**Introduction To Human Resource Management** ↓

Every business unit needs human resource (manpower) for the conduct of different business activities. In fact, no organisation can exist or operate efficiently without the support of human resource. Such human resource includes top level managers, executives, supervisors and other subordinate / lower level staff / employees. A business organisation has to estimate its future manpower needs and adjust its manpower planning and development programmes accordingly. This is called 'staffing' function of management. Human resource management is also described as personnel management or manpower management. According to Edwin Flippo, "Personnel Management is the planning, organising, directing and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to organizational, individual and social goals".

Various areas such as recruitment and selection, wage payment and industrial relations are covered under human resource management.

squareMeaning of Human Resource ↓

In an industrial unit, large number of persons are employed in order to conduct various operations and activities. This is treated as human resource or manpower employed. A business unit needs material resources as well as human resource for the conduct of various activities. Of all the "M"s in management (such as Materials, Machines, Methods and Money) the most important "M" stands for Men i.e., manpower working in the organisation. It is through manpower/employees that all other ingredients of an enterprise-money, machines, materials, marketing, etc., are managed. In brief, Human Resource (HR) constitutes the most important and the most productive resource of an industrial / business unit.

It is rightly said that "machines are important in the production process but the man behind the machines is more important". He transforms the lifeless factors of production into useful products. Human resource (HR) is an important asset of a business unit. Well-trained, loyal and efficient team of workers brings success and stability to a business unit. This suggests the importance of human resource in business. People and the organisation in which they work are inter-related and interdependent. organisation moves towards prosperity only by using its available human resource purposefully. Similarly, employees get various monetary and other benefits through the prosperity of their organisation.

squareWhat is Human Resource Development? HRD ↓

Human Resource Development (HRD) means to develop available manpower through suitable methods such as training, promotions, transfers and opportunities for career development. HRD programmes create a team of well-trained, efficient and capable managers and subordinates. Such team constitutes an important asset of an enterprise. One organisation is different from another mainly because of the people (employees) working therein. According to Peter F. Druker, "the prosperity, if not the survival of any business depends on the performance of its managers of tomorrow." The human resource should be nurtured and used for the benefit of the organisation.

squareImportance of Human Resource in Management ↓

Human resource is most important resource in management and needs to be used efficiently. This is because success, stability and growth of an organisation depend on its ability in acquiring, utilizing and developing the human resources for the benefit of the organisation. In the final analysis, it is the people (i.e employees) who produce promising results and generate a climate conductive to the growth and development of an organisation. HR is a highly productive corporate asset and the overall performance of companies and corporations depends upon the extent to which it is effectively developed and utilised. It is the most delicate factor of production and need not be treated merely as a commodity to be bought and used in factories.

According to Peter Drucker, "The function of management is to manage managers, workers and work". The importance of manpower in business management is now universally accepted. Employees have a capacity to grow and develop, if suitable opportunities are offered. They give positive response to monetary and non-monetary incentives, training opportunities, favorable work environment and motivation. According to Pigors and Myers, "Good management means getting effective results with people". This suggests the importance of human resource.

Human resource is certainly important even in this age of extensive use of computer technology. This is because machine cannot be used as a substitute for human brain which has capacity to think, assess and react. It is correct to say that man is a power rather than man has a power. Progressive / professional managements invest huge funds on training and development of human resource and this suggests the importance of human resource and its contribution in industrial and economic development. Professionally managed companies in India such as Larsen and Toubro Ltd, TELCO, Reliance, etc., give special importance and good attention to HRD.

The following remark of Shri Dhirubhai Ambani, former chairman of Reliance Industries Ltd. (made in the 21st AGM held on 3/8/95), is worth noting in this regard. "Our People : People are assets you can never show on a balance sheet. Our company has a human resource asset of around 12,500 people; 3,000 of which constitute scientific and technical manpower. Every year we add over 450 young professionals. These motivated and well-trained people are the backbone of our business. The team is young in spirit, conscious of its responsibilities and committed to building world class assets for the country".

squareDefinitions of Human Resource Planning - HRP ↓

Colemn has defined human resource planning as "the process of determining manpower requirements and the means for meeting those requirements in order to carry an integrated plan at the organisation".

Stainer defines manpower planning as "strategy for the acquisition, utilisation, improvement and preservation of an enterprise's human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing resources of manpower".

squareObjectives of Manpower / HR Planning ↓

To ensure optimum utilisation of human resources currently employed in the Organisation.

To determine the future manpower requirements of the Organisation as per the need for renovations, modernisation, expansion and growth programmes.

To determine the recruitment level.

To ensure that necessary human resources are available as and when required.

To assess future accommodation requirements.

To design the basis for management development programmes so as to develop the required talents among the employees selected.

squareAdvantages / Importance of HRP ↓

Meeting manpower needs : Every Organisation needs adequate and properly qualified staff for the conduct of regular business activities. Imaginative HRP is needed in order to meet the growing and changing human resource needs of an organisation.

Replacement of manpower : The existing manpower in an Organisation is affected due to various reasons such as retirement and removal of employees and labour turnover. HRP is needed to estimate the shortfall in the manpower requirement and also for making suitable arrangements for the recruitment and appointment of new staff.

Meeting growing manpower needs : The expansion or modernisation programme may be undertaken by the enterprise. Manpower planning is needed in order to forecast and meet additional manpower requirement due to expansion and growth needs through recruitment and suitable training programmes.

