

CHAPTER 2 – Plan, acquire, Train and develop

1. HR Planning

Human resource planning is an integral part of the overall planning of any business unit. No business can prosper in the absence of sincere efforts of personnel. This is a fact that requires no further explanation. Lack of human resource planning is most likely to result into overstaffing or understaffing of the business unit. In either case, the business unit will fail to realise its goal of maximum profits.

2. MEANING

According to A. R. Smith:

“Human resource planning involves the projection of manpower demand, the projection of manpower supply, and action to bring supply and demand into balance at a desirable level.”

According to R. F. A. Hopes:

“Human resource planning is a process of collecting and analysing information and making estimates for the following purposes:

1. To determine the possible effect on manpower of the current and proposed manpower policies; and
2. To suggest policies to solve the current and future problems of manpower.”

According to Geisler:

“Human resource planning is the process including forecasting, developing and controlling by which a firm ensures that it has the right number of people and right kind of people, at the right places, at the right time doing work for which they are economically most useful.”

3. INGREDIENTS OF HUMAN RESOURCE PLANNING

(1) Manpower Inventory

This involves taking an inventory of the existing personnel in all departments. This is necessary to compare what exists in stock with what is required in future.

The starting point of manpower planning is the inventory of current manpower. This inventory provides information regarding which type of employees and officers, with what ability and in what number, and is useful in forecasting the future demand.

(2) Estimating Future Requirements

The future vacancies or manpower needs of the organisation must be anticipated.

The manpower forecast is concerned with anticipating the number of replacements caused by deaths, dismissals, resignations, retirements, transfers and promotions.

In addition to this, there must be a forecast of the number of employees needed because of planned expansion of business.

(3) Estimating Manpower Supply

Supply forecasting is an important aspect of manpower planning. It is concerned with forecasting the number of employees that would be available to the organisation.

For this purpose, the manpower is classified by specialisations and skills. It is determined whether the employees of the needed type and skill will be available in required number. For this purpose, statistical methods are used.

(4) Balancing of Supply and Demand

The planning process aims to bring supply and demand in equilibrium.

The expansion of the business is to be planned keeping in view the availability of types of employees required. In case of shortages, either the expansion programme is revised or measures are taken to remove shortages through fresh recruitment, promotions, training and transfers etc.

(5) Beneficial to Both Parties

Human resource planning is of great benefit to employers and employees both.

If human resource planning results into optimum use of human resources, maximum profits are earned. Also, human resource planning includes programmes of training and skill development for the employees, which is a personal benefit to the employees.

(6) Integrated Approach

Since various functions of personnel management are closely interlinked, an integrated approach is possible due to human resource planning.

4. CHARACTERISTICS OF HUMAN RESOURCE PLANNING

The main characteristics of human resource planning may be described as follows:

(1) Managerial Function

Human resource planning is essentially a function of management, though some experts do not regard it as a distinct function of management.

Since manpower is a resource, the management has to make the best use of it. To that extent it is a managerial function. It is the responsibility of the management to combine human and physical resources of the organisation in such a manner that profits are maximised.

(2) Beneficial to Both Parties

Effective human resource planning reduces costs and improves profitability of the organisation. Hence, it is beneficial to employers.

At the same time, human resource planning provides jobs to each worker according to his ability and aptitude. Therefore, it is advantageous to the workers also. This benefits employees both financially and psychologically.

(3) Top Management's Responsibility

Just as overall planning of the whole business unit is a responsibility of the top level management, similarly Human resource planning is also a responsibility of the top management.

Of course, administration of transfers, promotions and training etc. is assigned to the lower level officials. But planning of human resources of the organisation is undertaken by the top level management.

(4) For All Grades of Employees

Human resource planning includes planning for all grades of employees.

Human resource planning covers not only lower level personnel such as clerks and ordinary labourers, but managerial staff, heads of departments, supervisors and foremen also.

