retention, transfer, microfilming and destruction of records. More essentially, records management concerns with the creation, distribution, maintenance, retention, preservation, retrieval and disposal of records. As little field et al. commented, “records management
includes forms, reports, reproduction of written material, filing records, retention, microfilming and related services".

6.7.5 Fundamental Principles of Record Keeping:

For effective records management, first of all, record keeping must be proper and accurate. The following are the noteworthy points about record keeping:

**Justification:** The purpose of keeping and maintaining records must be justified. Sometimes, factory personnel try to record all information, assuming that the information will be useful at some future date. Such baseless assumption results in recording of unnecessary facts and figures which ultimately leads to a mass of voluminous records that serve no purpose. The records must, therefore, be examined thoroughly in light of the 'principle of purpose' and all useless records must not be preserved at all, as they increase storage costs alarmingly.

**Verification:** Records must be subject to verification. Records should not be made just on hearsay evidence or rumour as they will then serve no purpose in future. Non verified records do not help in taking correct decisions.

**Classification:** Records must be properly classified so that they are useful to the management. All the facts regarding the business are to be recorded and classified chronologically according to the time and according to the subject.
Without proper segmentation, records cannot serve any effective purpose. Bringing together in one place all the information available on any particular question, avoids a waste of time in an extended search for facts and data.

**Availability of required information:** The very purpose of maintaining records (i.e., to furnish information to the users) will be defeated if the desired information is not easily available. Records must be kept in such a form, type and shape so that they can be furnished within the shortest possible time. This does not mean that all the information must be available instantly to executives whenever and wherever they want but it implies that the information should be ready in form and shape and should involve little time in location. The required data and the degree of availability of records is generally governed by the purpose for which they are maintained.

**Reasonable cost:** Records must be produced and maintained at a reasonable cost. Some managers are hell-bent upon maintaining voluminous records of facts and figures. They justify it by saying that it is impossible to run a business without facts and figures. These managers probably ignore the costs involved in collection and preservation of records. They should realize that, though all the facts and figures are needed to run a business, some are definitely more important than others. Organizations should maintain the more valuable records and attempt to control costs involved in less valuable
ones. Every personnel manager should be cost-conscious while managing records.

6.7.6 **Significance of Personnel Records:**

Personnel records play a significant role in performing various personnel functions including audit and research. They are specially needed to:

(i) Supply the information required by the management and trade unions to review the effectiveness of personnel policies and practices and develop them.

(ii) Supply the information required by various agencies on the accidents, employment position, strikes, absenteeism, turnover, etc.

(iii) Provide the information about manpower inventory for manpower planning and succession planning.

(iv) Conduct research in personnel and industrial relations areas.

(v) Identify training and development needs.

(vi) Revise pay scales and benefits from time to time.

Obviously, managers cannot function effectively without the information on various areas of personnel and industrial relations.

6.7.7 **Personnel/ HR Audit:**

Personnel records and reports provide information regarding the utilization of human resources in an objective way. However, in most cases
this is not sufficient. A critical evaluation of manpower program might be required to find out the areas where improvements are needed and to set things in order. In place of informal impressions gathered and summarized through records and reports, a systematic and analytical search is made to find out the effectiveness of personnel management. According to Seybold, personnel audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of personnel management. Personnel audit covers basically three things:

1) Measurement and evaluation of personnel programmes, policies and practices;
2) Identification of gap between objectives and results; and
3) Determination of what should or what should not be done in future.

6.7.8 Objectives of Personnel/HR Audit:

a. To review the organizational system, human resources subsystem in order to find out the efficiency of the organization in attracting and retaining human resources.
b. To find out the effectiveness of various personnel polices and practices.
c. To know how various units are functioning and how they have been able to implement the personnel policies; and
d. To review the personnel system in comparison with organizations and modify them to meet the challenges of personnel management.

6.7.9 Utility of Records:

Several personnel records are used in the process of personnel audit. They include: payroll, total and unit labour cost, interview reports, test scores, training records, labour productivity, work stoppage due to strikes, lockout, layoff, accident reports, turnover reports, absenteeism reports, etc.

6.7.10 HR Audit Process:

The personnel audit should probe much deeper, evaluating personnel policies, programmes, philosophy, practices and concepts comparing with standards and with those of the personnel records of the said organization and other organizations. The level and the depth of the investigation should be decided in advance. The process of personnel audit, usually carried out through an attitudinal surveyor by interpreting data, includes:

1) Identifying indices, indicators, statistical ratios and gross numbers in some cases.

