2.1 INTRODUCTION

Previous research studies, research papers, articles, books, relevant websites have formed the base for review of literature for the research. Efforts were made to consolidate the literature in respect of competency and human resource processes more particularly human resource interventions namely recruitment, training and development and performance appraisal. It helped for better understanding of various concepts involved in this research work and in formulating and fine tuning the interview schedules. It is presented in four divisions such as:

1. Review of literature on competency
2. Review of literature on recruitment
3. Review of literature on training and development
4. Review of literature on performance appraisal

2.2 REVIEW OF LITERATURE ON THE CONCEPT OF COMPETENCY

David McCleland (1973)\(^1\) in his study, “Testing for competence rather than for intelligence” concluded that the attitude test had traditionally been used by psychologists to predict the performance, but it did not work. The alternative to the traditional aptitude and intelligence test to predict performance is the competency. Competencies can be identified by using criterion samples and behavioural event interview, the author added. Here the author, after an analysis, concludes that competency is emerging as the required concept for the future.

Steve Garret (1989)\(^2\) in his article “Competency Mapping – What is it and how it can be done on individuals” prefers to address competency as inclusion of
collection of success factors necessary for achieving important results in a specific job or work in a particular organisation. He adds further that success factors are combinations of knowledge, skills, and attributes (more historically called ‘KSAs’) that are described in terms of specific behaviours, and are demonstrated by superior performance in those jobs or work roles.

C.K. Prahalad and Gary Hamel (1990)\textsuperscript{3} in their article, “The core competence of the Corporations” discussed elaborately the concept of core competence, identification of core competence, the necessity to focus on core competence and so on. The authors have pointed out that the top executives would be judged on their ability to identify, cultivate and exploit the core competencies that make growth possible. Unlike physical assets, competencies do not deteriorate instead when they are applied and shared, they grow, the authors emphasized. In conclusion, the authors have stated that core competencies are the well spring of new business development. They should constitute the focus for strategy at the corporate level.

Tovey (1993)\textsuperscript{4} in his book “Competency Assessment – A strategic approach-part I for Executive Development” made out a study which concludes that competency is the bridge between strategy and organizational development. His emphasis regarding strategic review on competency has relevance to organizational performance. He further says that performance management, development, succession planning and recruitment are all HR activities using competency as the foundation. It is inferred that competency can be built in any process, system and intervention to derive benefit to the organization.
McNerney and Briggins (1995)\textsuperscript{5} distinguished between competency and task in their book, “Competency Assessment”, so as to make a crucial difference between what otherwise is understood about competency and task. It is said by them that task bases training on what people do, whereas competency bases training on who the successful performers are. It means that competency has a deeper meaning in industrial management. Here, “how” of the task is given prominence that “what” of the task. “How” describes the process and “What” describes the performance. “What” will be ensured provided “How” of it , is well defined and practiced, which otherwise can be termed as competency.

Cokerill T Hunt and Schroder H (1995)\textsuperscript{6} in their article, “Managerial Competencies: Fact or Fiction” approached the competencies in a different way. They classified the competencies as threshold competencies and units of behaviour which are used by job holders, but which are not considered to be associated with superior performance. High performance competencies are behaviours that are associated with individuals who perform their duties at a superior level. Behaviour is focused in competency. Behaviour is not to be understood in the normal sense as is understood and talked, but with a deeper understanding that behaviour is expression, the inner spirit of a person.

David Robotham and Richard Fubb (1996)\textsuperscript{7} in their study “Competencies: Measuring the Un - measurable” studied the competencies from two divergent perspectives. First they considered competencies as referring to the behaviour of particular individuals, that is, how they act and respond in the organizational environment in the course of doing their job. Secondly, they considered competencies not as the aspect of a given job but as identifiable
characteristics of the people who do the job effectively. This research treats competencies as identifiable characteristics of people (executives).

**Patricia Marshall (1996)** studied, “Why are some people more successful than others?” In this study, he has given the iceberg model of managerial competencies. He says that managerial competencies are like an iceberg with skill and knowledge forming the tip. The underlying elements of competencies like social role, self image, trait, and motive are less visible but they largely direct and control surface behaviour. Outward expression of person’s skill, knowledge and attitude is an embodiment of various social intricacies. The researcher has made use of some of his concepts in the present study.

**John B. Larrereth (1996)**, in his study on “World Wide Leadership Differences” says that competencies were situational. He found that global executives had in common three basic sets of competencies such as competencies for sharpening the focus for their organization, competencies for building commitment and competencies for driving success. He further added that although these competencies were to be sequential, in reality they occur simultaneously and in parallel as executives handle different situations.

**Jim Burruss (1996)** in his study, “Managing for motivation and Performance”, concluded and recommended that, competency development process involved five major steps such as recognizing the competency, understanding the competency that is understanding the types of situations that required that competency, experimenting with demonstration of the competency, using the competency in a variety of situations and integrating the competency with other competencies, thoughts and behaviours in real job situations.
Keth Bedingham (1998) in his article, “Competent to change” discussed the causes for resistance to change, the competencies frameworks in organization, high performance competencies, commonly used competencies and the like. The discussions on high performance competencies and the most commonly used competencies are notable. The author has quoted results of the research conducted by Human Synergistic (on high performing competencies) and the results of survey conducted at the end of 1996 by industrial society in more than 300 UK organizations. The conclusion of the study is that if an organization is undergoing changes, then competency framework needs to be synchronized to that change and to make competencies to work, they should be aligned with the organization’s target, culture, strategy and designed performance.

