CHAPTER – IV

HUMAN RESOURCE DEVELOPMENT:
SOME THEORETICAL ISSUES

Human resource is one of the most valuable and unique assets of an organisation. It is the most complex and challenging field of development not only in the modern era but also in the traditional era. Therefore, it has its origins deep in history. Various concepts of human resource development, like the minimum wage rate and incentive wage plans, were included in Babylonian code of Hummurabi around 1800 B.C. Likewise, Kautilya stressed a systematic management of human resource in early fourth century B.C. (Megginson, Leon C. 1977, p.76; Sharma, M.K., 1977, p.5).

Human resource development is a dynamic concept, which has changed from time to time according to the requirements of the organisations. In competitive, dynamic and complicated era, the human resource development has greater relevance in all types of organisations. Human resource refers to the knowledge, skills, abilities, talents, values, attitudes, aptitudes and belongingness of the individuals involved with the organisation. Development as a process involves planning, organizing, staffing, leading and controlling activities which help in achieving the definite objectives of an organisation. Hence, human resource development is a process of acquiring capable persons, developing their efficiency and skills and growing organisational culture, to achieve the goals of organisations (Pattanyak, Biswajeet, 1997; Nadler, L., 1971; Devi, Laxmi, 1998 p.25; ICFAI (a), 2004, pp.3-12). An attempt has been made in this chapter to study the different aspects of human resource development practiced in different organisations. It helps to understand the various theoretical aspects of human resource development prevailing in an organisation.

Theoretically, there are various flexible bench-marks/principles of human resource development. Every organisation has its own principles or policies and some of them are as following –

➢ In global era, most of the organisations are multi-national in nature, having employees of different feelings, cultural and social attitudes, ethical standards and family background. The management should be quick to understand feelings and
interests of their employees so, that they should treat their employees as a whole and not piecemeal.

- In order to increase the productivity and efficiency of the employees, management must create the feeling of belongingness in employees with the organisation. So, personal feelings of accomplishment, pride in one’s work and harmonious relations with other co-workers and co-operation with every one, must be taken into consideration by management.

- There must not be any type of discrimination among employees. Organisational policies must be fair and justified. For encouragement, organisation must give reward to their employees for putting the effort to complete the set targets.

- Management must analyze the intelligence of its employees. If proper opportunities are not given to employees, it will generate frustration among employees.

- Other principle of human resource development is to develop two-way communication channel, so that necessary information is passed to employees at right time and a proper response is evoked.

- All employees of the organisation irrespective of their gender or community must be given equal opportunity to do work and must get equal wage for equal work.

- To motivate employees towards the achievement of desirable objectives, preaching alone will not be enough, but management must set ideal examples for them through self-example. These principles are the foundation of human resource development system in the organisations. The success of human resource development depends upon the effective implementation of these principles in an organisation (Mamoria, C.B., 1985, pp. 98-99).

**Mechanisms or Sub-Systems of Human Resource Development:**

Recruitment, selection, placement, training, performance evaluation, potential appraisal, career planning, feedback and counselling, promotion, transfer, wages and salaries, incentives, employees welfare, social-security, collective-bargaining, trade-union, team-development, organisational development, motivation, leadership etc. are the sub-systems of human resource development. The success or failure of human resource
development depends upon the implementation of these sub-systems. The most frequently used human resource development sub-systems are, as following:

1. **Organisational Development:** The roots of ‘Organisational Development’ can be traced to the 1940s, when behavioural scientists in the US and UK made an attempt to solve the social problems in the organisation by implementing their knowledge of behavioural science. Organisational development comprises of theories and techniques, which aim at action, problems-solving and continuous improvement. It is a systematic, planned and long time effort to improve organisational capabilities in problem solving and coping with dynamic environment. It also helps to solve problems like absenteeism, low production, interpersonal conflicts and resistance to change.

   Following is the typical sequence of various phases involved in the introduction of an organisational development programme – management tell an expert about the introduction of organisational development programme in an organisation. In this phase, an expert may be asked to sign written contracts with an organisation, which includes eight types of relationships—continuous agreement, periodic review, project arrangement, educational consultation, trainer arrangement, package programme, consulting team and organisation wide evaluation. Then the expert diagnoses the problem and collects necessary data by interviewing some key persons. After that, he finally decides and analyses about the problems with key persons. Here, they jointly discuss about various types of organisational development techniques to solve the problem. They check that either this technique helps in problem-solving or the other one.

   In organisational transformation, several organisational development techniques – sensitivity training, survey feedback, management by objectives (MBO), quality of work life projects etc. are used simultaneously and implemented for long period of time to bring about desired changes in the organisations (Tripathi, P.C., 1997, pp. 324-327; ICFAI (b), 2004, pp. 402-420).

2. **Organisational Change:** It implies a change in the employee’s manner of working and behaviour. The change is inevitable in the business world so it has become necessary for an organisation to be able to predict the change, to be prepared for it and to adopt it easily. The organisational change programmes require a great deal of planning before implementation. Often, in an organisation we find that people are reluctant to
change their working style and to learn a new method. But it is true that organisational change helps to solve such types of problems within an organisation. Various factors like people, technology, communication and competition are propelling change in organisation.

Human resource development is an integral part of organisational change. It can be defined as the employee’s perceptions about the developmental environment of their organisation. This may include a number of characteristics such as the following – prominence to human resource, openness of communication, encouragement given to risk-taking and experimentation, a general climate of trust, faith in employee’s capabilities etc. The essence of human resource development climate is important to develop OCTAPACE culture in an organisation. This term stands for eight important cultural features viz – openness, confrontation, trust, autonomy, proactively, authenticity, collaboration and experimentation. Organisation must bring permanent changes in employee’s behaviour by making them unlearn old behaviours and work procedures (ICFAI (b), 2004, pp. 373-388).

3. **Separate Department:** Now-a-days, organisations recognizing the need, are going for division of the personnel function into personnel administration and human resource department. The human resource department should be charged with the responsibility to encourage excellence, to create a climate where employees will strive towards better performance, to maintain fairness and justice and to develop problem prevention competencies. The human resource department can look into the functions of manpower planning, job rotation, job enrichment etc. The dynamic and complex nature of the organisations, have increased the need for separate human resource department, because ultimately, human resource is the vital as well as the most challengeable asset (Subash Chand and Mahabir Narwal, 2002, pp. 89-90).

4. **Data Storage System:** - Today, many organisations are developing data storage system. Through this system, records regarding every employee’s, skills, capabilities, bio-graphic data, performance appraisal rating, potential appraisal rating and training data of the organisations are maintained. It helps in the development of human resources systematically, identifying people having the required qualities whenever a vacancy arises. In today’s technologically advance world, various organisations depend on their
human resource information system, which is a ready source for storing and retrieving information about their employees (Devi, Laxmi., 1998, p.27; ICFAI (a), 2004, p. 92).

5. **Integrate Human Resource Development System:** A development oriented performance appraisal system may not achieve developmental objectives, unless it is augmented by other sub-systems like employee counselling, career planning and development, training and organisational development. These sub-systems help in all round development and possibility of career advancement of individuals. A high level task-force can be created for the implementation of human resource development systems. Effective training department can be an asset. It should organize a large number of on-the-job and special in-house training programmes. Linking training with performance appraisal and organisation development activities can further strengthen the human resource development system (Gupta, Shashi, K. and Rosy Joshi, 2002, pp.307-308).