2) Examining the variations in time-frame in comparison with a similar previous corresponding
3) Comparing the variations of different departments during different periods.

4) Examining the variations of different periods and comparing them with similar units and industries in the same region.

5) Drawing trend lines, frequency distributions and calculating statistical correlations.

6) Preparing and submitting a detailed report to the top management and to the manager at appropriate levels for information and necessary action.

Various personnel policies, procedures and practices can be evaluated by asking various questions of the following type:

1. What are they? (i.e. policies, procedures/ practices).

2. How are they established?

3. How are they communicated to various managers and employees concerned?

4. How are they understood by individual employers, supervisors and managers at various levels?

5. Are they consistent with the managements' organizational philosophy and human resource management philosophy?
6. Are they consistent with the existing trends towards human resource management and research?

7. What are the controls that exist for ensuring their effective and uniform application?

8. What measures exist to modify them to meet the organizational requirements?

Most organizations that employ HR audit examine the employment statistics pertaining to a period making use of ratios (given below):

**Effectiveness Ratios:**

- Ratio of number of employees to total output in general.
- Sales in dollars per employee for the whole company or by organizational unit (business).
- Output in units per employee hour worked for the entire organizational unit.
- Scrap loss per unit of the organization.
- Payroll costs by unit per employee grade.

**Accident Ratios:**

- Frequency of accident rate for the organization as a whole or by unit.
- Number of lost-time accidents.
- Compensation paid for accidents per 1,000 hours worked.
- Accidents by type.
Accidents classified by type of injury to each part of the body.

Average cost of accident by Part of the body involved.

**Organizational Labour Relations Ratios.**

Number of grievances filed.

Number of arbitration awards lost.

**Turnover and Absenteeism Ratios**

Attendance, tardiness, and overtime comparisons by organizational unit as a measure operation is handling employees.

Employee turnover by unit and for the organization.

**Employment Ratios**

Vacations granted as a percentage of employees eligible.

Sick-leave days granted as a percentage of labour-days worked.

Maternity leaves granted per 100 employees.

Educational leaves granted per 100 employees.

Personal leaves granted per 100 employees.

Employment distribution by chronological age.

Employment distribution by length of service with organization.

Employment distribution by sex, race, national origin, religion.

Managerial distribution by chronological age, sex, race, national origin, religion.
Average age of workforce.
Average age: of managerial workforce.

Frequency of Audit

Generally top management thinks of personnel audit only when serious crisis occurs like strikes, increase in the number and/or magnitude of grievances or conflicts, etc. This type of audit is just like post-mortem of the situation. But a regular programme of auditing helps the management to find out some significant trends. The probability of some serious incidents hitting the organization could be visualized and some remedial steps could be initiated. This ensures smooth running of an organization in addition to controlling stressful situations, crises and conflicts.

The management has to, therefore, arrange for regular annual audit of almost all the personnel policies and practices. Certain indicators like absenteeism and employees grievances should be audited at the end of every month/quarter depending upon the magnitude of the issues.

6.7.11 Types of Audit:

Personnel audit may be done either by internal people or by external people. Internal audit is done by the employees in the personnel department. This kind of audit is called internal audit.
The audit may be conducted by external specialists or consultants in personnel management. This type of audit is called external audit.

Audit report: The audit has to examine the various personnel reports, personnel policies and practices. Then the auditor has to record his observations, findings, prepare a report compiling all these findings and advance useful recommendations for the improvement of personnel management practices. The auditor submits a written report of his findings, conclusions and recommendation. The most common elements of the report are given below:

Table of contents

- Preface
- Statement of the objectives, methodology, scope and techniques used.
- A synopsis containing the summary and conclusions of the audit that has been carried out.
- A clear and in-depth analysis of the data and information, furnished area-wise or department-wise.
- Evaluation, discussion and analysis. This part covers findings and suggestions offered by the auditor.
- Appendix -this includes supporting data and information which is not necessary in the main part of the report.
• Bibliography - important books and journals which are necessary for future reading are also included at the end.

6.7.12 Problems in personnel audit:

The rules, systems and regulations for financial audit are well developed. But it is very difficult to audit personnel policies and practices. Personnel audit involves comparison with past ratios, rates of turnover, expenditure etc., with those of other departments and organizations. The organization by itself cannot be taken as standard for comparison and a decision arrived at. Hence, it is difficult to conduct the personnel audit. There may be a tendency to turn the survey into a fault-finding process. Every employee may then try to pass the buck. The audit may create more troubles than solutions. The audit has to be done carefully. It must evaluate things in an objective way, find out what has gone wrong and suggest improvements. The emphasis must be on rectifying things rather than fault finding.