Wolfe. M (1998) in his article, “Transitioning to a competency for pay system” says that identifying characteristics for successful performance are more important than ever, given the growing competition among industries. The characteristics he calls as combination of knowledge, skill, traits, values, beliefs, motives and physical ability. These attributes have to remain unchanged except the skill set in tune with changing time and requirement.

Jorgan Sandhberg (2000) “Understanding Human Competency at Work – An Interpretative Approach: Latest Thought”, is another work referred to by the researcher. In this work, the author has investigated what constitutes human competency at work. The author has viewed that in the rationalistic approaches, competency is seen as constituted by specific set of attributes, such as the knowledge and skills used in performing a particular work.
The report of the Training Journal (2000)\textsuperscript{14} on “Identification of core competency for human resource leaders in the new economy” is another work referred to by the researcher. The report was based on an interview held with fifty global human resource leaders from organizations such as Microsoft, Daimler Chrysler, Shell, Ericsson and Deutsche Bank. A total of 24 significant competencies emerged from the survey. The ability to deal with uncertainties and changes came at the top of the list. Unless an individual is groomed with required inputs for his competency through appropriate process, he may not be in a position to possess ability to deal with uncertainties and changes which are inevitable in business environment.

Dr. Biswajeet Patanayak and Phalgue Niranjana (2001)\textsuperscript{15} in their article “Assessing Competency, the Scientific way”, discussed the role of assessment and development centres in assessing and developing competencies of human resource in the organization. It also talks about competency based interview methods as an important assessment technique to explore the competencies. Interview, being the entry point for selection has to receive definite attention so as to make it more competencies based to the possible extent in view of the market situation of human resource availability.

Demodar Suar and Abhik Dan (2001)\textsuperscript{16} in their work on “Competency Assessment and Need Identified for Training”, studied the gaps between required and existing level of employees’ competencies. They found that existing competencies of employees were lower than the required competencies. It was more relating to behavioural skills rather than technical skills. It is a fact that technical skills can be developed through appropriate training and follow up. But,
development of behavioural skill is a continuous process requiring committed attention.

Ganesh Shermon (2004)\textsuperscript{17} in his book, “Competency based human resource management” states that competency is an underlying characteristic of a person, which enables him to showcase superior performance in a given job, role or situation”. When he says that competency is an underlying characteristic of a person, he calls it an attribute bundle, consisting of knowledge, skills, traits, social role, self-image and motive. He further states that it manifests itself in the form of behaviour, which helps identification and measurement of the competency.

Erin Lan and Axel Peters (2006)\textsuperscript{18} in their study, “Improving Management Competence at Levi Strauss”, presented Levi Strauss Company’s experience on development of competencies. The Levi Strauss Company by choosing Hay McBer as an external consultant studied the competencies that make the difference between adequate and excellent performance. The study identified 21 competencies. Attitude, behaviour, ethics, professional skill, sharing of knowledge with subordinates, performance orientation mind set, personal traits, system orientation and wholehearted commitment to the assignment were the important competencies among them. The assessment of competencies of all managers was carried out with the in depth interview by an external consultant and a 360 degree assessment, using questionnaire. It helped the company to identify competencies an individual possessed and demonstrated, competencies an individual had, yet not perceived by others and the development areas for the individuals.
Samir Ranjan Chatterjee (2006) discusses in his book “Management in India: Trends and Transition” the emerging changes in Indian management culture both at the micro and macro levels and their impact on domestic and multinational businesses based in India. While the Indian business scenario is changing rapidly, the attitude, orientation and practice of management has been slow to adapt. Indian managers have found it difficult to change policies both at the enterprise and the employee level to match an increasingly global and international environment. This book discusses key issues such as: Indian management culture and emerging challenges; leadership styles and leadership issues that face Indian corporations; ethics and values and their impact on leadership and management culture; the issues confronting global corporations working in India; tackling human resources issues in the Indian context; and the emergence of the new global Indian manager.

Anuradha Sharma and Aradhana Khandekar (2006) state in the book “Strategic Human Resource Management: An Indian Perspective” that business organizations the world over are increasingly recognizing the potential of their human resources. Strategic human resource management emerged out of the parent discipline of human resource management with the aim of optimizing organization objectives. It emphasizes the strategic importance of formulating human resource objectives, strategies, and policies with a view to developing the skills and abilities for the achievement of competitive advantage. This book provides a comprehensive, contemporary, and critical review of the key issues in strategic human resource management in India. The focus is on the reality of "people management" in large, global companies. Establishing the effectiveness of strategic human resource management (HRM) with respect to organizational performance,
the authors examine recent research and also provide case studies of companies operating in the country. The book traces the development of the concept of strategic HRM as it evolved out of the parent discipline and presents models related to the field developed by the authors themselves. Designed to meet the needs of course teaching at the graduate level, it is an invaluable text for students, scholars, and practitioners, which will help define the complex agenda of strategic HRM in India.