Meeting challenges of technological environment : HRP is helpful in effective use of technological progress. To meet the challenge of new technology existing employees need to be retrained and new employees may be recruited.

Coping with change : HRP enables an enterprise to cope with changes in competitive forces, markets, products, and technology and government regulations. Such changes generate changes in job content, skill, number and type of personals.

Increasing investment in HR : An employee who picks up skills and abilities becomes a valuable resource because an organisation makes investments in its manpower either through direct training or job assignments.

Adjusting manpower requirements : A situation may develop in; an organisation when there will be surplus staff in one department and shortage of staff in some other department. Transfers and promotions are made for meeting such situations.

Recruitment and selection of employees : HRP suggests the type of manpower required in an organisation with necessary details. This facilitates recruitment and selection of suitable personnel for jobs in the Organisation. Introduction of appropriate selection tests and procedures is also possible as per the manpower requirements.

Placement of manpower : HRP is needed as it facilitates placement of newly selected persons in different departments as per the qualifications and also as per the need of different departments. Surplus or shortage of manpower is avoided and this ensures optimum utilisation of available manpower.

Training of manpower : HRP is helpful in selection and training activities. It ensures that adequate number of persons are trained to fill up the future vacancies in the Organisation.

squareMeaning of Personnel Management ↓

Personnel refer to the employees working in an organisation. They represent the manpower which is an important asset of a business unit. Employees are the real supporters of a business unit and they contribute substantially for the stability and prosperity of a business unit. Employees have various problems relating to wage payment, promotions, transfers, working conditions, welfare facilities, training and so on. All such problems are treated as personnel problems. These problems come within the scope of personnel management which is one important area of total business management. Naturally, a separate department called 'Personnel Department' is created in every organisation. It looks after the personnel problems. The manager in charge of this department is called personnel manager. He has to perform various functions which are responsible in nature and also delicate. He needs tact and imagination while dealing with personnel problems. He also needs active support of the top management for dealing with personnel problems effectively.

A personnel manager must be a specialist in organisation theory. In addition, he should be an expert in the personnel administration with knowledge of relevant Labour laws, procedures and so on. A personnel manager needs sound academic qualifications, communication skill, broad social outlook, sympathy and consideration for employees. Knowledge of subjects like philosophy, logic, sociology and ethics is also useful while discharging his duties and responsibilities. He needs a keen sense of social justice and also rights and interest of men (employees) at work. A personnel manager also needs other qualities which are normally required by a successful manager.

In short, personnel management deals with the people working in an organisation. It studies and solves their problems in order to create an efficient, loyal and co-operative labour force for the benefit of a business enterprise.

Personnel management deals with "personnel" of the organisation. It is concerned primarily with the manpower resource inputs.

squareDefinitions of Personnel Management ↓

According to Edwin Flippo, "Personnel management is the planning, organising, directing and controlling of the procurement, development, compensation, integration and maintenance of the people for the purpose of contributing to organizational, individual and social goals."

According to George R. Terry, "Personnel management is concerned with the obtaining and maintaining of a satisfactory and a satisfied, workforce."

According to British Institute of Personnel Management, in London, "Personnel management is that part of management which is concerned with the people at work and with their relationship within an enterprise."

squareFeatures of Personnel Management ↓

Personnel management relates to managing people at work. It covers all levels of personnel’s and their needs, expectations and so on. In this sense, it is a comprehensive function and is basically concerned with managing people at work.

Personnel management is concerned with employees, both as individuals as well as a group. The aim of personnel management is to get better results (for the Organisation) through their involvement, motivation and co-operation. It is a people-oriented process of bringing people and organisations together so that the goals of each are met property.

Personnel management is concerned with helping the employees to learn and develop their potentialities to the highest level for their benefits as well as for the benefits of their Organisation.

Personnel management is inherent in all organisations as all organisations (including industrial and commercial) need manpower for the conduct of their activities. They are concerned with recruitment, selection, utilisation and development of manpower available. Personnel management is an integral aspect of total business management.

Personnel management is a continuous activity/function in an Organisation as personnel problems continue to exist as long as employees are working in an Organisation. They need constant attention as they may disturb normal working of an Organisation, if neglected.

Personnel management aims as securing willing co-operation of employees for achieving organizational objectives. This is natural as industrial and other activities can be conducted only with the support of human resources.

squareObjectives / Purposes of Personnel Management ↓

To attain maximum individual development (self development) of the members of an Organisation and also to utilise available human resources fully and effectively.

To mould effectively the human resources.

To establish desirable working relationships between employer and employees and between groups of employees.

To ensure satisfaction to the workers so that they are freely ready to work.

To improve the service rendered by the enterprise to the society through better employee morale which leads to more efficient individual and group performance.

To establish and maintain a productive and self respecting relationship among the members of an Organisation.

To ensure the availability of a competent and willing workforce to the Organisation for its progress and prosperity.

To help Organisation to achieve its goals by providing well trained, efficient and property motivated employees.

To maintain high morale and good human relations within the Organisation for the benefit of employer and employees.