6.8 Motivation:

6.8.1 Motivation in HRM:

Effective communication skills are essential for every manager who manages human resources. Communication and motivation are important
tools in the tool kit of human resource managers, mainly because they are determinants of effective behavior in an organizational setting.

6.8.2 Nature of Motivation:

Motivation is considered as one of the most important aspects of actuating because it is motivation that energizes the behavior of people, while behavior activates action and action leads to actuation. Motivation is a set of concerned with the force that energizes behavior and directs it toward attaining some goal. It is the need that leads to motives resulting in motivation. A hungry person goes to a hotel and takes food. Hunger is the need and "quenching hunger is the motive which motivate the hungry person to go to a hotel and acts to consume food.

6.8.3 Motives and Motivation:

A motive is an inner state which stimulates action or moves backed by drive. It can be the cause of an inner drive. The terms like wants, wishes, aims, goals, drives, motives and so on are related to motivate. This may be the reason why the Latin word "movere" which means to “move" is considered the root of the term motivation.

The relationship between needs drives and goals can make an integral part of motivation. Motivation implies a goal toward which the movement occurs. It means that motivation causes action. The inner needs lead to
behavior and related action. Needs are synonymous with wants motives or impulses which result in action, while a drive is a force that affects a situation by pushing on a specific direction. Goals, on the other hand, are ultimate objectives for the achievement of which behavior and action are directed.

The term motivation may include any inner condition of the person that initiates or directs his behavior towards a particular goal. The motivation can be defined as the inner drive of a person which energizes his action for the achievement of certain goals for the satisfaction of the given wants or needs.

Motivation can have one or more motives backed by needs and wants with an internal drive to act. It is related to behavior on the one hand and action on the other, and is a moving or guiding force. "Needs set up drive to accomplish goal; this is what motivation is all about. In a Systems sense, motivation consists of the three interacting and interdependent elements of needs, drives and goals", as Luthans puts it.

6.8.4 Willingness to take additional responsibilities : This refers to the inherent quality in an individual of being self-motivated to be accountable for areas adjacent to one's own as well as at levels higher than where the individual is positioned.
6.8.5 Teamwork :

This needs display of sensitivity toward personal behaviour of the members/participants in a group. Making interventions with the objective to add value, adopting open communication on all matters related to group/team and display of accountability to the other members in the group/team.

6.8.6 Subordinate development :

This requires understanding subordinates, respect to their personal and professional needs. The superior should be able to provide them with a role model and guide them, properly with the objective of enabling the subordinates to achieve higher order of job skills and competence.

6.8.7 Negotiation skills :

These are required to ensure a transaction which is mutually beneficial to the parties. Possessing clarity of purpose, practical creativity, and market orientation along with a high order of quantitative skills are essentials for successful negotiation.

6.8.8 Problem solving and decision making :

Ability to evolve a solution on difficult/complex, issue/matter by adopting a resolution after due consideration to all intervening factors in an objective manner is what one should possess to be a good decision maker.
6.8.9 Process orientation:

To adhere to and abide by the norm and specifications provided such as standard operating procedure; one has to have a mindset to abide by the standards, protocol, work systems and procedures without being bureaucratic in his approach.

Based on these criteria employees need to be assessed during the annual performance appraisal. Basically, performance is the outcome of one's yearly input the organization. Organization conducts yearly and half-yearly appraisal assessments for the employee evaluate the performance of that particular year. The annual reward is based on the performance of an employee. During this process, it is essential to evaluate the potential of the employee to carry out his higher responsibility. This should be criteria along with the consistent performance of the employee for consideration for positional elevation.

Without assessing the potential of the employee, it is risky to promote the person to the next higher level.

6.8.10 Succession Planning:

Organizational survival and growth are the most important responsibilities which be fulfilled by planning management succession to ensure the availability of the number and right kind of management staff at
the right time and in the right position. Succession planning is the business of identifying particular individuals as possible succession for specific positions and suitable posts for particular individuals already working in the organization.

What are the activities which form the core of succession planning or management?