6. **Human Resource Development through Psychological Contact:** Each person has expectations about things, which involves the person’s sense of dignity and worth such as salary, working hours, benefits etc. The development perspective provides the key to understand these issues. The psychological contact changes with time as the organisation’s and employee’s need change. Thus, it is essential that psychological contacts must be renewed from time to time. It is also essential that the organisation’s and the individual’s interpretation of contact should remain same which can be assured through mutual discussion (Gupta, Shashi K. and Rosy Joshi, 2002, p.30).

7. **Job Evaluation Technique:** Job evaluation technique supports various human resource processes and provides the basic foundation to them in an organisation. It is also referred to as job-review or job-classification. The Bureau of Labour Statistics (USA) says that job evaluation is the rating of job to determinate their position in the job hierarchy. The evaluation may be achieved through the assignment of points or the use of some other systematic method for essential job requirements such as skill, experience and responsibility. In simple words, it is a process of analyzing and describing positions, grouping them and determining their relative value by comparing the duties of different position in terms of their different responsibility and other seducements requirements.
Various methods – observation method, individual interview method, group interview method, positions analysis questionnaire (PAQ) method, questionnaire method, diary method, critical incident technique are used for job analysis. Job evaluation technique plays a crucial role in various human resource development aspects like recruitment and selection, training and development, performance appraisal, promotion and transfer, compensation management, health and safety, career planning. Thus, job evaluation technique contributes either directly or indirectly to almost all the fields of human resource development in an organisation (Mamoria, C.B., 1985, p.52; Belcher, David, 1974, p.8; Ibid, pp.329-330; Davis, Keith, 1977, p.371; Department of Labour, Washington, 1950, pp. 11-12; ICFAI (a), 2004, pp.66-69).

8. **Job Design**: Organisations have realized that the design of a job has considerable influence on the productivity and job satisfaction. Job design is a process of structuring of work and designating the specific activities at individual or group level. The prime objectives of these activities are to meet organisational requirements such as higher productivity, efficiency and quality as well as simultaneously satisfying the psychological and sociological needs of the employees. Factors which affect job design are – the proven values of specialization and repetitive operations, changing technology, labour union policies, abilities of present personnel, available supply of potential employees, the interaction requirements among jobs within the system and psychological and social needs of human beings that can be met by the job. Thus, job design is a process to integrate work content, the rewards and the qualifications required for each job in a way that meet the needs of the employees and the organisation.

Job design helps in enriching the quality of work life for the employees and optimizing the human resource of an organisation to attain desirable goals. Techniques used by an organisation for job designing are as following –

- In job simplification, employees can do job without much specialized training and can complete operation more quickly.
- Job rotation implies the shifting of an employee from one job to another one within a working group to give relief from the boredom of routine.
Job enlargement means increase the scope of job by adding more tasks in it. This would help the employees to understand the many activities in the organisational working.

Job enrichment helps an employee to improve his skills and provides more chances to contribute in an organisation through his work. It includes less supervision and more workers’ autonomy in carrying out the job.

Thus, job design helps in utilizing human resource rationally by providing or designing job according to the requirement of employee’s skills and efficiency (Flippo, Edwin B., pp. 105-106; Gupta, Shashi K. and Rosy Joshi, 2002, pp.50-51; Ibid, pp.55-57; Tripathi, P.C., 1997, p. 163; ICFAI (a), 2004, pp. 64-86).

9. **Recruitment:** Recruitment has acquired immense importance in today’s organisations because it is the first step in the process of acquiring and retaining human resource for an organisation. Recruitment, in fact is a process to attract the best people against available vacancies in an organisation. Recruitment process includes following stages – to find out suitable person for recruitment, develop techniques to attract them, offering them attractive pay scales and facilities and to stimulate them to apply for job. Recruitment depends on various factors as – the level of the position, number of people required, time available and the funds allocated for recruitment. The different sources of recruitment are (1) Internal source – Various organisations, try to identify employees from within the organisations. Organisations store information about these employees and also try to adjust employees against vacancies in the organisations. This internal search normally takes the form of announcement of vacancies through the displays on notice board, circular and company intranet. This source helps in maintaining good employees relations and encourages competent employees for good performance. (2) External source – This source lies outside the organisation. It usually includes new entrants to the labour-force, the unemployed with a wide range of skills and abilities, experienced workers and workers from other organisations, retired experienced workers etc. Advertisement, campus recruitment, employee referrals, employment exchanges,

10. **Selection:** After identifying the various job applicants in an organisation, the next step is the selection of candidates from among the applicants. This is the most vital stage of human resource development because selecting wrong person and rejecting right person can be a big mistake for the organisation. The selection process in an organisation depends on the organisational mission, strategies, objectives and tasks, as well as on an individual’s qualifications, skills, experiences, characteristics required to perform job duties and responsibilities successfully.

    Selection procedure involves various steps. The process of selection starts with a review of the applications. At this stage, the organisation checks the basic qualifications and experiences of the candidates. Applicants who do not match with the required basic criteria, are rejected at this stage and selected applicants are called for initial interview. Through interview the physical and mental levels of the candidates are analyzed. After this, blank application forms are given to candidates and are filled by them in their own handwriting. Then, again final test is held to find out eligible candidates according to the requirement of the organisation. Usually, successful candidates are interviewed by the selection panel and after final examination, the organisation decides to offer the candidates a job or not. After appearing in the interview the candidates are required to appear for medical examination. The selected candidates are given the copies of rules and regulations, procedures etc. followed in the company. It makes a candidate easy to adjust in the company. Chart of selection procedure in an organisation is as following -
Fig. 4.1
Selection Procedure

Receipt of Application

Initial Screening Interview

Blank Application Given to Employee’s to get information about him

Conducting Tests

Preliminary Interviews

Core and Departmental Interviews

Reference Checks

Job Offer

Medical Exam

Placement

Offer to the Next Suitable Candidate

Rejection of candidate

Selected candidate

Source: ICFAI (a), 2004, p.103.
Hence, selection procedure is a vital sub-system of human resource development, through which appropriate candidates are selected according to the requirement of the organisation (Yoder, Dale, 1972, p.229; Gupta, Shashi K. and Rosy Joshi, 2002, pp.71-72; Mamoria, C.B., 1985, p.221; Flippo, Edwin B., 1980, pp.141-163; ICFAI (a), 2004, pp.99-118).

11. Placement: Placement is the process of assigning a specific job to each one of the selected candidates in some departments. A few principles must be followed at the time of placement of an employee. Placement of candidates must be according to the requirement of job, job must be offered to an employee according to his qualification, the candidate must be made conversant with the working conditions, the placement in the initial period may be temporary as changes are likely after the completion of training etc. A proper placement of an employee reduces employee’s turnover, absenteeism, accident rate and improve his morale. Placing the right person at the right job is as important as hiring the right persons (Pigors, Paul and Charles Myers, 1973, p.285; Mamoria, C.B., 1985, p.269; Gupta, Shashi K. and Rosy Joshi, 2002, p.85).

12. Orientation/Induction/Indoctrination: By orientation process--a new employee is made familiar with the history, philosophy, objectives, procedures and rules of an organisation. As we know that rules and regulation vary from organisation to organisation, through orientation, a feeling of belongingness is generated in an employee to make him feel at home. It helps a new employee, to easily adopt the new environment of the organisation and to make him productive for the organisation. It helps new employee to understand the organisational culture – roles, values and norms, as well as to adopt this culture easily.