To secure the integration of all the individuals and groups with the Organisation by reconciling individual/group goals with those of an Organisation.

squareFunctions of Personnel / HR Management ↓

The functions of HRM are directly or indirectly related to the human resource available in the organisation. HR manager has to perform the basic functions of management in the area of HRM. These managerial functions include planning, organising, directing and controlling the manpower of his department. The operative functions of the HRM include procurement of manpower, development of manpower, and payment compensation to manpower and so on. In short, HRM involves the following functions and these functions are to be performed by the HRM department of the Organisation:

Functions of Personnel / HR Management are :-

Procurement of manpower : Procurement means acquiring or resourcing the human resources or the manpower required by an Organisation from time-to-time. Such procurement will be from the employment market. The basic principle in procurement is "right man for the right job". The procurement function includes manpower planning and forecasting, recruitment, selection, appointment, placement and induction of employees so as to have a team of efficient and capable employees for the benefits of the Organisation. Even promotions and transfers are covered by this broad personnel function. At present, scientific methods are used for recruitment and selection of most suitable manpower for the benefit of the Organisation.

Training and Development of manpower : Development of manpower (human resource development) means planning and execution of the training programmes for all categories of employees in order to develop new skills and qualities required for working at the higher level. Manpower development is possible through training programmes and not simply by offering attractive wages to workers. Such manpower development (possible through systematic training programmes) is required for meeting the growing and changing needs of manpower along with the expansion and diversification of business activities. Executive development programmes are introduced for the benefit of higher level managers. Promotions and transfers are possible when manpower development programmes are introduced regularly. Similarly, future manpower requirement will be met properly through such manpower development programmes. This suggests the importance / significance of human resource development. It aims at educating and training employees for the improvement of overall performance of an Organisation. HRD programmes are for education, training and development of existing manpower in an Organisation. This is for facing new problems and challenges likely to develop in the near future.

Compensation payment and reward to manpower employed : One function of HRM department is to pay compensation (in monetary form) to employees for the services rendered. For this, a fair system of remuneration payment (wages and salaries) needs to be introduced. Remuneration to employees should be attractive so that the labour force will be satisfied and disputes, etc., will be minimized. Fair wage payment acts as a motivating factor. Along with compensation payment, HRM also deals with reward system. It is a type of appreciation of exceptional good work and offer some monetary or non-monetary incentive to suitable employees.

Integration of interests of manpower and the Organisation : Manpower is interested in wage payment while Organisation is interested in higher profits, consumer loyalty market reputation and so on. Personnel management has to reconcile the interests of the individual members of the Organisation with those of the Organisation. This will ensure cordial industrial relations. Reconciliation of individual, social and organizational goals and interest is one challenge before HRM.

Maintenance of manpower : This HRM function relating to maintaining of satisfied manpower in the Organisation through the provision of welfare facilities. For this attention needs to be given to health and safety measures, maintenance of proper working conditions at the work place, provision of welfare facilities and other non-monetary benefits so as to create efficient and satisfied labour force with high morale. Even collective bargaining and workers participation come within this broad personnel function. Maintenance of stable manpower is difficult due to the availability of ample employment opportunities.

Provision of welfare facilities : Employees are offered various welfare facilities. They include medical, educational, recreation, housing, transport and so on. These facilities are given for raising their efficiency and also for making their life happy. Welfare facilities create efficient and satisfied Labour force. To introduce new labour welfare facilities and to maintain the existing facilities is one of the functions of HRM.

Miscellaneous functions : Misc. functions performed under personnel management are :-

Maintenance of service records of employees,

Promotions and transfers of employees,

Maintaining cordial industrial relations,

Introduction of rational grievance procedure,

Performance evaluation of employees,

Career planning of employees,

Maintenance of discipline, administering the policies with regard to disciplinary action and compliance of various labour laws,

Restructuring of the Organisation,

Formulating HRM strategy, etc.

These HRM functions need to be performed regularly for the benefit of employees and also for continuity in the production activities of the Organisation.

W.R. Spriegel has divided the functions of personnel management / HRM department into the following six broad categories :-

Employment

Promotion, Transfer and Termination.

Training.

Wages and other incentives.

Service activities (welfare activities).

Collective bargaining and workers' participation.

As per Indian Institute of Personnel Management (IIMP now called NIPM), the Personnel / HRM functions are classified as noted below :-

Improvement of industrial relations,

Promotion of joint consultation,

Helping management to formulate a labour policy and improving communication between management and employees,

Advising management on the fulfillment of statutory obligations relating to safety, health and welfare of the employees,

Improving factory amenities and welfare provisions, and

Advising the management on the training and future education of employees.

In the HRM department, various sections are created in order to give attention to various functions which are basically HRM functions. The functions (as noted above) are varied in character. These are functions of HRM and also the functions of personnel management. They are important and needs constant attention. Efficient, satisfied and co-operative labour force can be created by giving proper attention to various personnel functions.

squareRecruitment And Selection ↓

Recruitment and selection constitute staffing function of management. Scientific selection ensures right man for the right job. For creating a team of efficient, capable and loyal employees, proper attention needs to be given to scientific selection of managers and other employees. The conventional approach of selecting managers in a casual manner is now treated as outdated and is being replaced by scientific and rational approach. The basic principle in selection is "right man for the right job" and can be achieved only through scientific recruitment and selection.

squareMeaning of Job Analysis ↓

Job analysis is prior to recruitment. Job means a task or a specific activity to be performed in one or the other department of a production unit. Clear understanding of the job is called job analysis. It creates a proper background for recruitment and selection. Job analysis is the process of collecting all relevant information relating to the job. This information relates to the nature and features of a job and the qualities and qualifications required for performing the job efficiently. Job analysis provides basic information which facilitates scientific recruitment and selection.