- Analysis of the demand for manager and professional by level-function,
- Audit of existing executives and projection of likely future supply from internal and external sources.
- Planning individual Career paths based on objective estimates of future needs and drawing on reliable appraisal and assessment of potential.
- Career counseling undertaken in the context of a realistic understanding future needs of the firm as well as those of the individual.
- Accelerated promotion schemes with development targeted against the future needs of the business.
- Performance related training and development to prepare individuals for future roles as well as their current responsibilities.
- Planned recruitment not only to fill short-term vacancies but also to provide people for development to meet future needs.

- The actual process by which jobs are filled includes: recruitment procedure, internal appointment procedure, methods of assessment, internal search mechanism and often, use of computer-based information systems.

Succession planning used to be seen as an once-a-year exercise. Usually, it was undertaken by top management to meet their responsibilities to shareholders. They need at best to have a thought about the succession cover for top-level jobs. A succession plan should be much more than an organization chart showing who will succeed whom. It should first of all set the business scene against which future succession will take place. It should indicate the likely shape and size of the organization and the content of future management jobs. A succession plan should not be rigid and fixed at a point of time. It should be flexible framework which can cope with the change in business plans, unexpected resignations, and the emergence of new talents by recruitment or, for example, for an acquisition.

It is desirable to associate the succession plan with the annual appraisal process, and then only it can at least ensure that it is given a serious detailed attention at the time of the year when management is more
predisposed to long-term thinking. Another potential anchor point is, of course, the preparation of the annual business plan as budget. Peter Wallum has suggested steps to make succession planning a part of annual cycle of performance management activity.

6.9 Recruitment and Selection Strategies:

6.9.1 Strategy of Recruitment:

International competition, the rapidly growing size and complexity of organizations, the changing values, career concerns and structure of workforce—all these and a host of other factors have made the traditional approach to personnel management obsolete. The current trend demands a more comprehensive, more strategic perspective to recruit, utilize and conserve valuable human resources. Human resource management can no longer be delegated as a functional speciality. HRM strategy must fit into competitive strategy because HRM involves investment decisions with long-term implications. Employees are major stakeholders whose interest can and must be acknowledged by the management.

Making effective selection decisions for personnel is one of the most important functions of HRM, which comprises the following sub-functions:

- Determining the nature of the job to be filled
- Determining the type of personnel required
• Determining the sources of recruitment, and

• Determining the selection process.

Determining the nature of the job to be performed is the first step in the process placing the 'right man on right job at the right time'. It is necessary for the personnel manager, in consultation with the concerned line manager, to find out the specific nature of the job before going in for selection. After the nature of the job is determined, the characteristics of the manpower required to fill the job assumes prominence. These include the physical standards, mental compatibility, emotional and social specifications and behavioral aspects. Once the characteristics required to fill in the jobs are known, we need to decide the source from which we can procure the right people. It could be within the organization of from outside.

6.9.2 Basic Components of Recruitment:

Recruitment is the process of searching for prospective employees and stimulating them to apply for the job in the organization.

A planned recruitment programme has the following basic components:

• Organizational goals and objectives-why does the organization exist, what are the goals and objectives to be pursued?
- Job design-what are the specific duties and responsibilities of each employee?
- Job success criteria-what distinguishes successful performance from unsuccessful performance, and how it is measured?
- Job specification-what traits and qualities in the individual are related to successful performance of jobs? For example, adequate (5 years) sales experience, above 75 points in aptitude for sales job, good communication skills, etc.
- Sources of recruitment-what sources of recruitment are relevant and economical for the organization?

6.9.3 Job Analysis:

The first step in successful selection is accurate analysis of the job. In many cases, no job specification will exist even if where one is available; it may be out of date or written for the purposes other than selection. The accuracy of the individual specification and of all the subsequent stages in selection will depend on the quality of the job analysis. Therefore, it is important to get it right. Observation may help in identifying key skills at lower levels; but it is both time consuming and inappropriate for higher levels. Usually interviews with the manager or head of department, the present job holder (if available), and other people in similar jobs can aid in
job analysis. Additional information can be obtained from performance records, appraisal and exit interviews. An initial interview between the person responsible for selection and the head of the relevant department will help in deciding the following:

a. The key characteristics of the job and that of the persons to fill it.

b. A time schedule for selection, based on the urgency with which the vacancy has to be filled up.

c. How the exercise has to be handled internal/external?

d. The terms and conditions on which the job will be filled.

