CHAPTER – FOUR

APPRaisal OF HRM IN KINETIC ELEVATORS LIMITED

The present chapter of the study contains an appraisal of human resource management strategies at KEL. In this chapter examined by the researcher are human resource policies and planning, development activities, corporate culture, human resources development programmes etc. in Kinetic Elevators Ltd.

4.1 HR POLICIES AND HR PLANNING AT KEL

The success of an organisation depends largely on the quality and quantity of its human resources. No organisation can be successful in the long run without having the right number and the right kind of people doing the right jobs at the right time. Procurement of the right kind and right number of personnel is the first operative function of human resource management. Before selecting the right name for the right job, it becomes necessary to determine the quality and quantity of people required in an organisation. This is the function of human resource planning or manpower planning. Human resource management begins with manpower planning.

Human resource planning has been defined as “the process by which management determines how an organisation should move from its current manpower position to its desired manpower position. Through it management
strives to have the right number and the right kind of the people at the right places at the right time doing things which result in both the organisation and the individual receiving, maximum long-range benefit.”

In the words of Strainer, “Manpower planning is the strategy for the acquisition utilization improvement and preservation of an organisation’s human resource. It is aimed at coordinating the requirement for and the availability of different types of employees.” According to Beach, “Human resource planning is a process of determining and assuming that the organisation will have an adequate number of qualified persons, available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

To sum up, human resource planning is the process of determining manpower needs and formulating plans to meet these needs. An analysis of the above definition reveals the following characteristics of human resource planning:

- Human resource planning like all planning is forward looking or future oriented. It involves forecasts of the manpower needs in a future time period so that adequate and timely provision may be made to meet the needs.

- Human resource planning is an on-going of continuous process because the demand for and the supply of human resource undergo frequent changes. It is not static but subject to review and revision in accordance with the needs of the organisation and the changing environment.

- Human resource planning is an integral part of corporate planning. Without a corporate plan, there can be no manpower plan. Whether or not the manpower plan meets the organisation requirements and are in tune with the reality depend on how clearly the goals are defined.
The basic purpose of human resource planning is to make optimum utilization of an organisation’s current and future human resources. In order to maximize the return on investment in human resources, it is necessary to relate future human resources to future needs of the organisation.

Human resource planning has both quantitative and qualitative aspects. The former implies the right number of employees while the later means the right talent required in the organisation.

Human resource planning is the primary responsibility of management so as to ensure effective utilization of the organisation’s human resources.

Human resource planning is a systems approach to human resource. In it the information about the demand and supply of human resources constitutes the input. Comparison and evaluation of demand and supply so as to identify the gap between the two is the transformation process. The output of human resource planning are the strategy and programme formulated bridge the gap.

Human resource plans can be long-term or short-term. Long-term plans are prepared for a period of five years or more on the basis of trends in the economy, labour market and production. These reflect management thinking of the organisation structure, business environment and personal policies. Short-term manpower plans cover time period ranging from one year to less than five years. These are concerned with filling existing jobs. Long range and short-range plans are complementary to each other.

Human resource planning is a two-phased process involving calculation about the demand for and supply of human resources, so as to secure equilibrium between the two. A manpower plan consist of two sub-plans: (i) a manpower demand plan and (ii) a manpower supply plan. Human resource planning is based on the recognition that manpower is an asset.
which grows or appreciates over time. But development of manpower is a
time consuming process.

- Manpower planning involves study of the manpower environment which
  influences the demand of manpower and its supply. It also involves study
  of manpower utilization.

### 4.1.1 RECRUITMENT POLICY

Recruitment is an important part of an organization’s human resource planning
and their competitive strength. Competent human resources at the right
positions in the organisation are a vital resource and can be a core competency
or a strategic advantage for it.

The objective of the recruitment process is to obtain the number and quality of
employees that can be selected in order to help the organisation to achieve its
goals and objectives. With the same objective, recruitment helps to create a
pool of prospective employees for the organisation so that the management can
select the right candidate for the right job from this pool.

Recruitment acts as a link between the employers and the job seekers and
ensures the placement of right candidate at the right place at the right time.
Using and following the right recruitment processes can facilitate the selection
of the best candidates for the organisation.

In this is competitive global world and increasing flexibility in the labour
market, recruitment is becoming more and more important in every business.
Therefore, recruitment serves as the first step in fulfilling the needs of
organisations for a competitive, motivated and flexible human resource that can
help achieve its objective.
Recruitment policy provides a framework for implementation of the recruitment programme in the form of procedures. It may involve a commitment to broad principles such as filing vacancies with the best qualified individuals. The recruitment policy may embrace several issues such as the extent of promotion from within, attitudes of enterprise in recruiting old, handicapped, and minor individuals, minority group members, part-time employees and relatives of present employees.