**Sita V (2008)** strongly advocates in her book titled “Human Resources Management in India: Issues and Initiatives” that human resource management (HRM) relates to formulation of strategies by business entities concerning selection, training and rewarding of their personnel. The subject has assumed added significance in the wake of liberalisation and globalisation trends sweeping across the world. In the face of intense competition unleashed by market-oriented reforms, firms are vying with each other to acquire competitive advantage to prosper in business and in many cases to survive in business. Every possible strategy is being applied to achieve the explicit and implicit objectives of the firm. HRM has emerged as an important ingredient of the policy mix to score points over the existing and potential competitors. This book brings together a collection of papers showcasing the best practices and success stories relating to human resources management in Indian organisations. It provides a rich source of information for practitioners and scholars who wish to further their knowledge of HRM practices from an Indian point of view.

**Pawan S Budhwar and Bhatnagar (2009)**, in their book “The Changing Face of People Management in India” predict that India has been identified as one
of the biggest emerging markets in the world. Indian organizations have increasingly begun to understand the importance of human resources and have started to take into account the motivation, commitment and morale of its workforce. It is a proof that human resource management has to be approached with competency based culture in all its various processes especially those which are concerned with people’s development and organizational development.

Rohini Anand (2010)\textsuperscript{23}, in her book “Corporate India and human resource management: speaks of creating talent pipelines, leadership competencies, based on extensive research and interviews with leading Indian organizations in different sectors and states that the Indian corporate culture and community outline the rapid changes occurring in the country’s business environment, illustrating their profound impact on the nature of its human resource practices. Taking today’s challenging economy into account, this reference demonstrates how developing diverse talent pipelines, fostering sustainable leadership competency, and appreciating the role of employer branding is a trying but vital priority for Indian businesses as well as international companies managing an Indian workforce.

2.3 REVIEW OF LIETERATAURE ON RECRUITMENT

Chatterjee N.R (1965)\textsuperscript{24} as reported in his work “A study of some problems in Indian Industry” has no hesitation to say that 50 per cent of the government and 14 per cent of the private units were making use of psychological tests while going for recruitment, as per the survey conducted by him in 1965 among Indian industries. His findings make it clear that recruitment process was not given sufficient importance. Traditional methodology was in vogue for the process of recruitment in those days in industries.
Shetty Y.K (1970)\textsuperscript{25} in his article mentions about the study done by A. R. Negandhi and Barnard Estafen, in 1965 of 36 Indian companies in five major industrial towns in India which gives different method of sourcing for recruitment. An analysis of the study makes it clear that advertisement is the major source of recruitment. It emphasizes the need for application of competency based recruitment process. The idea of competency, though was mooted in this study, it has not gained any momentum in those days. But it paved way for future business managers to take a serious view of it for the business development through human resource management.

Yoder, Dale (1972)\textsuperscript{26}, in the book titled “Personnel Management and Industrial Relations” had made out a fair assessment of the process of recruitment and concludes that a recruitment policy is necessary which should contain certain factors concerning development of talents and skills of the recruits. He adds that the policy on recruitment must be concerned with the quantity and qualification of manpower. He says that there must be a match of qualities of employees with the requirements of the work.

Flippo, E.B (1976)\textsuperscript{27}, in his work “Principles of Personnel Management” says that recruitment is the most important process of personnel administration and it is the process of searching for prospective employees. He says that competency based approach to selection results in much more accurate decisions and actually reduces the time devoted to making selection decisions. He also suggested that selection subsystem of human resource management could be improved further by adding behavioural simulations. Behavioural simulations allow an opportunity to directly observe behaviour relative to dimensions and competencies that are more difficult to cover in interviews.
Mamoria C.B (1980)\textsuperscript{28} in his book, “Personnel Management” quotes an authority which has prescribed a six fold procedure for recruitment of employees. A psychological testing to explore the surface areas and get an objective look at a candidate’s suitability is the most important of all the procedure. Here, focus of recruitment is given to psychological observation of the candidature.

P.C. Tripathi (1995)\textsuperscript{29} in his book, “Personnel Management and Industrial Relations” lists out certain essential steps in the recruitment process. Placing the requisition, recruitment, selection, placement, induction and training are the steps he suggests in the process of selection of manpower for an organization.

Kesho Prasad (2000)\textsuperscript{30} in his book “Getting the Right People” highlights the changing concepts and the explorations in the field of human resource management for ensuring that people develop a mindset of a very high order for any organisational transformation to meet the challenges of the day. It underlines the value of human mind and human interference into the functioning of any organization.

Kesho Prasad (2000)\textsuperscript{31} in his book highlights the changing concepts and the explorations in the field of human resource management resorting to multitudinal human resource development / interventions for ensuring that people develop a mindset of a very high order for any organisational transformation to meet the challenges of the day. His observation is found very relevant and encouraging for a higher order of human resource functions.