Every organisation develops its own procedure of orientation as per requirements. The orientation procedure must follow these steps – it is very important that the new employee must be welcome, the new employee needs time and a place to report to work, administrative work must be completed, the departmental orientation must be conducted in the organisation, verbal explanations are supplemented by a wide variety of printed material, flyers, employee manuals and pamphlets. Orientation usually covers things like - employee’s compensation benefits, personnel policies, the employee’s daily routine, safety measure and regulations.
Hence, orientation is a process through which an employee is welcome when he first joins a company and is provided the basic information regarding his job as well as organisation. It promotes feeling of belongingness and loyalty among new comers. It creates a sense of security and builds up confidence among new employees (Billimoria, R.P., 1970, p. 94, Flippo, Edwin B., 1980, p. 161, Gupta, Shashi K. and Rosy Joshi, 2002, p.85; Mamoria, C.B., 1985, pp. 270-271; ICFAI (a), 2004, pp. 119-123).

13. Potential Appraisal: Under potential appraisal of employee, capability to perform the function of employee is measured. By prevailing right climate in the organisation and the potential of employees to do work can be effectively tapped. The main components of this system are – to identify the functions and qualities required to accomplish the objectives of the organisation, method to measure these qualities, evaluation policy and appropriate feedback. Methods used in potential appraisal are –

- In-basket exercise is one of the popular tools of potential appraisal all-over the world. The ILO has developed a manual of these exercises. These exercises relate to a variety of situations, which the appraisers would face if they are to be promoted to the higher post.

- Assessment centre is a multiple assessment of several individuals performed simultaneously by a group of trained evaluators using a variety of group and individual exercises. Typically, individuals from different departments are brought together to spend two or three days, working on individual or group assignments similar to the one they will be handling, once they are promoted. The pooled judgment of observers leads to an order of merit of ranking for each participant.

For effective utilization of its human resource, an organisation must link its potential appraisal system with various other sub-systems of human resource development, such as feedback and counselling, training and job-rotation, data-storage etc. (Tripathi, P.C., 1997, pp.117-118; Devi, Laxmi, 1998, p.26).

14. Career Planning: Career development is a dynamic element. Individual aspirations and career opportunities are ever changing. In these days, organisations have to help the employees to plan their careers and manage them. Organisations are giving chance to employees to identify their competencies, aptitudes and then provide them,
right opportunities. Various measures adopted by the organisation are – setting up manpower planning cell in each organisation, job-rotation, training, development, job analysis and description etc., to help implement career planning.

Career planning helps in the development of human resource within the organisation. Career plan helps a person to have a long-term perspective and adopt a lifestyle, preferences and self-development which suit him. It provides him new opportunities to change his career plans according to his changing needs. An effective career planning must be such as, which improves the ability of the organisation to attract and retain talented personnel. A well-designed career planning programme includes evaluation of career-needs and career-opportunities, which help an employee for his development (Devi, Laxmi, 2002, pp. 26-27; Pattanyak, Biswajeet, 1997, p.54).

15. **Training:** The fast changing technological developments make the existing knowledge of employees ineffective, which they had at the time of entering into the organisation. Hence, human resources have to be trained to operate new techniques and equipments, to handle the present as well as new jobs more effectively. Training is useful not only for the organisations, but also for the employees as it develops knowledge, problem-solving ability and skill of the newly recruited employees on the one hand and serves as a refresher course in updating old employees on the other hand. So, training aims at improving the organisation’s performance through the enhanced performance of its employees. Now a days, training has become an integral part of human resource development in all organisations, because the development of an organisation depends upon the development of its human resource.

There are two types of training methods – on-the-job and off-the-job. In on-the-job training methods, an employee is given training in the actual work situation in the organisation. Some of the on-the-job methods of training are – job instruction training, apprenticeship and coaching, job rotation and committee assignment. Off-the-job training methods refer to the training given to an employee away from the immediate work area. This method includes classroom lectures, various simulation exercises, computer modeling, vestibule training, role playing and programmed instruction. Systematic evaluation of training activities helps in evaluating the success of training programme. Training increases employee’s productivity, reduces cost and time wastage, reduces work

16. **Performance Appraisal:** Performance appraisal is one of the oldest and most universal methods of human resource development. It is a formal procedure used in all types of organisations. It is concerned with the process of valuing an employee’s worth to an organisation. The main objectives of employee’s performance appraisal are – to enable an organisation, to maintain an inventory of number and quality of all employees, to set targets and goals as per performance standards, to evaluate employee performance, to identify training and development needs and to reward performance. The different appraisal methods used by the organisation are –

- In ranking method, one group is compared with the other group. It is suitable for those organisations where number of employees is limited.
- In paired comparison method every person is compared trait-wise with other persons one at a time, the number of times one person is compared with others is tallied on a paper. Hence, by this rank is assigned to each employee.
- Under man-to-man comparison method, merit is rated on the basis of variables like leadership, faithfulness, qualification etc. For each variable, a master scale is prepared and is maintained according to qualities. Most efficient and least efficient persons are selected. These persons are the two ends of the scale. After that as a medium point, average persons are selected. Person’s qualities are measured by comparing these points.
- Under grading system, grades like A - Outstanding, B - Very Good, C - Satisfactory, D - Average, E - Below Average etc., are given to employees on the basis of features such as ability, cooperativeness, dependability, job-knowledge etc.
- Graphic rating scale method is used to rate, the employee’s qualities for the performance of a work. A scale is given in front of each merit. On the basis of evaluation, it is noted that which merit is found in the employee and how much of it, he uses in working. It includes numerical ranges as well as written descriptions.
- Checklist method is also known as questionnaire method. Through this method the supervisors are given forms containing descriptive questions about the performance
of employees. After filling, these forms are sent to personnel department, where final rating is done.

- Under forced choice rating method, the appraiser is forced to assign rank to two descriptive statements of seemingly equal weightage. The appraiser may feel that both statements in a pair may be not applicable, but even than he has to choose one. Once the statements are ranked by appraiser, then human resource department applies the weight and arrives at a score which is final appraisal source.

- In point allocation method, the appraiser has to allocate points to different members in his team, on the basis of performance. The best performer gets the highest score and worse performer gets least score.

- The forced-distribution method is devised to force the appraiser to fit the employees being appraised into predetermined ranges of scale. Forced-distribution method is based on the presumption that employees can be divided into five-point scale of outstanding, above average, average, below average and poor. Under this method, the appraiser is asked to distribute the employees into these categories in such a way that about 10 percent of the employees are in the group of outstanding, 20 percent above average, 40 percent average, 20 percent below average and 10 percent poor. This method is suitable for large group of employees.

- In descriptive evaluation method, the evaluator prepares a written report in relation to evaluation of the employee in which his personality, job strata, merit and quantity of job units are described. The clarity and extensiveness of the description makes evaluation best and satisfactory.

- In critical incident method, performance is measured in terms of certain events or incidents that suddenly occur during the course of work of an employee. It represents an exceptional behaviour of an employee at work. Under this method supervisor records all significant incidents, which indicate an effective/ineffective course of action of an employee’s behaviour.

- Under field review method, evaluator asks the supervisor, questions about the worker’s performance under him. Under this method workers are usually classified into three categories as outstanding, satisfactory and unsatisfactory. The evaluator
gets the record about the performance of employees. These records are signed by the
supervisor and kept for future references.

- In the essay appraisal method, supervisors continuously watch the employee and
write his assessment in the report. The areas under the report covered are - the
behaviour, job-knowledge, employee traits, development needs for future etc. After
observation supervisor/appraiser prepares a document describing the performance of
the employee.