In smaller enterprises, there may be merely informal recruiting procedures and the line official may be responsible to handle this function along with his usual responsibilities. On the other hand, in the larger organizations, there is usually a staff unit attached with personnel or and industrial relations department designated as employment or recruitment office. This specialisation of recruitment enables staff personnel to become highly skilled in recruitment techniques and their evaluation.

**4.1.2 SOURCES OF RECRUITMENT**

The sources of recruitment do not remain constant but vary from time to time. This implies that the manpower managers must pay attention to local, state-wide and national forces responsible for the variability of sources. The various source of recruitment, as shown in the Table below, may be grouped into the following two categories, and at KEL both types of sources are adopted:
When the recruitment is being before going outside the enterprise, the internal source is used and recruits from within the enterprise. Effective utilisation of internal sources necessitates an understanding of their skills and information regarding relationships of jobs. This will provide possibilities for horizontal and vertical transfers within the enterprise eliminating simultaneous attempts to lay off employees in one department and recruitment of employees with similar qualifications for another department in the company.

1. Transfers: The employees are transferred from one department to another according to their efficiency and experience.
2. **Promotions:** The employees are promoted from one department to another with more benefits and greater responsibility based on efficiency and experience.

3. **Upgrading and Demotion:** Upgrading and Demotion of present employees according to their performance is also an internal source.

4. **Retired and Retrenched Employees:** may also be recruited once again in case of shortage of qualified personnel or increase in load of work. Recruitment such people save time and costs of the organizations as the people are already aware of the organizational culture and the policies and procedures.

5. **Dependents and Relatives:** The dependents and relatives of deceased employees and disabled employees are also done by many companies so that the members of the family do not become dependent on the mercy of others.

**EXTERNAL SOURCE**

Despite attempts to review present employees and suggestions from them, it is not possible to fill all vacancies through internal sources. Therefore, manpower managers must be familiar with external sources. Public and private employment agencies play a vital role in making available suitable employees for different positions in the organisations. Besides public agencies, private agencies have developed markedly in large cities in the form of consultancy services. Usually, of their specialisation, they effectively assess the needs of their clients and aptitudes and skills of the specialised personnel.

1. **Press Advertisements:** Advertisements of the vacancy in newspapers and journals are a widely used source of recruitment. The main advantage of this method is that it has a wide reach.

2. **Educational Institutes:** Various management institutes, engineering colleges, medical Colleges etc. are a good source of recruiting well qualified
executives, engineers, medical staff etc. They provide facilities for campus interviews and placements. This source is known as Campus Recruitment.

3. **Placement Agencies**: Several private consultancy firms perform recruitment functions on behalf of client companies by charging a fee. These agencies are particularly suitable for recruitment of executives and specialists. It is also known as RPO (Recruitment Process Outsourcing).

4. **Employment Exchanges**: Government establishes public employment exchanges throughout the country. These exchanges provide job information to job seekers and help employers in identifying suitable candidates.

5. **Labour Contractors**: Manual workers can be recruited through contractors who maintain close contacts with the sources of such workers. This source is used to recruit labour for construction jobs.

6. **Unsolicited Applicants**: Many job seekers visit the office of well-known companies on their own. Such callers are considered nuisance to the daily work routine of the enterprise. But can help in creating the talent pool or the database of the probable candidates for the organization.

7. **Employee Recommendations**: Many organisations have structured system where the current employees of the organisation can refer their friends and relatives for some position in their organisation. Also, the office bearers of trade unions are often aware of the suitability of candidates. Management can inquire these leaders for suitable jobs. In some organizations these are formal agreements to give priority in recruitment to the candidates recommended by the trade union.

8. **Recruitment at Factory Gate**: Unskilled workers may be recruited at the factory gate these may be employed whenever a permanent worker is absent. More efficient among these may be recruited to fill permanent vacancies.
4.1.3 SELECTION

The procedure of selection varies from organisation to organisation and even from department to department within the same organisation according to the kinds of the jobs to be filled. Selection process consists of a series of steps, at each stage, facts may come light which may lead to the rejection of the applicant. It is a series of successive hurdles or barriers which an applicant must cross.

These hurdles or screens are designed to eliminate an unqualified candidate at any point in the selection process. There is no standards selection procedure to be used in all organizations or for all jobs.
The complexity of selection procedures increases with the level and responsibility of the position to be filled.

The steps of selections are:

**Graph:**

1. Receiving of Application:
   - Application form is a traditional and widely used device for collecting information from candidates. It should provide all

2. Screening of Applications

3. Selection Test

4. Interview

5. Medical Examination

6. Reference Checks

7. Final Approval

8. Employment

9. Rejection (If found unsuitable)

The above method is adopted by KEL. As shown in figure above, every candidate for a job has to clear a number of hurdles before getting selected for the job. If he is not found suitable at any stage, s/he will not be called for the tests. Similarly, if a candidate fails in the tests, he will not be called for the interview.