The reason is obvious. It is the combined effort of all employees of the organisation that smoothens its functioning and enables it to continue its business. Hence their activities must be fully planned and integrated.

(5) Modern Concept

It is only recently that personnel management is being viewed as an important part of managerial function.

In the last century and even in the beginning of the present century labour was considered as one of the factors of production like machines, tools and equipments. Neglect of manpower planning was a direct corollary of the old ideology.

Today, human resource planning is assigned as much importance as business planning itself.

(6) All Aspects of Personnel Included

Management of all aspects of personnel is included in human resource planning.

Human resource planning comprises planning of recruitment and selection, promotion and transfer, training and guidance, retirement and dismissal etc.

Human resource planning does not end with determining and recruiting the number of employees needed. It was also necessary to decide what type of training should be given to which employees, who should be promoted and on what basis etc.

(7) Planning for Long-term and Short-term

Human resource planning is designed to realise long-term objectives of the organisation.

It does not mean, however, that short-term requirements of labour are altogether neglected. Long-term plans are prepared in such a manner that they take care of the short-term requirements also.

(8) Beneficial to the Society

Human resource planning is beneficial not only to the organisation concerned, it is beneficial to the society also.

Human resource planning, when effectively executed, leads to the most efficient use of human resources resulting in the maximum production, employment and raising standard of living of the people.

5. NEED FOR HUMAN RESOURCE PLANNING

Modern age is the age of planning. Human resource planning has also been adopted in all industrial organisations irrespective of their size.

Requirements and sources of labour are planned in a formal manner in large organisations. They are planned in an informal manner in small organisations.

The universal acceptance of manpower planning is due to the following factors:

(1) Socialist Ideology

In the present-day circumstances, trade unions have become very powerful and the governments are wedded to the ideal of welfare state.

Hence, the management of industrial concerns cannot take arbitrary decisions in the matter of dismissals, recruitment and wage fixing etc. The management must take note of long-run effects before they make any decision regarding labour.

Human resource planning has therefore become essential.

(7) Government Restrictions

Government restrictions relating to aspects of personnel have increased considerably during the last few years.

There is a series of government rules and regulations regarding recruitment, retirement, dismissal, pay-scale and pensions etc. Legal procedure is fixed for the settlement of industrial disputes.

6. OBJECTIVES OF HUMAN RESOURCE PLANNING

Human resource planning can be treated as organisation's strategy for procurement, use, alteration and maintenance of resources.

Different objectives can be achieved with the help of human resources planning. Main objectives of human resource planning can be mentioned as under:

1. To ensure optimum use of current employees of the organisation.
2. For achieving the objectives of the whole organisation forecasting of the future requirements is to be made.
3. For the certainty of availability of the necessary resources provide control measures.
4. To assess correct estimate of manpower requirements and make optimum use of manpower. This way keep a balance between employee demand and supply.
5. To determine plans for the employee training and development and make schedule for it.
6. Reduction in labour costs by making better use of employees.
7. For the achievement of organisation's objectives, collect information for necessary requirement of employees and their qualifications for it.

7. TYPES OF HUMAN RESOURCE PLANNING

Human resource planning can be classified on the following bases:

(A) On Basis of Level

1. **National Level**
2. **Firm Level**

(B) On Basis of Time Period

1. **Short Term**
2. **Medium Term**
3. **Long Term**

ADVANTAGES OF HUMAN RESOURCE PLANNING

The significance of human resource planning has been accepted in western countries, but human resource planning has not received due attention in India. The acceptance of human resource planning will be beneficial to personnel management in the following respects:

1. Providing for Future Demand

If the requirement of labour in the company is identified, it is possible to make arrangements for it in advance. This may involve the training of existing employees or recruitment of new labour in advance.

In this way, the flow of production is not disrupted due to inadequacy of labour in any department.

2. High Morale of the Workers

The psychological impact of human resource planning is highly beneficial. Provision of training facilities and granting promotion to deserving employees in time will raise their morale and will inspire them to work to the best of their efficiency.