According to Edwin Flippo, "Job analysis is the process of studying and collecting information relating to the operations and responsibility of a specific job."

squareBenefits of Job Analysis ↓

Facilitates proper publicity of jobs : Exact details of the job and the qualifications, qualities, etc., required can be notified in the advertisement because of job analysis. Scrutiny of applications and selection of suitable candidates is made manageable, easy and quick.

Facilitates appropriate selection of psychological tests : Psychological tests can be adjusted exactly as per the need of the job due to the availability of details from job analysis.

Facilitates purposeful interviews : Interviewers should be given the details of job analysis before interviewing the candidates. This makes the interviews relevant as the candidates are judged accurately in the light of details of job analysis.

Facilitates appropriate medical examination : Even the medical examination is adjusted as per the information available from job analysis.

Facilitates scientific selection and placement of candidates : Job analysis makes the selection work accurate. The tragedy of misfit is avoided. In addition, proper placement (as per qualifications and qualities) of employees is possible due to job analysis.

Facilitates scientific promotions and transfers : Promotions and transfers become easy, quick and accurate on the basis of data of job analysis.

Facilitates impartial performance appraisal : A company can make scientific and impartial performance appraisal of its employees with the help of job analysis data.

Useful for providing training : Job analysis suggests the qualities necessary for performing specific job. This information can be used in a purposeful manner while framing training programmes for jobs.

Useful for fixing wage structure : Job analysis indicates relative worth of each job within the Organisation. This information is useful for fixing wage rates for different categories of workers.

Facilitates redesigning of jobs : Job analysis gives the details of different jobs and facilitates redesigning of jobs so as to improve operational performance or to enrich job content and employee improvement.

squareMeaning of Recruitment ↓

Recruitment means to estimate the available vacancies and to make suitable arrangements for their selection and appointment. In the recruitment process, the available vacancies are given wide publicity and suitable candidates are encouraged to submit applications so as to have a pool of eligible candidates for scientific selection.

In recruitment, information is collected from interested candidates. For this different sources of recruitment such as newspaper advertisement, employment exchanges, internal promotions, etc., are used. In the recruitment, a pool of eligible and interested candidates is created for the selection of most suitable candidates. Recruitment represents the first contact that a company makes with potential employees.

Recruitment is a positive function in which publicity is given to the jobs available in the organisation and interested candidates (qualified job applicants) are encouraged to submit applications for the purpose of selection.

squareDefinition of Recruitment ↓

According to Edwin Flippo, "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the Organisation."

squareNeed for Recruitment ↓

The need for recruitment may be due to the following reasons / situations :-

Vacancies : due to promotions, transfers, retirement, termination, permanent disability, death and labour turnover.

Creation of new vacancies : due to growth, expansion and diversification of business activities of an enterprise. In addition, new vacancies are possible due to job respecification.

squareMeaning of Selection ↓

Selection is next to recruitment. It is the process of choosing the most suitable candidates (Properly qualified and competent) out of many interested candidates. It is a process of selecting the best and rejecting the rest. In this selection process, interested applicants are differentiated in order to identify those with a greater likelihood of success in a job. Such candidates are selected and appointed.

Selection is a negative function as it relates to elimination of unsuitable candidates. 'Right man for the right job' is the basic principle in selection. Selection of suitable candidates is a responsible type of work as selection of unsuitable persons for jobs creates new problems before the business unit. For appropriate selection, scientific procedure needs to be followed.

squareRecruitment and selection are Supplementary Activities ↓

In recruitment prospective employees are encouraged to apply for the jobs and in the selection; the most suitable candidates are selected out of the pool of applicants. The purpose of both is to have the most suitable and most capable candidates for the Organisation out of a pool of available and interested candidates. The recruitment process widens the scope for selection and provides wide choice for the selection of best candidates out of many interested. Recruitment and selection need lengthy and scientific procedure particularly in the case of managerial posts. Such lengthy procedure must be followed for scientific selection of employees.

squareSources of Recruitment and selection are Supplementary Activities ↓

Sources of recruitment are the outlets through which suitable candidates are available. The Following chart shows the sources of recruitment at supervisory and managerial levels.

sources of recruitment

squareSteps In The Scientific Selection Process ↓

In the selection procedure, out of the available / interested candidates, the best one is selected through written test, psychological tests, personal interview and medical examination. Such lengthy procedure is followed in order to select the most suitable candidate. Selection process is a screening process. It is a type of hurdle race to the candidates. Final selection is possible only when the candidate completes this hurdle race successfully. Lengthy selection procedure is needed for scientific selection of candidates.

Steps involved in the selection procedure are :-

Job Analysis : job analysis prepares proper background for recruitment and selection. It gives details of a job to be performed and the human qualities and qualifications required for performing that job efficiently. Scientific selection is possible only when it is made in the light of the details available from job analysis. Job means an activity performed in one or the other department of a business unit. A job includes various positions. Clear and detailed understanding of the job is called job analysis or job study.

Advertisement : This medium is widely used for recruitment of all categories of personnel. Though quite costly, it provides a wide choice as it attracts large number of candidates from all over the country. The qualities and qualifications expected from the candidates are usually mentioned in the advertisement.

Collection of Applications Blanks : In this step, applications with necessary details are collected from interested candidates. Some companies give advertisement in the press and ask interested candidates to submit applications on a prescribed form.