**1. Receiving of Application:** Application form is a traditional and widely used device for collecting information from candidates. It should provide all
the information relevant to selection, where reference for caste, religion, birth place, may be avoided as it may be regarded an evidence of discrimination.

2. Screening of Applications: Initial screening is done to weed out totally undesirable/unqualified candidates at the outset. It is essentially a sorting process in which prospective candidates are given the necessary information about the nature of the job and the organization, at the same time, the necessary information is also elicited from the candidates about their education, skills, experience, salary expected and the like. It helps to determine whether it is worthwhile for a candidate to fill up the application form.

3. Selection Test: Psychological tests are being increasingly used in employee selection, where a test may involve some aspect of an individual’s attitudes, behaviour and performance. Tests are useful when the number of applicants is large, as at best it reveals that the candidates who scored above the predetermined cut-off points are likely to be more successful than those scoring below the cut-off point.

4. Interview: Interview is an essential element of selection and no selection procedure is complete without one or more personal interviews, where the information collected through application letter or application forms and tests can be cross-checked in the interview, where candidates demonstrates their capabilities and strength in relevant to their academic credentials. Selection in interview serves three purposes:

(a) Obtaining information about the background, education, training, work history and interests of candidate.

(b) Giving information to candidates about the company, the specific job and human resource policies; and
(c) Establishing a friendly relationship between the employer and the candidate so as to motivate the successful applicant to work for the organization.

However, in practice interview becomes a one-sided affair serving only the first purpose.

5. **Medical Examination:** Applicants who have crossed the above stages are sent for a physical examination either to the company’s physician or to a medical officer approved for the purpose. Such examination serves the following purposes:

(a) It determines whether the candidate is physically fit to perform the job, where those who are physically unfit are rejected.

(b) It reveals existing disabilities and provides a record of the employee’s health at the time of selection. This record will help in settling company’s liability under the workmen compensation Act for claim for any injury.

(c) It prevents the employment of people suffering from contagious diseases.

(d) It identifies candidates who are otherwise suitable but require specific jobs due to physical handicaps and allergies.

6. **Reference Checks:** The applicant is asked to mention in his application form, the names and addresses of two or more persons who know him well. These may be his previous employers, heads of education institutions or public figures. These people are requested to provide their frank opinion about the candidate without incurring any liability. In government and public sector organizations, candidates are generally required to route their applications through their present employers, if any. The opinion of referees can be useful in judging the future behaviour and performance of candidate, but
is not advisable to rely exclusively on the referees because they are generally biased in favour of the candidate.

(a) Most candidates are employed at the time of their application, and do not wish their employers to know they are looking elsewhere.

(b) Because of a prospective employer would be breaking a confidence if he or she asked for a reference before an offer of a job had been made and accepted.

(c) By the time an offer has been accepted, selection is over and the reference is too late to affect it.

(d) An offer may be made ‘subject to satisfactory references’, but as most references are received after the candidate has started work, they can only be used to warn managers of possible faults in the candidate which in serious cases may eventually lead to warnings followed by dismissal.

(e) Employers giving references are usually extremely cautious; many references merely state the job title, the date of employment, and reasons for leaving.

(f) References are occasionally biased, giving a good reference to hasten an employee’s departure or a poor one because of a grudge.

Therefore, the best references are obtained in person, where there is a chance to see whether nonverbal behaviour matches what is said. If such a meeting cannot be arranged, telephoning is the next best alternative.

7. Final Approval: In most of the organizations, selection process is carried out by the human resource department, where the decisions of the department
are recommendatory. The candidates short listed by the department are finally approved by the executive of concerned departments or units.

8. Employment: Employment is offered in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions in brief. In some organizations, a contract of service is signed by both the candidate and the representative of the organization. It is at this point where a selected applicant is handled with a letter of offer for a job:

(a) The wage or salary offered must not only be appropriate to the job and attractive to the candidate but consistent with the earnings of present employees.

(b) The job must be named and any special conditions stated, for instance, the first year you will be under training at the head office, then you will be transferred to up-country branches.

(c) The candidate must know the essential conditions of employment, such as hours of work, holidays, bonuses and fringe benefits.