Ganesh Shermon (2004)\textsuperscript{32}, in his book “Competency based HRM” emphatically argues that high turnover is usually done with the high failure rate
amongst the newly hired. Competency based selection increases performance and also decreases turnover rates. He further adds that competency based selection can gain a greater competitive advantage. He views that acquisition of new employees is a most important and complex task. He advocates the development of a competency based job and person data base and matching system which he terms as ‘Job – person matching methods’.

Saiyadain (2006) in his book “Human Resource Management” strongly advocates that professional approach is required in the development and administration of tests and the interpretation of selection methods. He feels that recruitment being the entry point to any organization has to be adequately taken care of, in selecting candidates for recruitment. This human resource management process, in order to be competency based, has to undergo certain systems including administrating appropriate tests to evaluate technical and behavioural competency of an individual.

Saiyadain (2006) in his book “Human Resource Management” emphasizes that recruitment represents the first contact that a company makes with potential employees. Recruitment lends itself as a potential source of competitive advantage to a firm. A recruitment programme helps the firm atleast in four ways as below according to him.

1. Attracts highly qualified and competent people.
2. Ensures that the selected candidates stay long with the company.
3. Makes sure that there is a match between cost and benefit.
4. Helps the firm create more continually diverse work force
The effectiveness of the recruitment process can play a major role in determining the resources that must be expended as other human resource activities and their ultimate success.

**Aparna Bhattacharya (2006)** in the work “Evolution of HR Practices in Indian Corporate” is of the opinion that human resource policies, forming the framework for the culture in the business management, creates awareness towards the need to achieve the business goals in the best possible and ethical manner. Indian companies have realized that in today's competitive business milieu, the quality of people we employ can make all the difference. In the last few years, the human resource has become a key player in strategic planning; it has come a long way from traditional human resource operations like managing the recruitment process, handling staff appraisals and so on.

**Amber Ahuja’s (2007)** book, “Be Inspired; Make an informed Career decision” is quite a good, comprehensive general guide on career planning with both internal (Values, Goals, Motivation, Aptitude, Personality, Attitude, Skills, Other factors) and external markets (International, National, Industry, Company, Job Roles, Salary etc). This is a must for those who go around tomtomming the importance of attitude and how attitude alone matters and wins which is largely a one-sided view.

It has been reported in an article “A Value-driven competency-based human resource management framework” in Asian Journal of Public Administration (2008) that as opposed to the traditional approach in this method the interview is not focused on technicalities of the job but the candidate is judged on the basis of behavioural competencies. In this approach the candidates can demonstrate his
behaviour's/attitude in the workplace by answering questions related to how he dealt with situations in the past.

Recruiting and retention in India today is a challenge to make sure that new employees are right for the job, and to make the best employees stay. However, by being proactive, it is possible for companies to keep good people and achieve their business goals through inculcating competency work culture.

Geet S.D and Asmitha (2008)\textsuperscript{38} in their book “Elements of HRM” feel that recruitment and selection are two stages. They are complimentary to each other. Selection is concerned with identifying the right person to the right job. If the organization expects to obtain the best human resources as its employees, then a scientific selection procedure is imperative.

Walter Dinteman (2008)\textsuperscript{39} in his work “Zero Defect Hiring” says that not taking adequate time to hire the best employees undermines an organization’s performance and opens the door for competitors to recruit the outstanding performers who were overlooked. Managers and recruiters are engaged in a quest for talent search for the right person with the right skills and temperament for a specific position with a specific organization at a specific point in time. Zero defect hiring presents a systematic, reproducible, and proven methodology for hiring. This short and to-the-point book guides managers through all the necessary steps to successfully hiring the "right" person, including: planning, profiling, advertising, assessing resumes, interviewing adopting legal and ethical guidelines for hiring, selling the company to the candidate and the candidate to the company, references, red flags to watch for, and much more.
Sunil Patel (2008) in his webcast “HR and Recruiting Issues in India” confirms that the Indian economy is booming. India is becoming more and more popular as a low-cost place to manufacture goods and outsource services. But without a full grasp of the local HR framework, cost savings can be elusive. This webcast covers topics like compensation, recruiting, labour laws, and many more. More thrust is given on various human resource processes and their relevance to the organizational performance.

Dr Jaideep Kaur, (2010)' in his article “Hiring competent people leads to organizational effectiveness” says that the first step towards getting competent people starts with strategic recruitment (the linking of recruitment activities with organization strategic business objectives and culture) and followed by strategic selection (the linking of selection activities with organization strategic business objectives and culture) to accomplish organization business objectives. Strategic selection aligns employment activities with the organization strategic business to produce contribution to organizational performance.