3. Improvement in Efficiency

While making human resource planning, an evaluation of workers, employees and executive officers is made. This brings into light their deficiencies which may be responsible for their low productivity.

It is possible to devise ways and means to remove these deficiencies. Training programmes may be implemented. This will improve the overall efficiency of the firm.

4. Availability of Skilled Manpower

Though there is abundance of labour in India, persons qualified for high managerial posts are not available in sufficient number.

The problem of shortage of managerial skill can be eased or solved through imparting training to promising men. But this also requires human resource planning.

5. Control of Labour Cost

In many manufacturing firms, labour constitutes a considerable percentage of total costs of production. In case of some firms, the proportion of labour costs is as high as **50 to 60 per cent**.

Human resource planning helps in controlling labour costs through better utilisation and planning of manpower.

6. Implementation of Long-Term Plans

The successful implementation of long-term plans depends on the availability of skilled personnel in adequate numbers.

It is through human resource planning that an adequate supply of skilled personnel can be assured in advance so that the firm can move ahead with its long-term plans of development.

7. Balance between Demand and Supply

Scientific human resource planning can help in maintaining a balance between demand and supply of labour within the organisation.

As a result, the possibility of excess or shortage of labour force is removed, and there is also a saving in the labour cost of the firm.

LIMITATIONS OF HUMAN RESOURCE PLANNING

Though the practical utility of human resource planning is indisputable, some of its limitations must not be ignored. The main limitations of human resource planning are as follows:

1. Estimates Not Always Accurate

Though utmost care is taken to ascertain the magnitude of labour requirements, there is no guarantee that these estimates of labour demand will turn out to be accurate.

The economic situation is always changing. Technology, labour availability, sales and economic conditions change continuously, and it is not possible to predict these changes with perfect accuracy.

Hence, estimates of labour requirements can turn out to be wrong. Yet it must be conceded that the estimates of labour requirements, even if they are imperfect, can be helpful to the management to a considerable extent.

2. Lack of Information about Vacancies

The management may try to obtain and estimate the vacancies that are likely to arise due to resignations, death, dismissal and retirement of employees.

But information regarding vacancies due to other causes may not be available. Hence, it is not possible to make accurate estimates of recruitment in the absence of information about such vacancies.

3. Lack of Cooperation from Top Management

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(B) On the Basis of Time Period

There are three types of human resource planning on the basis of the period covered:

1. Short-Term Human Resource Planning

Generally, short-term manpower planning covers a period of **one year or less**. At the national level, short-term manpower planning is accorded an important place in the annual plan. Even at the company level, short-term manpower planning proves to be more useful as compared to the long-term one.

Such planning involves matching of present employees with the present jobs. The purpose is to raise efficiency with the help of the present employees. This will involve their **training, transfer, etc.**

2. Medium-Term Human Resource Planning

Medium-term manpower planning covers a period of **two to five years**.

At the national level, medium-term manpower planning is invariably conceived as an integral part of the Five-Year Plan, wherein provision is made for the creation of employment opportunities and development of technical skills.

At the company level, medium-term planning is conceived as a plan for training and development of skill among employees so that within at least a period of five years, skilled labour may become available in adequate number.

3. Long-Term Human Resource Planning

Long-term manpower planning is for a period of **ten to fifteen years**.

Generally, it is framed at the national level with a view to estimating labour requirements of the whole economy and providing for education and training facilities to meet those requirements at the right time.

At the company level, long-term manpower planning is adopted only when long-term development of the business is to be planned.

PROCEDURE OR STEPS OF HUMAN RESOURCE PLANNING

At the company level, the procedure of human resource planning may be described as follows:

(A) Determining the Goal of the Company

The goal of the company must be clearly spelt out before human resource planning is undertaken.

It is not sufficient to say that “**maximisation of profits**” or “**securing maximum return on investment**” is the goal of a company. These statements about the goal of the company do not throw any light on the manner in which resources of the company are to be utilised.