(d) Any provisos must be clearly stated, for example, your employment will be subject to satisfactory references and medical examinations. Appointment is generally made on probation of one or two years, where upon satisfactory performance during this period, the candidate is finally confirmed in the job on the terms employed with, whether permanent or contractual basis.
Chapter-IV Appraisal of HRM in Kinetic Elevators Limited

INTERVIEW ASSESSMENT FORM

<table>
<thead>
<tr>
<th>Interviewee’s Abilities</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Data: Name, age, sex, etc.</td>
<td>4</td>
</tr>
<tr>
<td>Health</td>
<td>3</td>
</tr>
<tr>
<td>Manner and Appearance</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>Intelligence</td>
<td></td>
</tr>
<tr>
<td>Administrative ability</td>
<td></td>
</tr>
<tr>
<td>Emotional stability</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td></td>
</tr>
<tr>
<td>Motivation or goals achievement</td>
<td></td>
</tr>
<tr>
<td>Remarks</td>
<td></td>
</tr>
</tbody>
</table>

4- Very good 3- Good 2- Average 1- Poor

4.2 A CRITIQUE OF TRAINING AND DEVELOPMENT PROGRAMMES OF KEL

**Training:** KEL arranges the training at several intervals. The training is mandatory for all the employees. The training schedule of all employees is maintained by the HR manager. In the EDP Department following are managed:

- Post Sale Process is managed.
- Sales Analysis is done.
- Backup is taken time to time.
4.2.1 IMPORTANCE OF TRAINING: Optimum Utilization of Human Resources - Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.

- Development of Human Resources - Training and Development helps to provide an opportunity and broad structure for the development of human resources’ technical and behavioural skills in an organization. It also helps the employees in attaining personal growth.

- Development of skills of employees - Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

- Productivity - Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.

- Team spirit - Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

- Organization Culture - Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.

- Organization Climate - Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

- Quality - Training and Development helps in improving upon the quality of work and work-life.
Healthy work-environment-Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

Health and Safety-Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.

Morale-Training and Development helps in improving the morale of the work force.

Profitability-Training and Development leads to improved profitability and more positive attitudes towards profit orientation

Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organizational policies.

Training and Development helps in developing leadership skills, Motivation, loyalty, better attitudes, and other aspects that successful Workers and managers usually display.

**Human Resources Development** is a process by which employees of the organization are continuously helped in a planned manner to acquire capabilities, knowledge, perspective attitude, values and skills, develop their general individual capabilities and to develop organization culture as a whole.

At KEL, HRD Department has been conducting various programmes to develop and update skills of the employees at all the levels briefly as under:

- In house training programmes/ conferences are being conducted to develop internal talent as well as to develop the skills of the employees at various levels and in various discipline.
Employees are sponsored to various reputed Institutes/organizations on need basis to participate in the training programme/ conference/ seminar/ symposiums/ workshops.

Computer training is organized for the employees and their wards as per need.

Employees are sent to attend various Seminars, Conferences and workshops organized by various leading Institutes/ Ministries/ Department of Public Enterprises.

To find out the suitability of a person for a particular job, the potential appraisal of the candidate is very necessary. An appraisal must be made of the personnel included in the talent catalogue. Predicting managerial success for specific people and groups is becoming an important research area because it involves the determination of significant personal qualities of health and heart that are necessary for a successful executive.

The responsibility of appraisal of potential for promotion may rest with the supervisors. Each first line supervisor may be asked to submit his recommendations of personnel who seem to have the potential to advance within the organization. On the basis of this evaluation, managers can determine which employees have the potential for advancement. For each such an employee a factual inventory record is obtained which obtains the information regarding the employee and the appraisals made by his supervisors. This record will provide the foundation for a programme of individual development. It will provide the management information regarding the adequacy of the supply of available personnel talent now and in the future.

A comparison of manpower forecast and the inventory of existing resources give an idea of the action plans that are required to bridge the gap between the availability and requirement of manpower resources. In order to be effective,
this plan should be supported by sound personnel objectives and programmes and priorities for implementation.

It is essential to identify the positions that may be required to be filled and then decide whether these positions can be filled by (i) internal placements of men of suitable skills and talents; or (ii) by a process of personnel development; or (iii) by resorting to open market recruitments. However, the primary output of manpower planning in most companies is the determination of living goals to meet future manpower needs.

4.2.2 CAREER DEVELOPMENT PROGRAMME IN KEL

An integral part of KEL’s employee-centered policies is its thrust on there knowledge up-gradation and development. The Training Division, along with other training institutes, plays a key role in keeping the workforce at place with global standards. It also focuses on marketing its HRD expertise in the field of exploration and production of chemicals. KEL’s Sports Promotion Cell, the apex body, has a comprehensive Sports Policy through which top honours in sports at national and international levels have been achieved.

Tremendous emphasis has been given to career development at KEL since its inception. There is a recognition that qualified executives needed throughout the industry and do not just emerge from work-force without consciously planned action on the part of the organization. Good organizations select the talented employees and take measures to develop them to have adequate inventory of management skill for use in the future. Management development also looks for development at present in managers. Thus, everyone who is in a managerial position or expected to be the one in the future should be developed.