- Management by objectives (MBO) is also called the goal setting approach. The main
aspects of management by objectives (MBO) are clear and well-defined goals, a
definite time – span to achieve the goals, an action plan and a constructive feedback.
The goals are set with the active participation of supervisors and employees.

- Work standard approach is based on the average output of typical employees in the
organisation. In this method, goals are predetermined work standards.

- Behaviourally Anchored Rating Scale (BARS) concentrates on the behavioural traits
demonstrated by the employees. BARS approach combines elements of traditional
rating scales and critical incident method. Steps in implementing a BARS system are
- identification of critical incidents or behaviours, identification of performance
dimension, reclassification of critical behaviours, assigning scale values to the critical
behaviours and development of bar instruments.

- In 360 degree performance appraisal system, the employee performance is evaluated
by his superior, his peer, his internal/external customers, his internal/external
suppliers and his subordinates.

- In team appraisal method, team members evaluate their colleagues in the team and
provide feedback.

- The balanced scorecard involves the formulating a strategy and deciding which
strategy for an employee needs to be adopted to achieve the set goals. It is used to
evaluate the alignment of compensation and benefit plan with the needs of
employees.

Hence, these methods measure the qualitative and quantitative aspects of
performance. They not only measure the employee’s performance but also his potential
for development (Scott, W.D., R.C. Clothier and W.R. Spriegal, 1977, p.160; Hegel, C.,

**17. Feedback and Counselling:** Feedback and counselling prevails in various organisations, to strengthen the senior-subordinates relationship, to improve communication, to identify an employee’s strengths and weaknesses etc. It helps an employee to prepare action plans for his own growth and for facilitating quality decisions. In feedback and counselling, assessment-centre method is used. In this method, feedback is given to employees through simulation exercises and discussion. In certain organisations where assessments are not in existence, the management should communicate with employees to give feedback to them (Subash Chand and Mahabir Narwal, 2002, p.90; Devi, Laxmi, 1998, p.27).

**18. Promotion:** Promotion is one of the best forms of incentives which generate a sense of loyalty among employees toward the organisation and keep the employees busy in investing their sincere efforts. It is defined as an upward advancement of an employee in an organisation to another job, which commands better pay/wages, better status, higher opportunities/challenges, responsibility and authority, better working environment, a higher rank etc. Most of the organisations do promotion on the basis of merit seniority, educational qualification experience and training courses attended. Different types of promotions are as following –

- **Multiple chain promotions:** Such promotions identify multi-promotional opportunities and they exist at each position in the organisation.

- **Up or Out promotions:** Any situation in which an employee must either be promoted or terminated within a specific time period is considered as up or out promotion. This situation occurs at most universities, where the junior faculty either achieves tenure or leaves.

- **Dry promotions:** Dry promotions are those, which are given in lieu of increases in compensation that is when all compensation is adjusted upward to keep pace with the cost of living.

Thus, through promotion an employee gets encouragement and an organisation gets the best man available (Gupta, Shashi K. and Rosy Joshi, 2002, pp. 313-314;

19. **Transfer:** Through transfer process, an organisation places its employees in position where they are more effective and satisfied. Transfer is a process of employee’s adjustment with the work, time and place, but there is no material change in responsibility, designation and salary etc. Thus, transfer is a horizontal or lateral movement of an employee from one job, section, department, shift, plant or position to another at the same or other place irrespective of his salary, status and responsibility etc. Transfers are made from one to another department, where labour requirements are declining or increasing. Different types of transfer are as followed -

- Production transfer is made to prevent lay-offs and is essential for stability of workforce in the organisation.

- Replacement transfer and production transfers are similar as they try to avoid lay-offs. It is used to replace a new employee with an employee who has been in the organisation for a long time period.

- Under shift transfers, in multi-shift organisations an employee may be shifted to another shift for personal as well as organisational reasons.

- Remedial transfer is made when if the initial placement has been faulty or the workers cannot get along with his supervisor, then a transfer is more appropriate step for better performance.

- Versatility transfer means to increase the versatility of the employee by shifting him from one job to another. By this an employee gets broader job experience and job enrichment and also prepares himself for future promotion. For effective transfer policy, an organisation must have impartial transfer policy with job description and job analysis (Pardeep Kumar, 1986-87, pp.170-175; Chhabra, T.N., 2009, p. 207; www.hrmba.blogspot.com).

20. **Communication:** The word communication has been derived from the Latin word ‘communis’ which means common. Therefore, communication refers to the sharing of ideas, facts, opinions, information and message. Communication includes transferring of ideas or information from the brain of one individual to the brain of other individual. Gupta Das, Vardman and Halterman, (1968), Macfarland, D.E., (1968) have given
Fig. 4.2
Communication Process

Sender → Ideas → Encoding → Channel → Receiving → Decoding

Feedback

Fig. 4.3
Different Forms of Communication

According to Organisational Structure
- Formal
- Informal

According to Expression
- Oral
- Written

According to Direction
- Downward Communication
- Upward Communication
- Horizontal Communication
different definitions regarding communication. Communication is a continuous process including elements – sender, ideas, encoding, receiving and decoding (Fig.4.2). All these, elements make communication process more effective with organisation.

According to organisational structure communication can be divided into two parts – formal and informal communication (Fig.4.3). Formal communication includes orders, instructions and decisions of the superior. Whereas informal communication is free from all sorts of formalities. It takes place among friends and members of same club etc. It is also known as grapevine communication. Communication according to direction is of three types. Downward communication flows from superiors to subordinates in downward direction, which include rules, orders, instructions and policy directives etc (Fig.4.4). Upward communication flows from subordinates to their superiors. Such communication includes reactions, suggestions and grievances from the workers (Fig.4.5).

Horizontal communication takes place between two or more persons working at the same level. It is also known as lateral or cross-wise communication. Expression communication includes oral and written communication. In oral communication both parties exchange their ideas through oral words either face to face communication or through any mechanical devices such as telephone, electronic mail. Written communication is in black and white. It is in the form of circulars, notes, reports, memos within the organisation.

Communication need not always involve the interchange of words. Non-verbal communication refers to the use of non-word human responses like facial expressions and gestures. Barriers in communication process create interruptions and convey the wrong meaning. Therefore, communication must be effective and accurate. Effectiveness of communication can be evaluated by several methods – attitude and moral surveys, employee relation index, clarity, communication audits, assimilation of communication in an organisation. Communication in these days is faster and effective within the organisations due to information technology revolution (Pardeep Kumar, 1986-87, pp.316-322; Davis, Keith, 1977, p.371; Brech, E.L.F, p.314; Drucker, P.F., 1954, p.346; Mamoria, C.B., 1985, pp.726-728; Macfarland, D.E., 1968, p.552; Vardman, George T. and Carroll C. Halterman, 1968, pp. 3-4; Kazmier, Leonard. J., 1977, p. 266; ICFAI (a), 2004, pp. 74-94).
Fig. 4.4
Downward Communication

Superior

Subordinate

Rules, orders and Instructions

Downward Communication

Fig. 4.5
Upward Communication

Superior

Subordinates

Reactions, suggestions, grievance

Upward Communication
21. **Leadership:** Napoleon said that there were never bad soldiers only bad offices. It means that success or failure of any type of organisation depends upon, dynamic and effective quality of leadership. The word leadership is used to indicate attributes like personality, self-confidence and initiator. Hence, leadership is an attribute of a person which influences others to work together willingly on a task to attain his desires. Leadership is of different types:

- Motivation-based leadership can be either positive or negative. A positive leader emphasises on rewards whereas negative leader emphasises on penalties and punishments.
- Authority-based leadership can be divided into three parts autocratic, democratic and laissez faire. In this type of leadership a leader behaves in different ways. Under authority-based leadership, a leader behaves in different ways; he may act as work-oriented or person-oriented leader.
- In supervision-based leadership a leader can be employee-oriented or production-oriented. In employee-oriented a leader gives emphasis on the welfare of his subordinates whereas in production-oriented emphasis is given on production.