It is necessary to establish the standards of performance so that the difference between actual and desired performance may be clearly identified.

For instance, an international airline company has stated its objectives in detail as follows:

1. To provide an efficient international air service to the people all over the country.
2. To provide the safest air service through the use of the most reliable and technically superior aircrafts of the company.
3. To make profits along with the maintenance of the best quality of the services.
4. To honour international agreements and at the same time to encourage healthy competition in the industry.
5. To serve national economy by accelerating the development of both international trade and tourism.
6. To establish the highest norms of performance for the employees and to give them an opportunity to develop their skill to the fullest extent.

Such detailed listing of objectives makes it clear why and with what intentions a company has been established.

(B) COLLECTING DATA ABOUT EXISTING MANPOWER

Following methods can be used to collect information about manpower that the company has at present.

Methods for Collecting Manpower Information

1. **Manpower Inventory**
2. **Skills Inventory**

3. Manpower Audit

(1) Manpower Inventory

This involves taking an inventory of the existing personnel, i.e., counting the number of persons available in different departments.

The term **“inventory”** is generally used in connection with counting physical goods like raw materials, work-in-progress and finished stock. It is used for this purpose because manpower inventory provides complete information about the employees available.

It is more useful to take manpower inventory department-wise, sections-wise, branches and workshops, different places, pay scales, sex and age, duration of employment in the company, qualifications, etc.

Thus, the starting point of manpower planning is an analysis in the annual inventory of the current manpower, which would reveal the type of manpower structure in terms of age, education and skill etc.

The manpower inventory is necessary to know whether the personnel of required skill will be available when needed.

Manning Tables

“Manning tables” are used for the purpose of manpower inventory.

These tables show the list of all jobs, the employees currently working on these jobs and also those who are being trained at present.

The gap between the number of employees presently available and those needed in future, without taking into account labour turnover, will show the number of additional employees needed.

Replacement schedules are also prepared along with these manning tables. This will show the future needs and the number of employees who will be available in future.

(2) Skills Inventory

An inventory of skills helps the company to take correct decisions regarding its manpower requirements.

The company can take suitable measures for the appointment of or training of employees if it is found that employees of required skill will not be available.

To some extent, skill inventory is advantageous to the employees also because it enhances the prospects of their promotion.

The methods to be used for skill inventory depend on the nature of facilities available to the company.

Generally, **questionnaire method or interview method** is used for this purpose.

Whatever may be the method of skill inventory, it should provide complete and correct information.

It is essential to collect the following information from every employee of the company:

1. Educational and other qualifications.
2. Knowledge of a foreign language.
3. Job experience.
4. Skill and expertise.
5. Other merits or skills.

Complete data about the past experience of the employee should be recorded.

From this, the company may come to know that a particular employee has in the past acquired a skill which is not being utilised at present, and that this skill can be taken advantage of.

Example

If it is revealed that the assistant manager of the company has successfully worked in the past as a journalist, then the company may decide to use his services as an editor of the monthly magazine that it has decided to publish shortly.

(3) MANPOWER AUDIT

Manpower inventory and skill inventory are followed by **manpower audit**.

The information collected through manpower inventory and skills inventory is systematised, examined, explained and evaluated thoroughly.

Ratios and trends are calculated from the data.

Manpower audit provides answers to the following questions:

1. How many employees are newly recruited and how many discharged?
2. What is the picture of absenteeism?
3. What type of labour is difficult to obtain? What type of labour is easily available?
4. What, in terms of age and pay scale, is the structure of labour force employed? How far are absenteeism and discharge related to age and pay scale?
5. What is the extent of competition in the market for skilled workers needed by the company? Can the company pay competitive pay scales to them?
6. Why do employees leave the company to join other concerns? Are their service conditions more attractive?
7. What is the population position in the areas around the company? From what areas do we obtain labour?
8. What is the policy of the government with respect to construction of buildings and industrial development? Will this policy help or hinder the company in obtaining skilled labour?
9. What are the standards of performance of the company?
10. What is the cost of training labour in terms of time, money and efforts?