Scrutiny of Applications Received : After the last date fixed for the receipt of applications, officer from the personnel department starts the scrutiny of applications received. Incomplete applications are normally rejected. Applicants, who do not possess required qualifications, experience, etc., are also rejected. Along with this, the certificates, testimonials and references are checked.

Written Tests : After the scrutiny of applications, a final list of candidates for written tests is prepared. The purpose of such tests is to judge the knowledge of the candidate and also to find out his :-

Intelligence,

Aptitude,

Capacity,

Interests and

Suitability for a specific job.

Trade test is particularly necessary in the case of technical jobs such as junior engineer, computer engineer and research assistant and so on. At present, such test is given in the case of all types of jobs. For example, written tests are used by Banks and public sector organisations for selection purpose.

It is also possible to reject candidates whose performance in such written tests is not up to the mark. Testing of candidates is a lengthy process particularly when the number of applicants is large. In such testing, the process of elimination can be introduced. For example, all candidates may be invited for the first test and' the candidates with poor performance in the first test need not be called for the second test.

Psychological Tests : The psychological tests given to candidates include the following tests :-

Intelligence test,

Aptitude test,

Interest test,

Achievement test,

Analytical test,

Performance test,

Synthetic test and

Personality test.

Each test needs to be given separately and each test is useful for judging specific quality of a candidate to be selected for the executive post.

Personal Interview : The candidates who have shown reasonably good performance in the written examination and psychological tests are called for personal interview. Interview technique is used extensively for the selection of managerial posts. This interview is conducted by one interviewer or by a group of interviewers including top officers of the company and other professional experts. The candidate is asked various questions about his qualifications, experience, family background and performance in the written test and psychological tests by the interviewers during the course of the interview. In this final interview, an attempt is made to judge overall personality of the candidate. The selection committee notes the plus and minus points of every candidate and selects the best candidates for appointment by applying certain uniform norms. Here, 'short-listing of candidates' is done for final selection as per the need of the organisation. The final selection depends partly on the performance of the candidate in the tests and also on the performance in the personal interview.

Reference Check : The candidate is required to give at least two references which may be :-

Educational,

Social and

Employment.

These references help to cross check the information provided by the candidate.

Medical Examination : The purpose of medical examination is to judge the general health and physical fitness of the candidate. Candidates who are not physically fit for the specific job are rejected even when they show good performance in the tests and personal interview. Medical test is taken in the case of all candidates before appointment. In case of certain jobs, the test is of a general nature. However, medical examination has special importance in armed forces.

Final Selection for Appointment : The selection procedure comes to an end when the final appointment letter is sent to the candidate with a request to join the organisation on a particular date. This means the 'job is offered to the selected candidate' and he is asked to join the organisation within a specific time limit.

squarePsychological Tests / Selection Tests ↓

For scientific selection of candidates (particularly for higher level / executive level posts) different types of tests are given to candidates as per the requirements of the post for which selection is required to be made. Such tests include written test, trade test and psychological tests. The basic purpose is to judge the knowledge, skills, intelligence, aptitude, etc., of the candidate before his selection. It is also possible to reject the candidates who show poor performance in such tests. The possible performance of the candidate in the future can be judged with the help of such tests. Such tests need to be conducted in a systematic manner and not as a mere formality. The assistance of experts should be taken while conducting such tests. In addition, the results of such tests should be used while taking final decision regarding selection of the candidate. Such tests are particularly useful for the selection of supervisory staff in an Organisation.

squareImportant Psychological Tests ↓

Intelligence test : Intelligence test is useful for judging the intelligence of a candidate. According to the industrial psychologist, "General intelligence is the capacity of a person for comprehension and logical reasoning." Previously only the passing certificates of certain examinations were universally accepted as evidence of intelligence. After long experience, employees discovered that such certificates were not always very reliable as they indicate only paper qualifications. Fortunately for them, two French psychologists. Simon and Binet had developed in 1916 suitable Intelligence Tests to measure general intelligence. According to these tests, intelligence of a person or his intelligence quotient (I.Q.) can be measured by his performance in the test.

Vocational aptitude test : Vocational aptitude has been defined as "the capacity or latent ability of an individual to learn a job, given the necessary training." It has been claimed that vocational aptitude is as important and perhaps more important than general intelligence for success on a job. It is, therefore necessary to ascertain the vocational aptitude of a candidate before final selection.

Analytical test : For the purpose of analytical tests, a job is first analyzed in terms of such qualities as speed, dexterity, observation, etc. Terms are then devised to measure the degree to which a candidate possesses these qualities. Dr. Munsterberg, an industrial psychologist in the US, had first devised such tests for the selection of telephone operators for the American Telephone and Telegraph Company. He had also devised similar tests for the selection of inspectors for inspection of ball bearings for an American bicycle manufacturer. These tests had produced satisfactory results.

Synthetic test : In case of jobs which are complex and so cannot be analyzed and for which analytical tests cannot be developed, synthetic tests have been evolved. The essence of these tests is that the candidate is presented a complex situation, more or less similar to the one which he will have to face in his job but on a miniature scale and he is asked to handle the situation. His performance in such a test indicates his aptitude for the job. Dr. Munsterberg had devised such a test for the selection of tram drivers for a Tram Company in the United States. Today, a similar test is being used for the selection of motor and truck drivers.

Trade test : Trade test is necessary and useful in the case of jobs which involve technical work. For example, a stenographer or a typist should be given suitable test in order to judge his ability to take dictation or type. Similar trade tests can be given to welders, machine operators and so on. Workers can be given such tests in order to find out their capacities for the type of job for which they are being considered.