All potential managers or anyone below the top person in the organization who may be transferred or promoted to another job should be prepared for the
promotion by the process of executive development. The objectives of management or executive development programme of any business concern are: to improve the performance of managers in their present positions; and more importantly, to ensure an adequate reserve of capable well trained administrators for future needs.

The second point emphasizes on “learning”. Learning is of crucial importance in the process of training. While the person imparting and providing learning experience to his subordinate, should be well conversant and experienced with the principal and applications of learning all the same, training programmes must specifically state what is to be learned? Or in other words what is the objective of the training are? How successfully the employee assimilates the learning he received from his job performance and how well this learning will continue to act as a stimulant to him in his future performance, training programme should visualize all this.

4.2.3 HIGHLIGHTS OF TRAINING IN KEL

Some of the special features of training programmes of KEL have been observed by the researcher which is given below:

- **New Training Paradigm:**
  - Training for “performance Excellence” and
  - Training directly related to meet Corporate Business goals and plans.

- **Training Philosophy:**
  - Training based pm “need Identification” meeting organizational and individual needs

- **New Programmes Introduced in KEL:**
  - Customer Service through TQM at ROs
  - Excellence in Customer Care
Chapter-IV Appraisal of HRM in Kinetic Elevators Limited

- Thrust on Blue Collar Worker Training
- Medical course conducted for employees
- Training of Foreign Personnel Officers for staff
- Women sent for external training programmes
- Secretarial Skills Programme conducted for PAs
- Finance for non-finance course conducted for the first time

➢ Up-gradation of Training Quality:
- Average course rating of both Head Office and Regional Offices Programmers have shown significant improvement 3.5 to 3.75
- The minimum course rating has been 3.75 on 1-4 scale

➢ MT/OPs Training Modules:
- Revised module for Management Trainee has been institutionalized
- Feed-back during OJT Training obtained for effective control and monitoring
- The Management Trainees Module is considered to be the finest Training Module
- Specialized behavioural inputs have been built into their agenda
- Officer promoted training has been modified based on 0 feed-back from earlier batches and the functional HODs.

➢ BCW Training (Blue Collar Worker):
- Thrust on Blue Collar Worker training has been further intensified. Considerable improvement in quality and coverage has been obtained
- Specialized programme on safety and quality control has been conducted throughout the country
- Personal development programmes introduced

➢ Innovative:
- TQM efforts *Star Colleague and Winner*
- Computer Training CBT-Aviation and LPG
• Training need assessment
• Library soliciting—“Employee as a Customer”
• Video/Audio facility in library exercised

➢ Creative and Innovative Development Activities:
  • CBT on Aviation and QC
  • Pride-info sharing OD intervention
  • Training calendar published integrating HO and ROs
  • Pledge by participants
  • Personal vision statement by MTs.

The above discussion reveals that KEL is quite conscious about the human resource development programmes. As such new modules of training and development are discovered. The career planning programmes along with manpower planning programmes of the Company have earned accolades from far and wide. The human resource development strategies are quite conducive to the needs of the corporation as well as environment point of view. The organization has also gone for environmental protection and green marketing strategies.

4.3 STRATEGIC ISSUES OF HRM AT KEL

4.3.1 HR OBJECTIVES OF KEL

The Human Resource objectives at Kinetic Elevators Limited are as follows:

• Lead and facilitate continuous change towards organisational excellence.
• Create a learning and vibrant organisation with high sense of pride amongst its members.
• To develop and sustain core values.
Chapter-IV Appraisal of HRM in Kinetic Elevators Limited

- To develop business leaders for tomorrow.
- To provide job contentment through empowerment, accountability and responsibility.
- To build and upgrade competencies through virtual learning, opportunities for growth and providing challenge in the job.
- To foster a climate of creativity, innovation and enthusiasm.
- To enhance the quality of life of employees and their family.
- To include high understanding of ‘service’ to a greater cause.

4.3.2 ROLE OF HR IN KEL

- Alignment of HR vision with corporate vision.
- Shift from support group to strategic partner in business operating.
- HR as a change agent.
- Enhance productivity and performance by the developing employee competency and potential.
- Developing professional attitude and approach.
- Developing ‘Global Managers’ for tomorrow to ensure the role of global players.