Of course, manpower audit may include many other questions.

FACTORS AFFECTING MANPOWER DEMAND

The major factors affecting manpower demand are:

1. **Trends of Employment**
 2. **Replacement Needs**
 3. **Productivity Changes**
 4. **Expansion and Development**
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(1) Trends of Employment

On the basis of records of the past five years or so, the planner should get an idea of the tendency of employees to stick to the company.

From this, it may be known whether a definite group of labour is stable or unstable, and whether it is expanding or contracting.

The future requirements of labour can then be easily predicted.

(2) Replacement Needs

By replacement is meant appointing new persons to fill vacancies that arise for one reason or another.

On the basis of information about the age of employees and the dates of their retirement, it is possible to have accurate data regarding the number of posts that would fall vacant due to retirement of present employees.

Vacancies caused by death, resignations, transfers and promotions of employees also create replacement needs.

To have a rough estimate of the vacancies to be created for this reason, past records of the number of transfers and promotions may be utilised.

At the same time, the performance of existing personnel may be minutely examined to get an idea of likely transfers and promotions.

(3) PRODUCTIVITY CHANGES

Manpower requirements of the company are affected by changes in labour productivity.

Different measures of productivity improvement affect manpower requirements differently.

Labour productivity may be improved through:

1. Work-study, time-study, motion-study etc.
2. Introduction of new technology such as automation and computers.
3. Improving the skills of employees so that they conform to the standards established by the company.

The planner must estimate the effect of productivity changes on manpower requirements.

(4) EXPANSION AND DEVELOPMENT

Expansion or development of the business will increase manpower requirements.

The management will have to study the expansion or development plans of different factories as well as those of different departments.

The greater the exactness with which a development plan is prepared, the more precise would be the estimate of manpower requirements.

Technological progress continues and new research and inventions are constantly made. As a result, management of business has become more complicated day by day.

The present-day business cannot be managed with the same skill and ability with which it was done in the past.

The need for professional education and training is increasing day by day. The person in charge of manpower planning must take these facts into consideration.

METHODS OF MANPOWER FORECASTING

The following methods are useful for predicting labour requirements of the company:

1. **Work-Load Analysis**
 2. **Work-Force Analysis**
 3. **Delphi Technique**
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(1) Work-Load Analysis

Work-load analysis is used to estimate the labour required per unit of output.

To arrive at this estimate, a forecast is made about the volume of sales and then this sales volume is translated into the volume of production.

The amount of work to be done by each department of the company to produce the estimated output is then worked out.

The departmental work-loads are converted into man-hours in terms of different skills required.

Through this method, data regarding the number of employees required by different production departments during a definite period of time is worked out.

Example

Suppose **18,000 components** are to be manufactured in a department during a month.

Suppose **0.10 man-hours** are needed to make one component.

Therefore: **Total man-hours required = $18,000 \times 0.10 = 1,800$ man-hours**

Suppose an average employee works up to **180 hours during a month**.

Therefore: **Number of employees required** = $1,800 \div 180 = 10$ employees

Thus, 10 employees will be needed by the department.

(2) WORK-FORCE ANALYSIS

As stated above, we need 10 workers in a department. Even if we employ 10 workers, they are not available in the department at all times.

This is due to two major factors:

(a) Absenteeism

If an employee does not come to attend his duties when he is scheduled to do so, it is called **absenteeism**.

To calculate the rate of absenteeism, number of man-days lost through absenteeism is divided by the sum of man-days lost and man-days worked.

Absenteeism = Man-days Lost $\div$ (Man-days Lost + Man-days Worked)

If the rate of absenteeism exceeds a certain limit, it becomes a matter of concern for management, even though management may not have to pay the absentees. This is because a high rate of absenteeism disrupts the time schedule of production and sale. Therefore, management must look into the causes of high absenteeism and try to remove them as far as possible.