Human resource development gives emphasis on the concept of development leadership. The developmental leader is one who gives equal focus on task accomplishment and employee development. He focuses on building effective team with who he shares the information about organisation. He prepares all members for the changes which frequently occur in the organisation to achieve desirable tasks (Tripathi, P.C., 1997, pp. 192-202; Ibid, p.211; Cartwright, D. and A.F. Zandir, 1960, pp. 535-536; Terry, George R., 1972, p. 458; Katz, Daniel and Robert Kahn, 1970, p. 334).

22. **Motivation:** Motivation is a Latin word, which means to move. Motivation is a process that is initiated by a physiological or psychological need which triggers a specific behaviour to achieve a goal. Psychologists generally agree that motivation is an internal and psychological process in which people’s behaviour is designed to achieve certain goals and objectives. Motivation has been defined by various scholars like Likert, Rensis, McGregor, Douglas M., Young, Paul T. etc. to include various words like desires, wants, aims, goals, motives and incentives. Motivation consists of three interacting and interdependent elements - needs, drives and goals. In an organisation - needs, desires and
aspirations are given importance to create the will to do work in the employees. Employees as human beings are subjected to perceptions, beliefs and emotions which prevent them from working to their full capacity. The employee’s abilities and willingness to perform are influenced by their motivation.

In an organisation, employees are motivated through different ways. Motivation is of various types –

- Positive motivation is a process of attempting to influence others to gain reward. It includes praise, prestige, promotion and pay cheque, appreciation, pride.
- Negative and fear motivation is based on force and fear. If workers do not work, they are threatened with lay-off or demotion.
- Extrinsic motivation is concerned with external motivators in which employees enjoy pay, promotion, status, fringe benefits, retirement plans and health insurance schemes. These are associated with financial rewards.
- Intrinsic motivation is related with the satisfaction, one gets after doing one’s work well. Praise, responsibility, recognition, esteem, power, status, competition are the examples of such motivation.
- Self-motivation includes that one must motivate one-self to do work efficiently. Before one can motivate others, one must motivate own-self.

Monotonous works, strict discipline, bad physical working conditions and unsatisfactory financial rewards result in negative feeling in human beings. These inner conflicts can be overcome by making the job more interesting, thinking constructively, adopting one-self to the situation. Group motivation includes honesty, fairness, truthfulness, stability, loyalty, tolerance, responsibility, humour and help in motivating the employees within group to complete tasks successfully.

In an organisation, various methods are adopted to motivate the employees. Judius, M.D., (1975) has observed the following steps, which are usually adopted to motivate employees within the organisation –

- In an organisation all employees need motivation.
- To motivate different types of employees, motivation must be of different kinds and degrees.
➢ To motivate various employees specific tools of motivation are required. An HR manager from his personal and other experiences and with the help of the personnel department must prepare a list of the devices. This list of devices will help the HR manager to motivate different kinds of employees under different circumstances.

➢ The HR manager must decide about the words, the tone of voice and the gestures to be used. It is also to be considered where and when motivation is to be used.

Then after this HR manager tries to find out whether an employees has been motivated. If not, then other device may be applied. Employees are also motivated by providing financial and non-financial rewards by the organisation. Thus, through motivation the employees in positive way, modern organisations can achieve desirable output (Mamoria, C.B., 1985, p. 657; Judius, M.D., 1975, pp. 41-42; Tripathi, P.C., 1997, pp. 167-168; Gillermen, Saul W., 1970, p. 63; Dubin, Robert, 1970, p. 69; Kazmier, Leonard K., 1977, p. 458; Flippo, Edwin B., 1976, p. 382; Beach, D.S., 1974, p.392; Likert, Rensis, 1933, p. 16; McGregor, Douglas H., 1957, p. 89, Young, Paul T., 1961, pp. 17-19; ICFAI (a), 2004, pp. 138-140).

23. Workers Participation in Management: To develop internal motivation and to boost the morale of employees, workers participation in management is a mechanism, which gives right to the workers to participate in decision-making process. It helps a worker to contribute to goals and to share the responsibilities of an organisation. Workers participation in an organisation gives the workers a sense of belongingness and commitment to the organisation. It helps the organisation to maintain harmonious relations and prevent conflicts in the organisation. For this, the organisations have to provide an environment where in the employees could feel comfortable to perform in a better way utilizing their potential fully.

Several research studies have shown that the intensity of participation depends on four factors – the subject-matter of participation, level of participation, personal characteristics and the extent of participation. Various forms of workers participation in different types of organisations are – work committees, joint councils, plant councils, shop councils, joint management councils. In India workers participation in management has achieved only partial success because of differences in the attitude of management and workers regarding participation, lack of education among workers, fragmentation of
trade unions, delay in implementation of the decisions and the complex structure of the organisation etc. Organisations must create an environment of mutual trust, harmony and confidence between workers and management. It improves the motivation levels of workers, communication within the organisation. It also reduces the absenteeism and attrition ratio and improves the quality and quantity of output (Tripathi, P.C., 1997, pp. 183-184; Ibid, p. 299; ICFAI (a), 2004, pp. 296-302; ICFAI (b), 2004, pp. 223-233).

24. **Trade Unions**: Trade unionism is the result of the large scale production, large scale employment and changing labour relations. All these developments have led to the exploitation of employees by the employers. To protect the rights of employees, the trade unions have come into existence. Trade union is an association of employees that are especially formed to maintain industrial peace, harmony and protect the rights of employees within the organisation. Trade union is a continuous and voluntary association of employees, created to fulfill various objectives – job security, wages and benefits, safe and healthy environment, fair treatment and a chance to express views, workers participation in management and to satisfy their need for belongingness.

Trade unions have been classified either on the basis of purpose or on the basis of membership structure. Trade unions are classified into reformist, revolutionary, political, anarchist and predatory unions. In India, trade union movement developed fast particularly during and after World War-I. Spiraling prices, the Swaraj Movement, the Russian Revolution and the setting up of the ILO – all these affected the development of trade unionism in India. There are five central organisations which dominate the trade unions are – the Indian National Trade Union Congress, all India Trade Union Congress, Hind Mazdoor Sabha, the United Trade Union Congress and the Centre of Indian Trade Unions. Various methods are used by trade unions to achieve their objectives. Generally, if they tend to rely on peaceful means, trade unions adopt methods of collective bargaining, mutual insurance and legal enactments to achieve their objectives. These unions also use pressure tactics like strikes, hunger strikes, lockouts etc.

Trade unions have not made any significant progress in recent times. Various causes like uneven growth of unionism, small size of unions, financial weakness, multiplicity of unions, inter-union rivalry are responsible for the poor performance of trade unions in India. If trade unions are strong enough, they can fight for protection of
the rights of employees and can improve the plight of employees. They must develop by keeping up with changes at regional, national and international level (ICFAI (a), 2004, pp. 266-280; Flippo, Edwin B., 1980, p.425; Mamoria, C.B., 1985, pp. 940-947; Yoder, Dale, 1975, p. 86; Gupta, Shashi K. and Rosy Joshi, 2002, pp. 312-315).