Pravin Durai (2010)' in his book “Human Resource Management” states that recruitment policy is the guiding principle that governs human resource practices relating to recruitment. A good recruitment policy can serve an organization from facing situation like unproductive tests, and interviews due to non-availability of the right candidate in the applicant pool, compromising on the selection of good candidates, high attrition rate, lower productivity and low motivation among existing employees as a result of faulty policies. A methodical recruitment policy can ensure the availability of a suitable person at the appropriate time with the least disturbance to the production schedule.
2.4 REVIEW OF LITERATURE ON TRAINING AND DEVELOPMENT

Steinmetz, Lawrence L (1969) explains in his article “Age: Unrecognised Enigma of Executive Development” the fine difference between training and development. Training is a short term process utilizing a systematic and organized procedure by which personnel learn technical knowledge and skills for a definite purpose while development is a long term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purposes. His view is that managerial personnel need to undergo development programmes rather than training in a broader sense even though training also includes development aspects in general sense. It makes one to understand that training as well as development process of human resource management is vital for an organization to be successful.

Davar, S.R (1976), in his book “Personnel Management and Industrial Relations” propagates while analyzing the objectives of training came with his observation that it is training which can bridge the gap between existing performance ability and desired performance. His views are that training imparts knowledge, skill set and other required attributes for an individual to make him productive from organizational point of view.

Sridharan N.C (1994) in his article on “Training for implementing Change”, viewed that employees must be made aware of the competitive environment and the value system of their organizations. He further says that it is possible only by systematic training and development. He means that training does not stop with imparting certain skill or talent but it must bring in them, a mindset to own the company’s operation through awareness of various facts and factors contributing to the success of the organization.
Roger Monk (1996) in his article, “The motivation of managers for training” discusses the importance of motivation of employees to training and problems of motivating and of the transfer of training to the workplace. Training cannot on its own bring out any changes in the minds of the participants. Unless the participates are motivated so as to be benefited out of a training or development programme, such training or development programmes would prove to be in vain. Hence, a participant before and after participating in a programme has to be motivated to reap the full benefits of training.

Jane Richards (1997) in his work on, “Management Training – The real objectives” states that while embarking upon a management programme, the real objective must be to focus on the individual manager, not the position in the company. The author’s discussion on training needs analysis that is about the competency, job profiling and identification of competency gap for generic roles which is worth mentioning. Training, when competency based shall achieve these objectives.

Donald L Kirkpatrick (1997) in his work on, “Evaluation of Training”, approached the evaluation process in a more logical way. The author emphasized that while evaluating training, instead of just studying the reactions of the trainees, the study should be carried out in four different levels, such as reaction, learning, behaviour and results. He also says that there must be integration of these four elements for a better understanding of learning level.

Clive Shepherd (1998) in his work on, “A Process for selecting training methods” believes that selection of training methods is more complex than we
might think and it requires a thorough and systematic approach. Population variability, population preferences, and nature of the learning to be achieved, media requirements, logistical issues concerned with selection and availability of resource are of paramount importance in executing a training schedule.

Shishupal Singh Badhu and Karunesh Saxena (1999)\textsuperscript{50} studied the “Role of Training in developing human resource study of a selective industrial unit in Rajasthan”. They conclude that an organization should have a well defined training policy as well as training manual and training should be made an ongoing process. It has been found in the study that the executive development programmes were useful in improving the productivity, efficiency and effectiveness of managers.

Sue Brelade (1999)\textsuperscript{51} in an article, “Developing a Training Strategy” discussed the need for a strategic approach to training and development. The author viewed that the increasing emphasis on developing and deploying intellectual capital as a route to service excellence and competitive advantage would lead to a corresponding demand for a strategic approach to training and development. Also, the author pointed out that for developing a training strategy an organization need expertise in analyzing the present situation, describing the desired future situation and identifying the steps from the present to the desired situation.

Oliver Tian (2000)\textsuperscript{52} in his work on, “The Holistic Approach to Training” viewed that training was no longer business overhead, but a fundamental need for companies to compete effectively in knowledge based economy. He also emphasizes that a holistic approach to training was needed and the holistic approach
requires an integrating of learning and innovation with business objectives and expected outcome.

**Diane Bailey (2000)** in his work on, “Training Need Analysis” focuses on the process of identifying training needs, the advantages of a well-planned and effectively conducted training need analysis and various steps to carry out an effective training need analysis. This is a core and basic process in training. Unless the training addresses the needs of the employees, the conduct of training programmes would serve no purpose. It will only be useful for generation and submission of data. Hence, needs need to be analysed before proceeding with arrangement for conduct of training programmes.

**Srivastava M.P (2000)** in his article, “Management and Training” discusses various aspects of training. He concludes that in the new economy era, skills rather than academic tags, creativity rather than years of experience and skill development through training rather than education are things that matter most. The way to avoid stagnation is to make sure that the employees in the organization are equipped with correct skills. The skills need to be updated periodically with the latest and best methods and techniques through training and development.

**Sue Brrelade and Chris Harman (2001)** in their article, “The Role of the Trainer in Knowledge Management” concluded that training and development is one of the key roles that contribute to effective knowledge management within an organization. There is greater amount of emphasis on the role of a trainer in this article. Competency of the trainer is of paramount importance. A weak trainer cannot make a strong impact on the participants’ learning.
Kailash B.L Srivastava, Sunita Deb and Prasad A.P (2001)\textsuperscript{56} in their article, “Evaluating Training Effectiveness and Customer Satisfaction in TATA Steel – A Case Study” found that satisfaction level of participants, their superior and divisional heads were above average for all types of programmes. But transfer of learning was not as expected. The study also highlighted that the objectives of the programmes were met through the training but the overall impact of training was not impressive.