Personality test : Personnel managers have come across many individuals with the necessary intelligence and the vocational aptitude, and yet did not prove successful in the jobs for which they are selected. Industrial psychologists felt that they might not have a suitable personality or temperament and began to develop tests to measure personality traits. Protective test is one such test. Its essential feature is that it induces a candidate to reveal his inner or real personality.

squareAdvantages Of Psychological Tests In SP ↓

Note:- Here, SP = Selection Procedure

Objective comparison of candidates possible.

Incompetent candidates are eliminated.

Suitable candidates are given proper placement.

Right man to the right job is achieved.

Achievements of the candidates are verified.

Compatibility of the candidate can be found out.

Mental qualities of candidates are evaluated.

Overall ability of the candidates is measured.

Application of knowledge is found out.

Accuracy in selecting employees.

squareImportance / Role of Personal Interview In SP ↓

Interviewing is the most 'popular element in the selection procedure'. It plays a crucial role in the selection procedure. For majority of executive posts, it is supplemented by written and other tests. Personal interview offers many benefits to the company and also to the candidates.

squareManagement Development Training and Methods ↓

squareMeaning of Employee Training ↓

Training is next to selection. A worker selected / appointed in an Organisation needs proper training. This enables him to perform the job correctly and also with efficiency. Similarly, a manager needs training for promotion and for his self improvement. Employees are now given training immediately after appointment and thereafter from time to time. Training is used as a tool / technique for management/executive development. It is used for the development of human resource working in an Organisation. In fact, training is the watchword of present dynamic business world.

Training means giving information, knowledge and education in order to develop technical skills, social skills and administrative skills among the employees. According to Edwin Flippo, training is "the act of increasing the knowledge and skill of an employee for doing a particular job."

Training is necessary due to technological changes rapidly taking place in the industrial field. It is also essential along with the introduction of new techniques, new methods and so on. It is necessary for developing overall personality of employees and also for developing positive attitude towards fellow employees, job and Organisation where he is working.

Training of employees is the responsibility of the management / employer. Expenditure on such training is an investment for manpower development and gives good dividend in the long run. Employees should take the benefit of training facilities provided for raising their efficiency and also for self-development. Training need not be treated as a punishment but an opportunity to learn, to grow and to develop for jobs at the higher levels.

squareTypes of Training ↓

Different types of training are :-

Induction training,

Job training,

Training for promotion,

Refresher training,

Training for managerial development, etc.

Induction training aims at introducing the organisation to a newly appointed employee. It is a short and informative training given immediately after joining the organisation. The purpose is to give "bird's eye-view" of the organisation to an employee. Job training relates to specific job and the purpose is to give suitable information and guidance to a worker so as to enable him to perform the job systematically, correctly, efficiently and finally with confidence.

Training for promotion is given after the promotion but before joining the post at the higher level. The purpose is to enable an employee to adjust with the work assignment at the higher level. The purpose of refresher training is to update the professional skills, information and experience of persons occupying important executive positions. Training for managerial development is given to managers so as to raise their efficiency and thereby to enable them to accept higher positions. A company has to make provision for providing all types of training.

squareObjectives of Training ↓

To raise efficiency and productivity of employees and the Organisation as a whole.

To create a pool of well-trained, capable and loyal employees at all levels and thereby to make arrangement to meet the future needs of an organisation.

To provide opportunities of growth and self-development to employees and thereby to motivate them for promotion and other monetary benefits. In addition, to give safety and security to the life and health of employees.

To avoid accidents and wastages of all kinds. In addition, to develop balanced, healthy and safety attitudes among the employees.

To meet the challenges posed by new developments in science and technology.

To improve the quality of production and thereby to create market demand and reputation in the business world.

To develop cordial labour management relations and thereby to improve the organisational environment.

To develop positive attitude and behavior pattern required by an employee to perform a job efficiently. In other words, to improve the culture of the Organisation.

To prevent manpower obsolescence in an organisation.

To develop certain personal qualities among employees which can serve as personal assets on long term basis.

squareImportance of Training ↓

square(A) Benefits of Training To Employer / Management

Training raises the efficiency and productivity of managers. It also improves the performance of workers due to their motivation.

Training improves the quality of production. It also reduces the volume of spoiled work and wastages of all kinds. This reduces cost of production and improves quality.

It reduces accidents as trained employees work systematically and avoid mistakes in the work assigned.

Training reduces expenditure on supervision as trained employees take interest in the work and need limited supervision and control.

Training brings stability to labour force by reducing turnover of managerial personnel.

Training raises the morale of employees.

Training creates skilled and efficient manpower which is an asset of an industrial unit.

Training moulds attitudes of employees and develops cordial industrial relations.

Training reduces absenteeism as trained managers find their job interesting and prefer to remain present on all working days.

Training facilitates the introduction of new management techniques and also new production techniques including automation and computer technology.

Training creates a pool of trained and capable personnel from which replacements can be drawn to fill up the loss of key personnel due to retirement, etc.

Training provides proper guidance and instructions to newly appointed executives and assists them to adjust properly with the job and the organisation.

square(B) Benefits of Training to Managers / Employees ↓

Training creates a feeling of confidence among the employees. It gives personal safety and security to them at the work place.

Training develops skills which act as valuable personal assets of employees.