25. Collective Bargaining: Industrial harmony is essential for the growth of an organisation. It includes the existence of mutual understanding and partnership between employees and management. Settlement of disputes is very necessary to improve the industrial relations in the organisation. Growth of trade unions evolved a device of collective bargaining to resolve their disputes by negotiations between the two parties without the help of any arbitrator. Collective bargaining is concerned with the relations between trade union and the management. Effective collective bargaining is a powerful instrument through which rights of the employees are saved and employees related problems are sorted out winsomely. In few cases, third-party intervention is necessary to solve the problems. The process of collective bargaining has resulted in improved wages, bonus, working and living conditions of employees. The process of collective bargaining includes three steps–preparation for negotiation, negotiation and contract administrations.

Effective collective bargaining depends upon – group activity, levels of activity, flexibility and win-win situation. Various measures have been undertaken by government of India to improve the position of collective bargaining in India. For this various types of Acts and Laws have been implemented. Employees’ education, labour-participation in management, code of efficiency and welfare, grievance redressal procedure at different levels, has greatly encouraged the development of collective bargaining in India. Collective bargaining is important for the development of human resource in an organisation because it has resulted the growth of democratic principles and introduced civil rights in the organisations. Collective bargaining can be either good or bad. Its results depend upon the wisdom and farsightedness of its users (Yoder, Dale, 1970, p.97; Agnihori, V., 1963, p. 254; Pardeep Kumar, 1997, pp. 52-60; Gupta, Shashi K. and Rosy Joshi, 2002, pp. 307-308; ICFAI (a), 2004, pp.290-296).

26. Grievance Handling: Grievance is a symbol of dissatisfaction among employees, employers and management. It is a difference between employee expectations and organisational rewards, which normally creates grievance in an organisation.
Dissatisfaction of employees regarding their wages and benefits, overtime by employees, unhealthy working conditions, unpleasant relations are the causes of grievance in an organisation. To eliminate the causes, there is a need for grievance redressal procedure. An effective grievance redressal procedure creates trust, confidence and satisfaction among employees.

Different stages in any grievance redressal procedure are as following – in initial stage, employee expresses his grievance verbally to his supervisor and supervisor has to solve it within short time period. If a supervisor fails to solve it, then an employee fills grievance redressal form and approaches to head of department. Head of department has to solve the problem within three days, if he can not solve then grievance committee handle it. The committee is given seven days. In case of failure, the case is sent to management to review it, within seven days. In case, if there is no change in the decision, the issue may be referred to the union. In case of union’s failure, the grievance is settled by voluntary arbitration by third party. This process must be completed within seven days. If the grievance is sorted out at lower level, then it shows better relations. On the other hand, if grievance is settled in the later stage, it shows unhealthy relations between employees and management.

Free communication between an employee and superior helps to reduce a grievance. The cut-throat competition for human resource makes necessary for management to retain its employees by keeping them satisfied. It contributes to effective implementation of redressal procedure (ICFAI (a), 2004, pp. 242-247).

27. **Wages and Salaries:** Compensation of an employee consists of mainly three components – the basic wage or salary, incentives and benefits. In simple terms, wage is a monetary payment given to employees for their services. The main purpose of wage administration is to establish and maintain an equitable wage and salary structure. Its secondary objectives are the establishment and maintenance of an equitable labour costs structure. There are three different concepts of wages –

- Minimum wage is fixed by government and is enforced by the law. It is revised at least once in five years and depends on the consumer’s price index. It is the amount of the wage and salary which is just sufficient to enable an employee to fulfill his basic requirements.
Living wage enables the workers to provide for their self and their families not merely the basic essential of foods, clothing and shelter, but also a measure of frugal comforts including education for children, protection against ill-health, requirements of essential social needs and a measure of insurance against the misfortune.

Fair wages should be paid according to the productivity of employee and capacity of the employer. It must match the prevailing rates of wages in the same or neighbouring areas. There are various methods of wage payments, prevalent in different organisations are –

1. In time wages, wages are paid according to time unit spent for the organisation in a day, a week or a month etc. Thus wages are calculated on the basis of attendance.

2. Under piece rate system, wages are paid on the basis of output or quantity of work. The quantity of work is expressed in terms of units such as per meter, per yard, per tone and so on.

3. Under skill-based system, firstly companies hire the employee at low-market rates. Once employees acquire new skill or knowledge, then they are promoted and rewarded. In competency based pay, wages are given to employee according his skill, knowledge and behaviour.

4. Under bonus scheme profits/surplus are shared by the employees and employers. The more an efficient worker produces in a given time period; the extra remuneration is given to that worker. It is a reward given to the worker for his/her efficiency and motivates him/her to perform at above level of productivity.

Every organisation must provide fair wages to its employees to retain and to motivate them for good performance and also enhance employees’ involvement in organisational management (Pardeep Kumar, 1986-87, pp. 185-195; Lallan, Prasad and A.M. Bannerjee, 1990, pp.143-145; Beach, D.S., 1977, p. 642; Mamoria, C.B., 1985, p. 482; ICFAI (a), 2004, pp. 201-210; Chhabra, T.N., 2009, p. 387).

28. **Employee Benefit, Welfare and Social Security:** As the business has become more competitive, attracting and retaining talent becomes the mantra for development. For this various organisations have adopted different employees’ benefit and welfare schemes. Today, after the boom in IT/ITES sectors various employee benefit schemes
have been introduced for their welfare. The Oxford Dictionary defines labour welfare as, ‘efforts to make life worth living for workers’. The quality of an organisation, employees benefit and welfare schemes determine its image as a caring employer. Now a days, employers do their best to introduce labour benefits and welfare schemes because they have come to realize that the money they spend upon labour is not a loss but is a profitable investment to retain talent in their organisations.

Benefits and welfare schemes are defined as the fringe benefits that are provided to an employee over and above his salary. Some of welfare schemes like subsidised lunch, medical facilities to the employee and his family, paid holidays, gratuity benefit, employee insurance, company accommodation, company transportation facilities, cafeteria and restrooms, study leave, club membership, company sponsored study, recreational facilities, credit cards, interest free loans, tax-assistance are provided to their employees for their satisfaction and social-security. In almost all organisations, maternity leave facility and other special facilities are provided to female employees for their welfare. Different organisations have adopted different benefits to suit their needs and match their employee expectations.

An organisation must consider safety and security of employee, a critical responsibility so it must provide accident free and hazard – free work environment to its employees. Accidents, in an organisation may arise because of improper lighting, inadequate ventilation, long working hours and uncomfortable environment. Hence, an organisation must provide adequate lighting, proper drinking water, proper working hours, healthy and other necessary conditions to employees to do work smoothly. It is moral and legal responsibility of an employer to implement safety and health programmes within the organisation.

Social security is the endeavour of an organisation which helps its employees during the period of physical and economic distress due to illness, disablement, maternity, unemployment, old-age and death. Social security can be defined as social insurance in which employers and employees make periodical contribution to a fund may be with or without government assistance. From this contribution, help is provided to employees, during old-age, sickness, unemployment and other contingencies of life. Social assistance includes medical benefits, sickness benefits, retirement benefits, family
benefits, employment injury benefits, survivor benefits and maternity benefits. Public services are generally financed by government in the form of cash payments by providing services to every members of the organisation. There are many social security laws in India such as – The Workman’s Compensation Act (1923), The Employee’s State Insurance Act (1948), The Maternity Benefits Act (1961), The Payment of Gratuity Act (1972) etc. All these steps are the milestones for the welfare of employees in an organisation (Tripathi, P.C., 1997, p. 247; Ibid., pp. 61-63, Gupta, Shashi K. and Rosy Joshi, 2002, pp. 276-278; Mamoria, C.B., 1985, p. 902; Todd, Arthur James, pp. 250-251; Flippo, Edwin B., 1980, pp. 515-517; Wibert, E. Scheer, 1993, pp. 521-523; ICFAI (a), 2004, pp. 214-228).