The organization has over the years been committed to good corporate governance practices. Having its genesis in farmers’ cooperatives, social development and humane facets have always been of prime focus in its growth and philosophy – an organisation which owes its existence to the farmers, by the farmers and for the farmers of this great country.
4.3.3 FUTURE HRD STRATEGY OF KEL

Some of the future plans as initiated by KEL are being presented in the following lines by the researcher:

- Assess and monitor the performance of new HRD systems for correction.
- To consolidate the existing HRD systems.
- Intensive and extensive HRD for workmen.
- Team building and transactional analysis.
- Sensitivity training and management games in the form of quizzes.
- KEL may hope to work towards institutions building.

There are several work situations in which an individual demonstrates the capacity to contribute towards organization goals beyond the level of his or her present job and, thus, can be considered a candidate for promotion. In organizational settings, promotion relates to the assignment of an individual to a position of more responsibility or to one which involves the use of his or her particular education or experience. Therefore, promotion can be defined as a reassignment of the individual to a job of a higher rank usually involving an increase in responsibility and pay, privileges, prestige, status, authority, etc. upgrading forms a variety of promotion indication minor promotion, promotion within grade or horizontal promotion.

Dukes describe an idealized sample promotion process. Job description is attached with every position in the organisation. It involves duties and responsibilities of an incumbent and also indicates experience and education required on his or her part. The job description can frequently be supplemented with a job requisition embracing other items such as age range and personality characteristics. The personal specialist can use the position requirement as search parameters to review files of the present employees containing their
Chapter-IV Appraisal of HRM in Kinetic Elevators Limited

qualifications. This review may help in identifying the individuals who possess the desired qualifications of the job such as age limits, education, experience and allied qualities. This is essentially a quantitative search relates to assessment of personality through interview, reference checks, counselling and psychological testing to obtain the pertinent qualitative information on the part of a prospective incumbent.

The management of KEL follows merit vs. seniority basis of promotion but attaches more importance to the qualifications, competencies, skills and professional expertise in the promotion policies, particularly for executives and higher cadre people at work.¹

KEL considered manpower resources more important as compared to financial and physical resources. Long-term human resource planning amicable industrial relations cordial human relations, sound public relations are important features of industrial relations at KEL. Therefore, KEL has given very high importance to manpower management and human relations. KEL is undertaking various activities for this purpose.

The organization has adopted a systematic plan for industrial relations. The features are – participative management, total employee involvement (TEI), growth of QCs, TQM philosophy, OD programmes, collective bargaining and spirit in every functional area.

KEL also offers a model of personality and dynamics of self and its relationship to others. There have never been strikes and industrial disputes in KEL right from its inception to the present times. It is said that KEL pays highest attention to the human relations and people’s management. It pays attention to the people from cradle to the grave. This is the secret of success, growth and globalisation programmes of KEL.

¹ Based on personal interviews at HR Department of KEL.
4.4 INDUSTRIAL RELATIONS STRATEGY OF KEL

At KEL, adequate compensation, remuneration and incentive schemes are operative. The determination of wages is done depending upon several factors as discussed below:

1. Demand for and supply of labour: Higher the demand for labour than its supply, higher the wage-rate would be. Where the labour force is scarce, the remuneration payable to them is fairly high. On the other hand, for the jobs where the supply of labour is abundant, the wages payable to them, are lower.

2. Productivity of Labour: A commonly used measure of productivity is the ratio of total output to total labour involved which is called labour productivity. The wages are paid to the workers equal to their productivity.

3. Bargaining capacity: Wages may be the strength of the trade union of the workers as well as the bargaining power of the employers. At KEL, trade unions have enough bargaining capacity and are instrumental in increasing the wage rates.

4. Cost of living: It is to be noted that a certain wage may be adequate under certain price level while under another price level it may be inadequate. The Company has started linking payment of wages with the cost of living and try to increase the wage with the increase in the cost of living.

5. Government Policy and Regulation: The Laws passed in the country regulating the payment of wages to the labourers, are being followed
properly. The minimum wages have been fixed and efforts have been made to fix fair wages as far as possible.

There are two methods of remunerating the workers. They may be paid on the basis of time or work done. The former is known as time wage system and the latter is known as piece wage system. These are the two basic methods and other methods evolved are their offshoots or modifications. The efficient workers are rewarded in different manners i.e. he is promoted to higher position. Under the piece wage system, the wages are not paid on the basis of fixed period of time. They are linked with the amount of work done by the workers. Today when emphasis is given upon efficiency, mass production and reduction of cost per unit, this system has been adopted to a greater extent. It is so because under this system the efficiency of the workers tends to increase as they have some incentive to produce more.