Carry Platt (2001)\textsuperscript{57} in his work on “Training Contribution to the Organisations” highlighted a range of approaches or options which if adopted and developed properly could contribute not only to the bottom line employees but to the core business of the organization. Training is a vital link pin between the current ability and required ability in terms of skills, attitudes and knowledge.

Sargam Garg (2001)\textsuperscript{58}, through the outcome of his study “Training Mantra of the New Millennium” emphasizes the need and necessity for training after studying the training pattern in HCL, IBM, INFOSYS, MOTOROLA and so on and the benefits these companies had derived. Systems and procedures and practices being followed in bench marking organizations will be vital to be adopted for other organization subject to making required changes to suit to the implementing organization.

Diane Bailey (2002)\textsuperscript{59}, in his article, “Developing a training and development policy” states that a training and development policy which is well constructed and owned by every one in the organization is a powerful tool in establishing standards and possibilities. Training Policy is an important document.
which has potentially a significant effect on how organization’s employees are
developed to meet its business objectives.

Saiyadain (2006)\textsuperscript{60} in his book, “Human Resource Management” has
highlighted that there is a strong linkage between training and performance.
Training is stated as a process for providing necessary inputs, both technical skill
soft skill, for improving the performance of the organization through individual
development. Hence training, according to him, imparts necessary skills, builds
constructive attitude and enhances knowledge of those employees who undergo
training programmes. It is confirmed from his extensive writing, that adequate and
focused thrust is needed for making training effective and competency based.

further to state that all training and development programmes must contain inputs
which enable the participants to gain skills, learn theoretical concepts and help
acquire vision to look into the distant future. In addition, there is need to impart
ethical orientation as attitudinal changes and stress upon decision making and
problems solving abilities.

practical observation that training is not primarily skill orientation Instead, it
provides general knowledge and attitudes which will be helping to enlighten the
skill or position. Training by itself cannot make changes. But it has to create a
sense of inner development for outward expression of the same in performance.

Aparna Bhattacharya (2006)\textsuperscript{63} has identified in his work “Evolution of HR
Practices in Indian Corporate” that one of the challenges HR managers face is issue
of upgradation of the skill set through training and development in the face of high
attrition. Indian companies are recognizing their responsibilities to enhance the employee’s opportunity to develop skills and abilities for full performance within the position and for career advancement. It is very relevant to note that upgradation of skill set, for any person is an undisputable requirement in today’s business environment for facilitating superior performance.

Rituparna Banerjee in the book, “Emerging Trends in Human Resource Management” says that human resource management is a process of bringing people and organizations together so that the goals of each other are met. The name of the game today in business is personnel. Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order. Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This calls for future skill mapping through proper HRM initiatives. Indian organizations are also witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organizations. There is a need for multi skill development.

Rituparna Banerjee (2007) in the book, “Emerging Trends in Human Resource Management” reinforces that training and development extends beyond information and orientation training to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Managers need to be protected from career development risks, re-entry problems and culture shock.

Dr. B. Janakiraman (2007) in his book “Training and Development” has expressed that training has greater significance for the success of an organization.
Core competency and expertise give the organization an edge over their competitors and training plays a vital role in developing and strengthening these competencies. Change of technology demands that employees update their skill, knowledge, abilities and competencies.

Bhatia S. K. (2008) in his work, “Training and Development” states that training Programmes are directed towards maintaining and improving current job performance, while development programmes seek to develop competencies for future roles. In the new millennium, the knowledge revolution has brought tremendous changes in information technology. The training inputs cannot remain constant because of the dynamic pace of change. Obsolescence will occur fast as there will be constant gap between the job requirements and the individual's capabilities. As such there is need of greater emphasis on acquainting the trainers and human resource development professionals with the emerging approaches and concepts. Training and development activity both in terms of quantity and quality will need to be augmented. In order to fulfill the needs of curriculum of increasing management students, trainees, and trainers, this text has been attempted for Indian conditions. This book will provide total and up to date knowledge on the subject of training and development.

2.5 REVIEW OF LITERATURE ON PERFORMANCE APPRAISAL

Georges S. Odiorne (1963) in his article, “Personnel policy: issues and practices” gives a beautiful presentation of the whole process of performance appraisal. He says that emphasis on human performance without regard to human values is not worthy of assessment. He denounces all appraisal methods for their single inherent weakness that they lay emphasis on alikeness and conformity of
human performance ignoring measurement of human values. The real and core value of performance is addressed by the author here. Unless the undercurrent value system is prioritized, the performance appraisal system would be superficial. This spirit is taken into account for the present study.

William C. Byham (1970) in his article on, “Assessment centres for spotting future managers” concludes that performance appraisal gives the employees equal opportunity to display their talents, bring out the skills, abilities and weakness for further necessary action and developmental plans. At the same time he is of the view that no appraisal technique is that perfect to achieve all the goals of performance appraisal.