29. Incentives and Rewards: An incentive is a plan to attract, to motivate employees to do better performance. Various organisations link incentive system to employee performance and commitment to the organisation. Reward system can be classified into two parts monetary and non-monetary. Monetary rewards include the reward which employees get in form of money terms like bonus or an annual incentive. Non-monetary rewards are services are paid in kind. Incentive plans are of two types short-term incentive plans based on time rate or piece rates. Halsey plan, Rowan plan, Barth system of wages, Task bonus system, Point rating system are short-term plans. Whereas long-term plans include annual bonus, profit sharing, gain sharing, employee stock plan help in providing steady earning to employees. Various Indian companies Infosys, Wipro are providing incentives to their employees to retain talent in their organisations.

Incentives further can also be classified into two parts – direct incentives include the basic salary or wage that the person is entitled to for his job, overtime work and holiday, premium bonuses based on performance, profit sharing and opportunities to purchase stock options. Whereas, indirect incentives include protection programmes like insurance plan, pension, pay for time not worked and other benefits. But these are maintenance factors rather than reward components. They will tend to retain people in the organisation but not stimulate them to greater effort and higher performance. The effective incentive plan should help in identifying the best performers and rewarding them. This would result in improved performance and loyalty to the organisation (French, Wendell, 1974, p. 521; Mamoria, C.B., 1985, p. 516; ICFAI (a), 2004, pp. 210-215).
30. **Quality of Work Life**: The traditional welfare measures such as improved working conditions, leave and retirement benefits have been provided to employees. But the employees are still unpleasant and unsatisfied. So, the modern concept of welfare of employees has been attracting the attention of organisations for a long time period. In these days to survive in global competition, organisations must adopt a strategy to improve the employee’s quality of life. In 1997, the Staff of American Centre for the Quality of Work Life developed the following definition – ‘as an activity which takes place at every level to increase the organisational effectiveness through the enhancement of human dignity and growth. It is a process through which the stakeholders in the organisation, management unions and employees - learn how to work together better to determine for themselves what actions, changes and improvements are desirable and workable in order to achieve the twin and simultaneous goals of an improved quality of life at work for all members of the organisation and greater effectiveness for both the company and the unions.’ The quality of life refers to favorableness or un-favorableness of the job environment for people. Harvard Professor Richard E. Walton proposed the eight major features of quality of life – adequate and fair compensation, safe and healthy working conditions, immediate opportunity to use and to develop human capacities, opportunity for continuous growth and security, social integration in work environment, constitutionalism in work organisation, work and the total life space and the social relevance of work life (Davis, L.E. and A.B. Cherns, 1975; Walton, R.E., 1973).

Quality of work life is a multidimensional aspect. It not only improves the economic needs but also social and psychological needs of employees. The employees expect that various economic and social needs should be fulfilled within the organisation. The organisation must have to adopt a lot of innovative programmes – flexible time, flexible place, alternative work schedule, part-time employment, compressed workweek, job-enrichment, job-rotation, job-enlargement, social-technical system, self-managed teams, fair compensation, health and safety, job security, job design, social integration, social relevance of work, work life balance, better career opportunities and fun at workplace. The implementation of these programmes results in – high and improved productivity, maximum satisfaction and the employees can balance their personal and professional lives easily (Gupta, Shashi K. and Rosy Joshi, 2002, pp. 169-175, Flippo,
31. **Quality Circles:** The concept of quality circle was developed in 1960s by Japanese scientists. This concept emphasized on the improvement of quality of a product. It is also used to make improvements in areas like safety, training technique and cost reduction. It involves participation of employees from the small groups. The main objectives of quality circle are to improve and enhance the skills of human resource through enhancing their participation in the organisations. There are various techniques which are used to improve quality circles – brainstorming sessions, fish bone diagram and charting methods. Brainstorming technique helps in creating a healthy and competitive environment. It helps in generating ideas. Fish bone diagram is also known as cause and effect. In this technique causes of a problem are identified to solve the problem. Charting and sampling methods are used to observe a problem diagrammatically. Pareto analysis, like graphs and frequency distribution are some techniques of these methods.

Various types of problems arise in the implementation of quality circles because of lack of proper education and training, delay in operational problems, misunderstanding of concept. These are sorted out by the support of management and effective training of employees (ICFAI (a), 2004, pp. 317-324).

32. **Team Development:** The concept of team development has been recently emerging as the most important group phenomenon in the organisation. Initially the importance of team work was realized in the field of sports. In business field, this concept was first used in Japan in the 1950s and later in America in the 1980s. To improve the productivity and effectiveness of organisation various experts agree that teams play an important role.

In simple words the team development means any work group which contains a small number of people who coordinate with each other to achieve common goals. It includes a higher commitment to group goal and higher degree of interdependence and interaction. The main features of effective team work are – common goals, mutual interaction, collective responsibility, accountability, common leader, open-communication, clear rules and work assignment, diversity, self assessment. The uses of
teams in organisations have increased because teams perform better than traditional work groups. It has resulted in improvement in organisational performance, employee benefits, reduction in cost and organisational enhancement. Teams can be classified on the bases of their objectives.

- Problem solving team comprises of five to twelve employees from the same department who meet few hours every week to discuss the ways and means of improving quality, efficiency and the work environment. These types of teams are temporary in nature and are created to solve specific problems.

- Self-managed team consists of 10 to 15 employees which take on responsibilities of their former supervisors. They select their own members and evaluate their performance themselves. Decisions on maintenance, work-scheduling and equipment purchasing are often undertaken by this team. Some studies showed that individuals of such teams were very satisfied with their jobs whereas other studies showed that individuals of such teams had a greater absenteeism and attrition rate.

- Cross functional team is the latest innovation to the concept of teams. These teams are made up of employees from the same hierarchical level, but from different work areas, who come together to accomplish a specific task. It helps to exchange information, develop new ideas, solve problems and co-ordinate in complex projects.

Teams can be effective when environment is supportive and when members possess the required skills to perform the tasks. There are various techniques which are used to build team performance like role analysis and role negotiations. Role analysis technique clarifies the role expectation and obligations of team member to improve team effectiveness. This technique is useful particularly in case of new teams. Role negotiation technique is a technique to control the negotiations between two or more parties. In this type of negotiations each party agrees in writing to change certain behaviours in exchange for changes in behaviours by others. The behaviours are job related. Work teams help in satisfying the social needs by increasing worker interactions and creating a feeling of friendship among them. An effective work team helps in enhancing the employee motivation and can also satisfy social need of the employees by increasing worker interactions and creating a feeling of brotherhood and friendship among team members. It helps in human resource development by providing job training to
employees to build their technical, decision-making and interpersonal skills (Gupta, Shashi K. and Rosy Joshi, 2002, pp. 241-243; ICFAI (b), 2004, pp. 269-282).