For routine vacancies, many of these issues may not arise. However, they are very relevant in the case of senior positions, newly created jobs, 'problem' jobs subject to high labour turnover etc. Having interacted with the manager and if possible, past or present Job holders, sufficient information will be available from which to draw inferences as to the skills and personal qualities are required of a successful job holder.

6.9.4 SOURCES OF RECRUITMENT:

In general, the sources of employment can be classified into two types - internal and external. Filling a job opening from within the organization has the following advantages:

- Stimulating preparation for possible transfer or promotion
Increasing the general level of morale, and

Having more information about candidates through past performance appraisals.

A comprehensive programme of talent inventory and analysis, central coordination of recruitment and lay-offs in the personnel department and systematic posting of job openings will contribute much to the success of an internal recruitment programme. Inevitably, the companies must go to external sources for lower-entry jobs, for expansion and for positions whose specifications cannot be met by the existing manpower. Certain recruiting sources are found to be more effective than others. We, therefore, attempt to discuss each source in the following sections to bring out their strengths and weakness.

6.9.5 Advertisement:

It is a very important and popular source of generating manpower. Companies advertise in widely circulated newspapers. Information about the company, the job and job specifications (age, education, past experience, likely emoluments, etc.) are included in the advertisement to attract suitable candidates to apply for the job. This also enables some kind of self-screening by the candidates.
Employment News is a leading Government publication which serves as a source of recruitment. Sometimes, advertisements are placed in magazines read only by particular groups. For example, Dataquest for computer professionals, Business Today for management, etc.

The advertisement is the most fragile contact between prospective candidates and the potential employer. Also, as each advertisement competes with many others for attention, we can expect a few seconds scan from the reader. Marketing people have simple but effective guide-AIDA-for creating good advertisements.

A : Attract the readers attention

I : Generate interest in the vacancy

D : Create desire for the job

A : Stimulate the reader to take action

6.9.6 Employment Exchange:

Employment exchanges established in various cities as per public policy, offer yet another important source of recruitment. They maintain separate database for non-graduates, graduates and postgraduates. In our country, it is obligatory for the government departments and PSUs to notify the vacancies to the local Employment Exchange who directs the candidates; meeting the basic qualification requirements.
6.9.7 Placement Agencies:

Some agencies and associations are established to supply candidates in terms of the requirements. The companies intimate their requirements to them who forward a panel of suitable candidates for recruitment. This is a good source for recruitment especially for professional and managerial positions. Some agencies like Directorate General of Resettlement are government-established agencies for rehabilitation of ex-service personnel.

6.9.8 Educational Institutions:

Some companies make special efforts to establish and maintain constructive relationship with colleges so as to get the suitably qualified manpower. Such companies conduct campus interviews in Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs), Tata Institute of Social sciences, Xavier Labour Research institute (XLRI), Jamnalal Bajaj Institute of Management Studies (JBIMs), Narsee Monjee Institute of Management Studies (NMIMs), etc., for lower middle level managerial positions. In order to provide incentives, some companies select the students from the final year. For instance, Indian Navy selects candidates for technical branches from pre-final engineering students of University of Roorkee, and other reputed engineering colleges under the 'University Entry Scheme'. The selected candidates granted permanent
commission during their final year of study. Harvard Business School suggests that the firm's image or style has something to do with the type of student talent it can attract. Firms are characterized by variables such as size, discouragement of risk taking, job stability, and emphasis upon profits, plainly stated policies and well-structured chain of command.

6.9.9 Recommendations of Present Employees:

Some companies ask the present employees to recommend new recruits. This method provides preliminary screening as the present employee knows both the company and his acquaintance and presumably would attempt to please both. In the recruitment of sailors in the Navy candidates sponsored by the serving and retired armed forces personnel are given preference over others, provided they meet ice basic requirements.

6.9.10 Labour Unions:

With one third of labour force organized into unions, organized labour constitutes an important source of manpower. As a part of welfare measure, many organizations provide employment to the next-of-kin of employees died while in service.

6.9.11 Nepotism:

The recruitment of relatives is an inevitable component of recruitment programme in family-owned firms. Such a policy does not necessarily
coincide with hiring on the basis of merit but the interest and loyalty to the enterprise are the off-setting advantages.

**Leasing**

To adjust to short-term fluctuations in personnel needs, the possibility of leasing personnel should be considered. In leasing, the company not only gets well trained personnel but also avoids any obligations in pension, insurance and other fringe benefits.