The following basic principles have been followed at KEL while introducing the incentive schemes:

i. The scheme is simple and easily understood by all the workers. Technical terms are avoided or carefully explained.

ii. The basic principles of the scheme are decided in consultation with the trade union workers concerned at all stages.

iii. Supervisors are fully conversant with the scheme and fully aware of its implications.

iv. Anomalies or disputes about standards are investigated immediately and rectified. The scheme is sufficiently flexible to allow for modification.

v. The scheme is not expected to be a substitute for effective supervision. If supervisors are not well trained, the time is not ripe for introducing an incentive scheme.
Motivation may be defined as the complex of forces inspiring a person at work in an organisation to intensify his desire and willingness to use his potentialities for achievement of organisation objectives. It is something that moves a person into action and continues in the course of action enthusiastically. The role of motivation is to develop and intensify the desire in every member of the organisation to work effectively and efficiently in his position. There are certain forces inside the person inspiring him to continue work which may be called as drives instincts or tension state. Thus by motivation we mean mechanisms inside the person that sustain his continued activity as a human being.

Motivation has also been defined as the process or the reaction which takes place in the memory of the individuals. It may be viewed as a combination of force (motives) maintaining human activity. According to March and Simon, motivation to produce is a function of the character of the evoked set of alternatives the perceived consequences of evoked alternatives and individual goals in terms of which alternative are evaluated. March, and Simon have established positive correlation between productivity and motivation by means of a theoretical model.

Following are the main generation in this model:

1. Lower the individual satisfaction, greater the search for better ways of doing the job.
2. More the search for alternatives, greater the expected rewards.
3. Greater the expected rewards, the higher the satisfaction and level of aspiration.
4. Higher the level of aspiration, lower the satisfaction.

Thus, if the present level of satisfaction is low the search is more and vice versa. Higher the expected rewards higher will be the search. It will in turn lead to higher level of aspiration. When greater reward is expected greater is the
satisfaction. When a person feels that he has to achieve higher value of reward greater is the search. If the expected value of reward becomes higher so that individual is never satisfied. His level of satisfaction will be lower. Thus, level of aspiration and satisfaction are negatively will continue to be motivation by this mild dissatisfaction. If the level of aspiration does not rise whereas the reward rises, the individual becomes complacent and his search activity declines. But on the other hand the level of aspiration is too high that it is beyond the reach of the individual the result will be frustration March and Simon conclude from this analysis that high satisfaction does not necessarily stimulate productivity rather it is the dissatisfaction that stimulates productivity.

A distinction may be made among the three things: need, incentive and motivate. This is to emphasize that any need present in the individual does not necessarily leads to action. The need has to be activated which is the function of incentive. It is something which incites or tends to incite to determination of action. Thus, incentive is an external stimulus that activates need and motivation refers to an activated need, an active desire or wish. But a better definition is to regard incentive as the there is some incentive. Thus, any incentive has reference to:

i. The individual and his needs which he is trying to satisfy of fulfil; and

ii. The organisation which is providing the individual with opportunity to satisfy his needs in return for his services.

Thus, conceptual difference between motivation and incentive is that incentive is the mean to motivation.

It has been demonstrated conclusively that incentives have a direct bearing on the degree of motivation. Increase in incentive leads to better performance. It should be noted that motivation does not change the individual’s capacity to work. It simply determines the level of effort of individual raises it or lowers it
as the case may be. Keith Davis says that motives are expression of a person’s needs they are personal and internal. Incentives, on the other hand are external to the person. They are something he perceives in his environment as incentive to channel in a productive way their drives for recognition and status.

**4.5 APPROACHES TO HR AUDIT AND HR RESEARCH IN KEL**

In business an audit refers to a review and verification of accounting transactions to see whether they represent a true and fair view of the operation and state of affairs of the business or not. In conducting an audit, the auditor examines the degree of conformance with accepted business policies and practices and the legal provision. He also examines the accuracy with which record and accounts are maintained. Thus, audit serves as a control mechanism over the completed actions.

Need for control, critical review and evaluation of the performance of the human resource department is not less important than in the case of accounting department of the organisation. For instance, an audit of recruitment and selection activities will examine the compatibility of personal policies and practices with organizational objectives. But personnel audit is not limited to a review of the work of the personnel department. As said earlier, all member of management have a personnel responsibility. They all take part in developing policies and operator under these in handling their personnel department activities and consider the role of management in effective manpower utilization.

According to Dale Yoder, “Personnel audit refers to examination and evaluation of policies procedures, and practices to determine the effectiveness of personnel management.” Personnel or human resource audit is an investigative, analytical and comparative process. It undertakes a systematic
search of the effectiveness of the personnel programmes. It investigates formally and in depth as contrasted with day-to-day informal impressions.

Personnel audit should not be confused with the measurement of employee morale. It is much more than a survey of the employees’ morale. Attitudes and morale represent only a portion of the total facts and figures to be considered. Personnel audit reveals the extent to which management has been successful in encouraging the personnel identification of employees with the organisation and their acceptance of the organization goals. It checks the indicators of the quality of leadership, of motivation, of communication, effectiveness of supervision and constant development of operative employees, supervisors and managers.