33. **Group Dynamics:** The importance of the group in the context of work organisation was recognized as early as 1920 by Elton Mayo and his associates in the famous ‘Honeycombe Experiment’. But it was not till the 1930’s that Kurt Lewin popularized the term group dynamics. Group dynamics is concerned with the interaction that takes place among the members of a group. The employees of the organisations form their groups to fulfill their social, economic and security needs. The main features of the nature of group dynamics are participation of members, democratic leadership and cooperation. Group dynamics consists of a set of techniques including - brainstorming, team building and transactional analysis. Group dynamics are of two types –

- Formal groups are formed to achieve specific tasks. The members of this group are responsible to achieve organisational goals. These groups can be either permanent or temporary in nature, which are created by the management to perform the assigned duties. Formal groups include command, task and committees groups.

- Informal groups are established by employees themselves. These groups are neither formally structured nor organisationally determined. Common interest, work assistance, social interactions are responsible for the formulation of these groups. It includes interest and friendship groups, cliques and sub-clique. Group dynamics helps in the development of human resource by increasing efficiency, skill, interaction and cooperation among the members of groups (Gupta, Shashi K. and Rosy Joshi, 2002, pp.119-132; ICFAI (b), 2004, pp. 255-267).

34. **Management Development:** The development of executive talent is one of the most important and complex tasks of human resource development. It helps in the development of the intellectual and managerial skills of managers. It provides training to the managers to tackle with different situations. Jucius, Michael J. (1974), Flippo, Edwin B., (1980), described that management development is a process through which managers do not increase their skills in present, but also for future tasks. Organisation must have complete information about each executive regarding the name, length of service, education, work experience and health. In management development, manager must know the present as well as future requirements of the organisations. In management development programmes the weaknesses and strengths of executives must be identified
by the chief executive, so that, training and development can be provided to the executives according to their personal as well as organisational needs. Management development methods can also be classified into two parts – on-the-job development and off-the-job development method.

In on-the-job development method, managers improve their skills in the actual work environment. The well known methods of on-the-job development are coaching, attachment, job rotation, special projects assignment, committee assignment, selective reading and multiple-management. In off-the-job development method, training takes place away from the actual work place. It includes methods like classroom lecturers, case studies, role playing, conferences, management games, syndicate, sensitivity training, programmed instructions and in basket exercise. Among various methods of management development, no single method is an ideal method. The organisation must design its own particular programme and the described method must be used as a guide to a specific training programme (Pardeep Kumar, 1986-87, pp.142-148; Gupta, Shashi K. and Rosy Joshi, 2002, pp.99-116; ICFAI (a), 2004, pp.181-190; Jucius, Michael J., 1976; Mamoria, C.B., 1985, pp. 284-286; Flippo, Edwin B., 1980, pp.50-56).

35. **Merger/Acquisition:** Today, organisations are going for mergers and acquisitions in order to maintain, retain and acquire to their human resources. The organisations may acquire other units either wholly or partially to get better human resource, which help to improve their productivity. Through merger the organisations are able to know the good practices and programmes of human resource of the acquired units. The organisations can modify these programmes in their own organisations according to their requirements.

Merger plays a vital role in the development of human resource, because the organisation risk in all fields is equally distributed which gives a chance for human resource development. Moreover, sufficient funds are available to the organisation through merger which motivates an organisation to undertake certain innovative programmes for developing human resource (Subash Chand and Mahabir Narwal, 2002, p.90).

36. **Total Quality Management:** Total Quality Management (TQM), is a new as well as dynamic concept. The main objective of Total Quality Management is continuous improvement in the quality of product so as to produce minimum defect products. Total
Quality Management is the need of all modern, dynamic and knowledge-based organisations.

Continuous improvement in the quality of a product is not possible without improving the quality of work of employees. For improving the quality, skill and efficiency of employees, there is need for regular training and development. The success of Total Quality Management is based on the success and support of Total Quality People (TQP). Hence, Total Quality Management is important, for the creation of an organisational system that maintains the healthy relation and co-operation between management and workers. In turn, it will help an organisation for its growth (Chhabra, T.N., 2009, pp.539-546; Schonberger, Richard J., 1992, p.118; Marshall, Sashkin and J. Kiser Kenneth, 1991, p.25).

Each of the mechanisms contributes towards the achievement of overall human resource development goals. In competitive era, single sub-system of human resource development is not effective. There is need of integrating all sub-systems and implementing them simultaneously. Performance appraisal focuses on; employees to play their roles effectively within the organisation whereas potential appraisal focuses on to identify the employee’s future role in the organisation. Training is a tool of developing skills and abilities of the employees to play present as well as future role effectively. Training also helps in strengthening the interpersonal relationship, encouraging teamwork and collaboration. Organisational development, organisational climate, management development are the mechanisms for developing team collaboration and self renewing skills. Sub-systems like feedback and counselling, career planning, motivation, job evaluation, job design help in the development of potential, capabilities and satisfactions in an employee. Improvement in wages and compensation, quality of work life, trade union, collective bargaining, grievance redressal procedure, benefits and securities, promotion, transfer, quality circles help in uplifting the life of an employee and provide economic, social satisfaction to him.

Human resource development sub-systems must be implemented effectively and be integrated to get benefits. Human resource development instruments should lead to human resource development processes and climate variables. It will result in higher productivity, cost reduction, more profits, diversification and better output (Fig 4.6).
## Fig. 4.6

**Inputs and Outputs of Human Resource Development**

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<thead>
<tr>
<th>HRD’s</th>
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<th>HRD’s</th>
<th>Organisation</th>
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<tr>
<td>Mechanisms</td>
<td>Climate</td>
<td>Outcome</td>
<td>Outcome</td>
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<tr>
<td><em>Recruitment</em></td>
<td>*Effective</td>
<td>*More capable</td>
<td>*High output</td>
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<td><em>Selection</em></td>
<td><em>communication</em></td>
<td><em>employee</em></td>
<td>*More productivity</td>
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<tr>
<td><em>Induction</em></td>
<td><em>Openness</em></td>
<td>*Employee’s</td>
<td>*More profits</td>
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<td>promotion*</td>
<td><em>More trust</em></td>
<td>satisfaction</td>
<td>*Low cost</td>
</tr>
<tr>
<td><em>Training and development</em></td>
<td><em>Risk-taking</em></td>
<td><em>More team-work</em></td>
<td>*Growth and development with diversification</td>
</tr>
<tr>
<td><em>Organisation climate</em></td>
<td><em>Competency</em></td>
<td><em>Respect for each other</em></td>
<td>*Better image</td>
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<tr>
<td><em>Motivation</em></td>
<td><em>Team work</em></td>
<td><em>More co-operation</em></td>
<td>*Employees stability in organisation</td>
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<tr>
<td><em>Team-work</em></td>
<td>*Executive</td>
<td>*Optimal utilization of human resource</td>
<td>*Advanced technology</td>
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<td><em>Group dynamics</em></td>
<td><em>development</em></td>
<td><em>work</em></td>
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<td><em>Feedback and counselling</em></td>
<td>*Pro-active</td>
<td>*More work</td>
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<td><em>Wage and salaries</em></td>
<td><em>orientation</em></td>
<td><em>commitment</em></td>
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<tr>
<td><em>Incentives</em></td>
<td><em>Rewards and incentives</em></td>
<td><em>Employee’s social and economic security</em></td>
<td></td>
</tr>
<tr>
<td><em>Quality Work Life</em></td>
<td><em>Clarity about norms and standards</em></td>
<td><em>Less internal disputes</em></td>
<td></td>
</tr>
<tr>
<td><em>Other mechanisms</em></td>
<td><em>Trade unions</em></td>
<td><em>More politicization in decision-making</em></td>
<td></td>
</tr>
</tbody>
</table>

Source: Rao, T.V., 1990