Every company cannot afford to develop every source of manpower to the fullest extent. Sources utilized should be evaluated and judged in terms of the degree of success in obtaining competent personnel. For each major category of jobs, present personnel can be evaluated for job successes. If a co-relation is discovered between successful personnel and particular sources, those sources should be further developed.

Success in recruitment can be judged by utilizing a number of criteria. Some of them are the number of applications received, number of offers made, number of personnel recruited, and number of successful placements. Out of these, the number of job applicants has least value in determining the effectiveness of the programme. The number of offers made is a better indication of the quality of recruitment. The number of personnel recruited is indicative of getting closer to the real objective of securing an adequate
number of qualified personnel. But the real test of recruitment programme's effectiveness lies in the follow up. Answers to the questions such as “Was the placement successful?” “Is he a good employee in terms of productivity and attitude?” and “Did the employee quit because he misunderstood the nature of the job and the company?” will provide the necessary inputs for taking any, corrective action.

6.9.12 Selection:

Selection is the process of discovering the qualifications and characteristics of the job applicant in order to establish their likely suitability for the job position.

Effective selection decisions are those where the candidate was predicted to be successful and later did prove to be a successful performer on job. There could be two types of errors in selection decisions:

Reject error: Rejecting candidates who would have performed successfully on the job.

Select errors: Selecting candidates who later perform poorly on the Job.

An effective selection system should endeavour to minimize both these errors:-This is possible if the system is impartial, has a degree of objectivity and a fairly uniform standard of assessment. Though the benefits of good selection are clear, demerits in poor selection are not so obvious.
The cost of advertising, management time involved in selection and training and expense of dismissal are relatively easy to calculate as compared to long-term effects such as lowering of morale, reduced quality of products and services which are difficult to be quantified.

Many organizations focus their attention on only the 'can do' element assessing the knowledge and skills needed for job performance. This is not adequate as a person competent to perform the job may not be interested in doing it. Therefore for selection to be effective we need to also assess their 'will do' motivation component.

Good selection requires a methodical approach to the problem of finding the best, matched person for the job. A framework can be built by answering the following questions:

- What am I looking for?-Analyze the job.
- How do I find out?-Recruit through agencies and consultancy.
- How can I recognize when I see it? Select through application forms, interviews, lists and references.

Selection is a chain which is as strong as its weakest link. The selection involves a series of complex decisions concerning the choice of person, choice of methods to use, and the choice of information.
6.9.13 STAGES IN SELECTION PROCESS:

There are four stages in the selection process, screening of application forms, tests, selection interview, and selection decision. These stages have been discussed in the successive paragraphs.

**Stage 1: Screening of Application Form**

Before detail selection can take place, it is necessary to reduce the applicants to manageable proportions. This may be done by initial screening of the information received through letters, curriculum vitae (CV) or application forms or a combination of these.

In the case of CVs, applicants tell us what they think we want to know, whereas in application form will provide us with uniform and precise information about each candidate. CVs are frustrating to work with because they invariably have different layouts and omit vital information should the applicants consider them damaging to their cause.

CVs are as important for what they fail to say as for the information they contain.

Application forms are for data gathering only; they are not test instruments in themselves. It is unwise to assess applicants, for example, on the quality of their hand writing or relativity of their replies. The information contained in an application may have to be taken on trust at the screening
stage, but inconsistent or ambiguous information should be checked during the interviews or later through references.

The application form contains a wealth of information, which if interpreted correctly will significantly reduce the number of applicants required for interview. The two primary purposes of the application form are to eliminate applicants failing to meet minimum qualifying requirements and for the remaining applicants to formulate a hypothesis about their personality and motivation to be explored at the interview.

The most appropriate screening method will depend on the type of job to be filled, seniority of the likely applicants. Senior managers are generally reluctant to comply with application forms and will probably have a CV available. Application forms should in their design according to the level of job.

The guidelines given over page may be used while interpreting information from:

*Access quantifiable factors:* Check factual data from the application form against the minimum acceptable requirements set out in the person specification such as age, qualification, and experience.

*Check for consistency:* Skilled selectors soon develop a feel about good applicants based on the consistency of the data contained in their application
forms. Are there any gaps between school and higher education and if so what happened during this time? Does the career record contain a series of jobs running consecutively one to the next or are there periods unaccounted for? Check the form in this way for ambiguous information and follow this up at the interview stage.