HR Audit means the systematic verification of job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal and job evaluation, employee and executive remuneration, motivation and morale, participative management, communication, welfare and social security, safety and health, industrial relations, trade unionism, and disputes and their resolution. HR audit is very much useful to achieve the organizational goal and also is a vital tool which helps to assess the effectiveness of HR functions of an organization.

Generally, no one can measure the attitude of human being and also their problems are not confined to the HR department alone. So it is very much broad in nature. It covers the following HR areas:

- Audit of all the HR function.
- Audit of managerial compliance of personnel policies, procedures and legal provisions.
- Audit of corporate strategy regarding HR planning, staffing, IRs, remuneration and other HR activities.
• Audit of the HR climate on employee motivation, morale and job satisfaction.

4.5.1 BENEFITS OF HR AUDIT

It provides the various benefits to the organization. These are:
• It helps to find out the proper contribution of the HR department towards the organization.
• Development of the professional image of the HR department of the organization.
• Reduce the HR cost.
• Motivation of the HR personnel.
• Find out the problems and solve them smoothly.
• Provides timely legal requirement.
• Sound Performance Appraisal Systems.
• Systematic job analysis.
• Smooth adoption of the changing mindset.

4.5.2 APPROACHES TO HR AUDIT AT KEL

There are five approaches for the purpose of evaluation of HR in any organization:
• Comparative approach
• Outside authority
• Statistical
• Compliance approach and
• Management By Objectives(MBO)

The auditors always prepare and submit an audit report to authority of the organization, which may be clean or qualified. The clean report indicates the appreciative of the department's function, but the latter one represents the gaps
Chapter-IV Appraisal of HRM in Kinetic Elevators Limited

in performance and therefore contains remarks and remedial measures. HR Audit is very much helpful to face the challenges and to increase the potentiality of the HR personnel in the organization.

4.6 EMPLOYEES SERVICES IN KEL

In business the employees’ services or labour welfare is a comprehensive term including various services, benefits and facilities offered to employees by the employer. Through such generous fringe benefits the employer makes life worth living for employees. The welfare amenities are extended in addition to normal wages and other economic rewards available to employees. The significance of welfare measures was accepted as early as 1931 when the Royal Commission on Labour stated, “The benefits are of great importance to the worker which he is unable to secure by himself. The schemes of labour welfare may be regarded as a wise investment because these would bring a profitable return in the form of greater efficiency.”

At KEL, several types of services are provided to the employees who are summarised below:

EDUCATION

A scheme of workers’ education was envisaged on an all India basis by the Government of India, way back in 1957. The scheme had four main objectives:

- To develop strong unions through trained officials and more enlightened members.
- To develop leadership from the rank and the file.
- To equip organized labour to take its place in a democratic society and discharge its social and economic functions.
• To promote, among workers, a greater understanding of the problems of their economic environment and their privileges and obligations as union members and officials and citizens.

KEL is also taking effective steps in providing education to the workers’ children. The company meets the cost of books, annual fee, etc. to the children of workers on voluntary basis. The company also provides interest-free loans to the children of employees for pursuing higher studies.

**HOUSING**

Housing is the primary need of a worker’s family in civilised life. Without a roof to cover his head, the worker naturally feels frustrated about his poor standard of living in big cities. KEL provides good accommodation to its deserving employees. The company also provides housing rent allowance to such employees who opt for rented accommodation.

**TRANSPORTATION**

KEL has recognised the employees’ need for transport services and, therefore, responded favourably by providing company owned/leased vehicles to its employees. The company has also introduced innovative financing scheme enabling employees to buy their own bicycles, scooters, motor cycles etc.

**HEALTH AND RECREATION**

There is a Club inside the factory premises of the company where recreational and cultural events take place time to time. Apart from this, there are facilities for games like badminton, volley ball, lawn tennis, table tennis in the club which the employees use on daily basis. Annual tournament of such games is also organised and the Chairman of the company distributes prizes to the winner players. Daily exercise facilities are also established at the club.
Voluntary Yoga training teachers also take regular classes in the early morning in the club free of cost which help the employees better their health and mind.

**CANTEEN, RESTROOM AND LUNCHROOM**

There is very good canteen cum restroom cum lunchroom inside the factory premises of the company which offer food at subsidized rates. Proper furniture arrangement is also done at the canteen so that workers may take rest during their intervals.

**MEDICAL AID, LTC ETC.**

The company has established first-aid facilities to take care of minor injuries. Reimbursement of medical expenses actually incurred is also given to deserving employees.

Thus, we found a number of employees services schemes at Kinetic Elevators Ltd. of which the company is proud of.

**********