Shetty Y.K. (1970) in his study on, “Personnel Management Practices: A comparative Study” found that 100 per cent of companies used appraisal system for determining wage increase, 80 per cent for a promotion and transfer and only 5 per cent for establishing training needs. This is the result of his survey of 21 Indian companies. It implies a lot to the present study. Wages, promotion and transfer have to be administered by a well established company policy rather than using performance appraisal system as a tool for it. Performance appraisal system has a wider application and utility.

Murthy O.V.R (1986), in his study of Personnel Managers of 22 private and public sector organizations in India found that 21 of these organizations had no such practice of holding post-appraisal interview or communication as they were afraid of giving feed back to the employees. The performance appraisal system to be effective and result oriented has to be transparent which is termed as competency
based performance appraisal. When the system becomes transparent, the management will be and has to be ready with objective data with regard to individual employee to substantiate the views and assessment of the employees and it would benefit both the employees and organization.

Tripathi P.C. (1996)\textsuperscript{72} in his book, “Personnel Management and Industrial Relations” had listed out the purposes of performance appraisal. According to him performance appraisal serves several useful purposes. It serves as base for job change or promotion, identification of training needs, receiving / giving feedback, incentive payment, recognition of employees and evaluating the level of performance for making out plans for development.

Dick Grote (1996)\textsuperscript{73} states that a good appraisal system can serve as an effective structure for culture change within an organization and it can help ease one of every manager's most dreaded duties. Based on 25 years of experience, Dick Grote gives readers everything they need to make the process work well, including:

- what an ideal system looks like
- the available options and approaches
- how to evaluate performance, write a fair appraisal, and conduct the actual appraisal discussion.
- how to create a system from scratch or optimize the one already in place.
- critical issues that must be considered, including employee development, pay, and legal concerns.
- emerging trends that influence the process such as 360-degree feedback, teams, the use of software.
Subramanian S and Sajjan Rao K (1997) in the journal ‘The Indian Textile Journal’ say that the implementation of a well designed competency oriented performance appraisal system for different cadres of technical / managerial personnel in textile mills is one of the strategic human resource development decisions to gear up the whole organization remain and excel in a highly competitive environment”.

Myers Joel (2001) in his work, “How to Evaluate Your Evaluation System” An employee performance appraisal is a process-often combining both written and oral elements-whereby management evaluates and provides feedback on employee job performance, including steps to improve or redirect activities as needed. Documenting performance provides a basis for pay increases and promotions. Appraisals are also important to help staff members improve their performance and as an avenue by which they can be rewarded or recognized for a job well done. In addition, they can serve a host of other functions, providing a launching point from which companies can clarify and shape responsibilities in accordance with business trends, clear lines of management-employee communication, and spur re-examinations of potentially hoary business practices. Yet Joel Myers notes in the Journal that "in many organizations, performance appraisals only occur when management is building a case to terminate someone. It’s no wonder that the result is a mutual threat to the performance evaluation process. This is no way to manage and motivate people. Performance appraisal is supposed to be a developmental experience for the employee and a 'teaching moment' for the manager.
Ganesh Shermon (2004)\textsuperscript{76} in his book, “Competency Based HRM” writes that the performance management process links goal setting and coaching for performance appraisal and career development as a continuous process. Its purpose is to develop efficient people and improve performance. The performance management process attempts to systematize good practice to ensure that what all managers aim for and achieve is what the organisation requires.

Shawn Smith JD, Rebecca Mazin (2004)\textsuperscript{77} in their book “The human resources” which proves to be a human resource answer book addresses 200 questions that every employer needs to deal with, from recruiting and hiring to discipline and termination, compensation and benefits to training and employee relations. The idea is to increase employee productivity, satisfaction, and retention, attract and hire the best candidates and more fairly and sensitively.

In the book titled, “An Indispensable Guide for Managers and Human Resources Professionals” (2004)\textsuperscript{78}, it is stated that the performance appraisal which aims at facilitating employee development has the following major purposes: (1) to provide feedback and guidance, (2) to set performance goals, (3) to identify training needs, and (4) to provide inputs for management of pay administration, rewards, and promotion. The steps involved in effective performance appraisal are (1) identification of key performance areas and setting yearly objectives under each KPA (Key Performance Area), (2) identification of critical attributes for effective performance, (3) periodic review of performance, (4) discussion of performance with employees, and (5) identification of training and developmental needs.
Antonioni, David (2005) in his book, “Improve the Performance Management Process Before Discontinuing Performance Appraisals” asserts that performance of employees is an essential factor in any company's ability to meet its goals. In a one-person business, goal-setting and achieving is a matter of transforming words into action, but moving the business towards its goals in a larger firm means that the employer has to figure out each person's role in that success, communicate that role to them, and reward or correct their performance. It also means that the appraisal should incorporate factors such as collaborative ability and sense of teamwork, not just individual performance.

Saiyadain (2006) in his book, “Human Resource Management” says that appraisal could be said as an objective method of judging the relative worth or ability of an individual in performing his tasks. A better performance appraisal system should focus on the individual and his development, so as to makes him achieve the desired performance. Performance appraisal system has direct linkage with other personnel system. Performance appraisal identifies areas where employee needs training.