Training provides opportunity for quick promotion and self-development to managers.

Training provides attractive remuneration and other monetary benefits to employees.

Training develops adaptability among employees. It updates their knowledge and skills and keeps them fresh. It actually refreshes the mental outlook of employees.

Training develops positive attitude towards work assigned and thereby creates interest and attraction for the job and the work place.

Training creates an attitude of mutual co-operation and understanding among the managers. Such attitude is useful not only at the work place but also in the social life.

squareMeaning of Management Development / Managerial Training ↓

In addition to training for operative staff, an organisation has to take steps for training managers. Such training programmes are called 'managerial development / executive development programmes. Managerial talent is the most important asset that a company can possess. Management development ensures that as and when the demand for managers arise, suitably qualified persons are ready to fill the vacancies.

Managerial development consists of all means by which executives learn to improve their performance. It is designed to improve the effectiveness of mangers in their present jobs and to prepare them for higher jobs in future. Managerial development aims at helping the mangers to realise their full potential.

Management development is a way to improving the culture of the Organisation so that it could be geared to excellence. "People move organisations not machines."

According to P. N. Singh, "Management development is an activity designed to improve the performance of existing managers, provide a supply of managers to meet the need of organisations in future and extend the understanding of the management activity by drawing from the following three resource areas :- (a) Knowledge, (b) Experience, and (c) Trainee himself."

squareNeed / Importance of Management Development ↓

According to Edwin Flippo, "No organisation has a choice of whether to develop employees or not, the only choice is that of method." The need for management development is well accepted in the present business, which is fast changing due to technological and social developments.

Shortage of trained managers : Talented and matured managers are not easily available. It is not possible to appoint managers from outside for the key managerial posts. The better alternative is to select talented persons as trainee managers and develop their qualities through special training and wider exposures. In this way, the organisation can create its own team of talented managers to lead the whole Organisation.

Complexity of management jobs : The jobs of managers are now complicated and more challenging. They need varied skills for dealing with the complex organizational problems. For this, talented persons should be selected and proper training should be given to them.

Technological and social changes : Rapid technological and social changes are taking place in the business world. In India, such developments are fast taking place along with the liberalization and globalisation of business. Managers should be given proper training and exposure in computer applications and information technology.

Management obsolescence : Executive obsolescence occurs due to mental deterioration and aging process. This can be corrected by offering self-development opportunities to managers. In fact, self-development must continue throughout the career of an executive.

Complexity of business management : Business management is becoming very complicated due to government legislations, market competition, social pressures and consciousness among consumers. Well-trained and matured managers are therefore required. Such managers are not available easily. The best way is to train existing managers through management development programmes.

square(B) Methods of Management Development / Managerial Development ↓

For management development, several methods / techniques are used. These methods can be divided into two broad categories, namely,

Internal or On the job methods, and

External or Off the job methods.

square(A) Internal Training Methods / On The Job Methods

Coaching : Coaching on the job coaching is a method by which a superior teaches job knowledge and skills to a subordinate manager. He briefs the trainee executive about what is expected of him and how it can be done. The superior also checks the performance of his subordinate and guides him to improve his shortfalls and deficiencies. The superior acts as a friend and guide of his subordinate. Coaching method favours learning by doing. Its effectiveness depends on the capacity and the interest taken by the superior and also by the subordinate. The superior should adopt a positive approach in the coaching process and help the subordinate in achieving self-development. Coaching has certain limitations. For example, a trainee manager cannot develop much beyond the limits of his own superior's abilities. Similarly, the success of coaching method depends on the interest and initiative taken by the trainee - manager.

Counselling : Under this method, the subordinate wanting advice approaches his superior. Counselling is provided in matters relating to the job. However, on request from the subordinate, counselling may also be offered on matters not directly related to the job. There is two-way dialogue between the subordinate and the superior to find solution to his problem. Counselling provides emotional stability to trainee - subordinate.

Understudy assignment : An understudy is a trainee-manager who is to assume the full duties and responsibilities of the position currently held by his superior, when the later leaves his post due to retirement, transfer or promotion. Here, a departmental manager (head) selects one of his suitable subordinates to become his understudy. As an alternative, the personnel department may make the selection of understudy. The departmental manager will guide him (i.e. understudy) to learn his job and deal with the problems that confront the manager daily. The understudy will learn the job of his superior through observation and participation in the decision making. He may be given specific problems to study and to make recommendations for solving them. The understudy will be given wider exposure and an opportunity to develop capacity to deal with difficult problems and complex situations.

Job Rotation : It involves transfer of executives from one job to another. The aim of job rotation is to broaden the knowledge, skills and outlook of executives. This method can be used in the case of management trainee and also in the case of an existing manager due for promotion. Job rotation method is also useful for providing variety of job experience to managers.

Advantages of Job Rotation

It brings all departments on the same footing as executives move from one department to other.

Job rotation facilitates inter-departmental cooperation. New procedures are introduced in departments along with the rotation of managers.

The benefit of wider exposure is available to trainee manager.

There is absence of monotony in the training process due to job rotation.

Limitations of Job Rotation are:-

The work of departments is affected due to frequent changes of executives for training purpose.

The trainee manager finds it difficult to adjust himself to his new bosses.

Even the executives are not in a position to have specialized knowledge and training in one particular branch of work.

Frequent changes of position of executives may also affect their morale.