**Stage 2: Tests**

These include tests of intelligence, aptitude, ability and interest. Tests in intellectual ability, spatial and mechanical ability, perceptual ability and motor ability have shown to be moderately valid predictors for many semi-skilled and unskilled operative jobs in the industrial organizations. Intelligence tests are reasonably good predictor & for supervisory positions. But the burden is on management to demonstrate that any test used is job related. There are two sets of tests-performance and psychological. These are discussed below:

*Performance simulation tests:* These tests are aimed to find out if the applicant can do the job successfully by asking him to do it. They have become very popular these days. The enthusiasm for these tests lies on the fact that they are based on job analysis data and, therefore, easily meet the requirements of the job relatedness as compared to the written tests. The two of the known performance simulation tests are:
I. Work sampling: It is an effort to create a miniature replica of a job. Applicants demonstrate that they possess the necessary skills by actually doing the tasks. By carefully devising work samples based on job analysis, the knowledge, skills and abilities needed for each job can easily be evaluated. Studies almost consistently demonstrate that the validity of work samples is superior to aptitude and personality tests. Standard trade tests have been developed for electricians, machinists, and host of other trades.

II. Assessment centers: In assessment centers, line executives, supervisors and/or qualified psychologists evaluate candidates as they go through two to four days of exercises that simulate real problems that the candidates are likely to encounter on the job. Based on the requirement that the actual job incumbent has to meet, activities might include interviews, in-basket problem solving exercises, group discussions, and business games. The evidence on the effectiveness of assessment centers is extremely impressive.

*Psychological tests:* Psychological tests are regarded by some as having almost magical properties but can easily be misused and misinterpreted by untrained people. These tests tend to be used as an easy option in the
decision making process with managers becoming over-dependent on the test results.

Good tests are useful in the right circumstances because they can provide an objective measure of people's abilities. However, as they are precise and objective measuring instruments, they tend to be very specific in what they measure. Tests, therefore, should be validated i.e. proved to predict future performance, before they are used in the selection process. This is important because tests may unfairly discriminate against certain population groups. All this makes testing an expensive business, it is better not to test at all than to test badly. Psychological tests have a time limit but questions asked become progressively difficult. These tests are a most sophisticated tool for measuring human characteristics and are unbiased as compared to other tests, and are therefore extensively used in selection decisions. Various psychological tests are described below:

I. Intelligence tests. One of the first intelligence tests, the Binet Simon test, assumed that intelligence was a general trait - a capacity for comprehension and reasoning. Thurstone differentiated primary mental abilities from the general trait of intelligence and created more specialized types of intelligence tests for reasoning, word fluency, verbal comprehension and arithmetical ability. While the Wechsler
Bellevue Intelligence Scale utilizes a multiple measurement of factors such as digit span, information knowledge in comprehension, vocabulary, picture arrangement and object assembly –

II. Aptitude tests. These tests measure whether an individual has the capacity or latent ability to learn a given job if given adequate training. The use of aptitude test is advisable when an applicant has had little or no experience in the line of job opening. Specific aptitudes which are usually tested are mechanical, clerical, musical and academic aptitudes, dexterity (finger, hand), hand-eye coordination, etc. Some of the tests under this category are:

a. MATRIX (Management Trial Exercise) designed by Proctor and Gamble.

b. CAT (Clerical Aptitude Test)-to assess vocabulary, spelling, arithmetical ability, details checking, etc.

c. PAT (Pilot Aptitude Test)-to assess coordination between hands movements

d. Computer Aptitude Test- to assess power of reasoning and analysis.
III. Interest tests. These tests are designed to find out the interest of an applicant’s job he/she has applied for. Two of the most widely used tests are:

a. Strong vocational interest blank – in which the applicant is asked whether he/she dislikes or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people and particular activities. The answers are compared with the answers earlier given by successful people professions and occupations.

b. Kuder preference record – in which a questionnaire tests the interest in mechanical, scientific, clerical, social service, computation, persuasive, artistic, literary, musical abilities. Kuder has also designed techniques to differentiate honest answers and those designed to make a good impression. The system is reported to be 90 per cent accurate in detecting dishonest answers.