Aparna Bhattachaarya (2006) in his book “Evolution of HR Practices in Indian Corporates” says that evolution of human resource practices in Indian Corporate human resource management is the strategic and coherent approach to the management of an organization's most valued assets the people working there who individually and collectively contribute to the achievement of the objectives of the business. With the growing importance of human capital as a success factor for today’s organizations, the role of HR has become more critical for corporate India as it offers a way to vault into the global league. Increasing demand for skilled
performers forced the companies to shift focus on attracting and retaining high-performing employees in a competitive marketplace.

Rita Nandy (2006)\textsuperscript{82} in her work “Why do we need performance appraisal” irrevocably advocates that we need performance appraisal. Effective organizations are not built merely on investment and returns but more on the quality of the workforce, its commitment to the organizational goals and investments made to attract train and retain superior human capital. The aim of the evaluation system is to identify the performance gap. This means that it helps determine the gap between the actual performance of the employee and that required or desired by the organization. Management system is essential to get the best out of its people. Employee performance is linked to company performance. This helps in achieving the organizational goal and creates a performance culture in the company. Invention, creativity, diversity of perspectives is fostered. Employees act as one company one brand.

Saiyadain (2006)\textsuperscript{83} in his book,” Human Resource Management” says that almost all organizations practice performance appraisal in one form or another to achieve certain objectives. These objectives may vary from organization to organization or even within the same organization from time to time. It has been found that there are two primary objectives behind the use of this methodology. One is to use it as an evaluation system and second, to use it as a feedback system.

Stephanie Lyster, Antigone Eteoklis Arthur, Anne Arthur K. (2007)\textsuperscript{84} in their work, “Pre-written employee performance appraisals: the complete guide to managers” state that performance appraisal is a process of evaluating
employee performance in order to guide and develop the employee's potential. In many extension organizations which are government departments, the performance appraisal is nothing more than a confidential judgment of work done and a character report used to facilitate disciplinary action or promotion. The employees do not get feedback about their performance. Extension organizations need to have an open appraisal system to provide feedback and opportunities for open discussion with employees on their performance, because they have immense potential to grow and develop. This system can create a healthy working climate and employee motivation.

Sikula Andrew (2008) in his article on “Personnel Administration and Human Resource Development” said that performance appraisal is a systematic evaluation of an employee’s performance and potential for development. It is a process of estimating or judging the value, excellence, qualities of the employees. He lays emphasis on values rather than the material output.

“Asian Journal of Public Administration” (2008) in an article “A Value-driven Competency-based Human Resource Management Framework” reports that the method of performance assessment must focus on performance rather than the job content. The technical competencies are measured by qualifications while behavioural competencies by several process of interviewing or through assessment center.

Choi Sang Long (2008) in his research publication on “A Study of the HR Professionals in Manufacturing Firms” examines the vital competencies of Human Resource in the manufacturing companies. The competencies that are
examined in this study are business knowledge, strategic contribution, HR delivery, personal credibility, and HR technology. The finding shows that the top nine HR competency factors are from the domain of personal credibility and HR deliveries.

**Chandramohan A (2008)** in his book, “Human Resource Management” states that performance appraisal is a method of evaluating the behaviour of an employee in doing a particular job in the organization, both qualitative and quantitative aspect of the job of an employee. Here, emphasis is seen to have been placed on employee’s behaviour aspects than the technical achievement.

**Dewakar Goel (2008)** in his book, “Performance Appraisal And Compensation Management” takes a modern approach with the emergence of professional management in both public and private sectors, the focus has been more on performance appraisal and results achieved and the scheme is known as performance appraisal. Accountability for improving both current performance and career growth is to be ensured by this scheme.

**Venkateswara Rao T and Rama Rao (2009)** in their book “Performance Management and Appraisal Systems” has recorded that performance management is a means of identifying critical dimensions of performance, its planning, review and development. It is a simple and commonsensical way to measure productivity as also to enhance performance and is a critical tool for organizations in today's competitive environment. Organizations are constantly on the lookout for a performance system that is appropriate to their environment and work culture. This book explores the many facets of performance management and how it works. The author defines performance management as a continuous process which consists of
defining, planning, analyzing and developing performance through competency building. It focuses on commitment and support building as also recognizing and rewarding performance and contribution. The author maintains that more than just a method of reviewing performance, a performance management facilitates learning among managers. This system brings about role clarity and resultantly, there is more focus on performance development. It also raises levels of trust, which create better communication, and as a consequence a more transparent and productive organization. A key feature of the book is that it advises organizations to shift their focus from an appraisals only approach to the more holistic framework of performance management. This will ensure growth and development of employee performance.

2.6 CONCLUSION

Review of literature provided a greater insight into the human resource processes identified for the study. It supplied a wide spectrum of knowledge to the researcher to direct the focus of the study. New dimensions to human resource processes such as recruitment; training and development and performance appraisal were looked into, while review of literature was made. Different perspectives were learnt during literature review which led to make an analytical study.
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