Delegation : Delegation is one more internal method of management development. The performance of subordinates may not improve unless additional responsibility and authority are delegated to them. Making the subordinates to achieve a particular target through delegation is one way by which subordinates will learn to grow and develop independently. They will develop leadership qualities and decision-making skills, which are necessary for a good manager.

Appointment as 'Assistant to' : A junior executive may be appointed as 'Assistant to' senior executive for the purpose of training and practical experience. Here, the junior executive is given exposure to the job of senior executive and he teams new techniques while providing assistance to his boss. This broadens his viewpoint and makes him ready for future promotions. The superior executive also gets the benefit as he can delegate some of his responsibilities to the assistant and also acts as guide of his assistant.

Membership of Committees : Inter-departmental committees are normally created for bringing co-ordination in the activities of different departments. Managers from different departments are taken on such committees. Junior managers are also given membership of such committees so as to give them a broader exposure to the viewpoints of other departmental heads. Ad hoc committee of executives is also constituted and is assigned a specific problem for study. Such commitee assignments offer opportunity of training to junior executives, as they have to study the problem in depth and make recommendations.

Project Assignment : In the project assignment method, a trainee manager is given a project that is closely related to the work of his department. The project relates to specific problem faced by the department. Here, the executive has to study the project on his own and make recommendations for the consideration of the departmental head. Such assignment provides valuable experience to the trainee and develops problem-solving attitude, which is one essential requirement of an executive.

Promotions and Transfers : Promotions and transfers are two more internal methods of management development. Promotion gives an opportunity to a manager to acquire new skills required for the job at the higher level. It motivates him for self-improvement. Transfer also facilitates the broadening of viewpoint required for higher positions. It gives an opportunity to work at different positions and develop.

square(B) External Methods of Management Development / Off The job Methods ↓

Universities and Colleges : The universities and colleges, now, provide facilities of management education. Here, education is given through lectures, discussions, home assignments, tests and examinations. In India, Mumbai University (MU) has its Jamnalal Bajaj Institute of Management Studies (JBIMS) for various management development courses. Colleges affiliated to the Universities also conduct DBM, MBA and other management development programmes for the executives from business sector. Candidates working at managerial levels in companies are normally selected for such training programmes.

Management Institutions : Along with the universities and colleges, there are management training institutions such as NITIE, Bombay Management Association, and Productivity Councils and so on. These institutes run special training courses for graduates interested in management education and also orientation programmes for existing managers from public and private sector enterprises. Companies can depute their managers for short orientation courses and update the knowledge and information of their managers in specific areas. Even seminars, workshops and conferences are arranged for the training of managers by various associations such as chambers of commerce and export promotion councils.

Role-playing : Role-playing has been defined as "A method of human interaction, which involves realistic behavior in the imaginary situations." It is particularly useful for learning human relations and leadership training. Its objective is to raise the ability of trainee manager while dealing with others. In the role playing, a conflict situation is artificially created and two or more trainees are assigned different roles to play. For example, a male employee may assume the role of a female supervisor and the female supervisor may assume the role of a male employee. Then, both may be given a typical work situation and asked to respond as they expect others to do. Such role playing results in better understanding among individuals. It helps to promote interpersonal relations and attitude change.

Case Study : Case study method was first developed by Christopher Langdell at Harvard Law School. A case is a written account giving certain details of the situation is relation to a specific matter. Such case study may be related to any aspect of management such as production, marketing, personnel, finance and so on. The case presented is always incomplete. This means the solution to the problem is not provided. The participants are supposed to identify the best available solution.

A small group of managers are asked to study the case in the fight of theoretical study already completed and is followed by open discussion in the presence of capable instructor, who can guide intelligent discussion and analysis. There is nothing like one correct answer to the case study.

Case study method has certain advantages like, (a) in-depth thinking about the matter by managers, (b) more perception in situation and greater respect for the opinions of others.

Conferences and Seminars : Deputing officers for conferences and seminars is a method available for management development. Various matters are discussed systematically in such conferences and seminars. This provides new information and knowledge to the managers. The participants in such conferences and seminars are limited. As a result, more persons get an opportunity to participate in such conferences for self-development. Conferences may be directed or guided or may be for consultation and finally for problem solving.

Simulation : Here, an executive or trainee is given practical training by creating situation / environment, which closely represents the real life situation at the work place. For example, activities of an organisation may be simulated and the trainee may be asked to make a decision in support of those activities. The results of those decisions are reported back to the trainee with an explanation. The report illustrates what would have happened if that decision was taken. The trainee teams from this feedback and improves his subsequent simulation.

Management / Business Games : A variety of computer and non-computer management / business games have been devised for training of managers. This training method is used in management development. It is a type of classroom method of training. The game is designed to represent real life situation. Employees for managerial positions are put in an exercise of actual decision-making. A problem is provided to them along with all the necessary information and constraints. The employee is asked to make a decision. The quality of this decision is judged by how well the applicant has processed the information provided to him. The processing of information is supposed to be guided by knowledge of the goals and policies of the organisation. Even if mistake is made in the game, the trainee can learn a lot out of his mistake. This avoids possible mistakes while taking decisions for his company. This method develops capacity to take rational decisions by managers.

TV and Video Instructions : TV and Video instructions are used for training and management development programmes. At present, programmes on management problems are arranged on TV network regularly. Videotapes are also available on management training. Books and periodicals are published regularly on management. Audio-visual aids (film strips, Video, tape recorders, TV, overhead projectors, etc.) are now used for training of managers.