IV. Personality tests. The importance of personality to job success cannot be denied. Individuals possessing intelligence, aptitude and experience for a certain job have often been found unsuccessful because of their inability to get along with others.
Personality tests are similar to interest tests in that they also have a serious problem of obtaining honest answers. Such tests have been of great use in counseling situations. In order to obtain a more realistic assessment of personality, projective tests have been designed. Such tests invoke from the candidates a response which is indicated in their private world and personality process. Some of the personality tests are given below:

- Thematic Appreciation Test (TAT). This is one of the most popular projective tests in which the candidate is shown a series of pictures, one at a time, and asked to write a story for each of the pictures. Examples of such scenes are a short elderly woman standing with her back turned to a tall young man, or a boy lying on the floor next to a couch with a revolver by his side. The candidate is supposed to include in the story-what has led up to the current scene, what is happening at the moment, what are the characters feeling and thinking, and what will be the outcome of the situation? The psychologist analyzes the story in terms of such factors as length, vocabulary, bizarre ideas, plot, mood, etc. He then tries to integrate his findings into
a general personality description of that subject in terms of his needs, pressure upon him, defence and ego activities, etc.

- Roscaach ink blot test. In this test, the candidate is asked to organize unstructured ink blots into meaningful concepts. The resulting projections are analyzed in terms of use of colour and shades, use of part or whole of a blot, seeing of movement, definiteness and appropriateness of forms seen, etc. An integrated picture of the candidate's personality is then formulated.

Some organizations use 'polygraphs' or 'lie detector test' in an attempt to reduce dishonesty amongst employees. Though such tests appear to be different from those that purport to measure ability and knowledge, their use is ordinarily justified by organization on the basis of trying to obtain the best whole person. William H. Whyte Jr. observes that personality testing constitutes an invasion of privacy. In his popular book, he provides a psychological test to enable the applicants to pass any personality test, thereby evading the organization's invasion of his privacy. Justification for use of any test must first rest on proved contribution to select effectiveness in terms of productivity and positive contribution to organization goals.”
Stage 3: Selection Interview

Interviews are designed to probe into areas that cannot be addressed by the application form or tests. These areas usually consist of assessing candidates' motivation, ability to work under stress, inter-personal skills, ability to 'fit-in' the organization. Where these qualities are related to job performance, the interview should be a very valuable tool. For example, these qualities have demonstrated relevance for performance in upper managerial positions. So the use of the interview in selecting executives makes sense.

But its use in identifying 'good performance' for lower level jobs appears questionable. The interviews often turn out to be 'catch-all', that is, if no other stage can adequately extract the desired information, the task is automatically assigned, to the interviewer. For many managers, the selection process begins and ends with the interview. Interview seems to carry a great deal of weight. Its results tend to carry a disproportionate amount of influence in the selection decision. There is no doubt that the interview is the most widely used selection device that organizations rely on to differentiate candidates. It plays a vital part in about ninety per cent of selection decisions. But an interview should be planned well to decide the parameters
for selection. The following steps are recommended to improve the validity of interviews:

- Structure the interview so that it follows a set procedure. Unstructured interviews have too much variability to be effective decision guides.
- Provide training to interviewers.
- Interviewers should have detailed information about the job for which the candidates are being interviewed.
- Standardize the evaluation form.
- Interviewers should take down the notes during the interview.
- Knowledge of pseudo-sciences such as physiognomy—study of face—can provide a valuable help to the interviewer.

**Stage 4: Selection Decision**

In practice, the final decision will probably be between three or four candidates, since most, will have been eliminated during the earlier stages, or at the application form stage, through failing to meet the quantitative requirements. The rest will be eliminated after the interview, again on the quantitative evidence or through failure to meet requirements based on personality or motivation.

It is unlikely that any of the three or four remaining applicants will meet the person specification in every way. The personnel specialist together
with line management will now have to weigh up the strengths and weaknesses of each candidate. One may have more experience while another may have greater development potential and so on. At the end making the right decision depends on management judgment; the evidence must be assessed and the best match made of person to specification; whilst taking into account the present and future demands of the job.

The HR policies are reflecting the companies objective with due reference to culture, climate, conducive environment, induction policy and exposure & exploration of academic knowledge to suit the practical wisdom. The provision of health workers which are sufficiently trained to meet present & future needs of the activities of present and future health manpower development. It involves planning, production, management of health i.e. estimation of needs & taking of steps to see that they are appropriately trained.

Recruitment and selection is a vital function of HR in the organization, slightest mistake lead to a square peg in the round hole. In the long run, these people would be a liability to the organization, becoming problem children. The role of HR manager is very crucial in selection and recruiting the right kind of people who can be an asset for the company.
Instead of following a blind elimination process, focus should be on selecting people based on the skills and competencies required for the job. Policies cover critical analysis and evaluation of the system whether it is attune with the principles laid down by the respective organizations to attain the results at the optimum level.