(b) Labour Turnover

Appointing new employees in place of those who leave the organisation is referred to as **labour turnover**. It suggests the degree of stability of workforce in the organisation.

Labour turnover is caused by resignations, retirement or death of some of the existing employees. Management has to keep in mind the extent of labour turnover thus caused.

(3) DELPHI TECHNIQUE

The **Delphi method** is named after the ancient Greek city of Delphi.

This is a method of forecasting manpower needs from a group of experts. In normal circumstances, experts and surveys are used. The initial results are replaced with new estimates and repeated until managers' opinions begin to agree. The agreement reached is considered to be the **final forecast of personnel needs**. This technique does not require the physical presence of group members and hence even a global company could use this technique with managers working in different countries.

Limitations of Delphi Technique

1. It is extremely time-consuming and hence not appropriate to apply when a speedy decision is demanded.
 2. It is a more complex technique. In short, it is not easy to adopt.
 3. This technique does not allow group members—managers working at different places of an organisation—to meet face to face. So, when ideas of various managers are needed to take proper decisions, such technique is not appropriate to adopt.
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(D) ESTIMATING MANPOWER SUPPLY

Estimating the supply of labour involves consideration of the sources from which labour can be obtained.

The **internal sources of labour supply** are concerned with two problems:

- (a) What portion of the existing labour is retained or what is the extent of labour turnover?
 - (b) What will be the magnitude of internal movement of labour caused by transfers and promotions?
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Labour Turnover Rate

The formula given in the file is:

Labour Turnover Rate = Number of workers who left jobs ÷ Average number of workers during the year

Though this method of measurement is not completely reliable, it is useful for **inter-firm comparison**. It is simple to calculate the extent of wastage with it.

However, this method does not help us to know how many workers have remained continuously with the firm during the year as a whole.

(2) STABILITY INDEX

How many workers serve in a firm continuously throughout the year can be assessed with the help of the stability index method.

The formula to be used is:

Stability Rate = Number of employees with one year service ÷ Total number of employees during the year × 100

Thus, stability rate indicates the magnitude of labour stability. It may be fruitfully used with the labour turnover rate. But even stability rate does not take into account the length of service of those employees who leave the organisation during the year in question.

Boule has, therefore, suggested another formula for stability rate in which, along with the stability rate, the length of service of employees leaving is also taken into account.

ANALYSIS OF INTERNAL MOVEMENT

The above discussion deals with the rate of turnover and also the stability of labour in a firm.

The former, i.e. **turnover rate**, is concerned with the number of employees who leave the firm during a specific year.

The latter, i.e. **stability rate**, is concerned with the number of employees who stick to their job in the firm throughout a year.

Another important aspect is the **internal movement of labour within a firm**. This includes movement from one department to another or from one job to another. Transfers and promotions are important sources of internal movement of labour.

EXTERNAL SOURCES OF MANPOWER SUPPLY

The manager in charge of manpower planning has to consider the availability of labour in the external labour market.

Generally, information about the supply of labour can be obtained from various sources.

The manager may obtain information from:

- The labour market
- Government publications
- Population census
- Employment exchange centres

- Educational institutions
- Industrial training organisations
- Statistical surveys
- Information about graduates and students in different faculties
- Data concerning skilled labour and different categories of workers

The labour market may be wide or may be limited to a nearby area depending upon the requirements of the firm.

The manager has to take into consideration the availability of skilled labour in the local area. Requirements of labour of different skills may be available in the local market.

In addition to this, the manager can obtain information regarding the population and structure of labour force. The **Population Census**, undertaken at every ten-year interval in countries including India, gives information about the size and structure of the labour force in the country.

The **Industrial Training Commission in England** publishes regularly data about the demand and supply of labour through its analysis of past and present situations.

(E) MEASURES FOR HUMAN RESOURCE PLANNING / MANPOWER PLAN

After estimating demand and supply of labour, the following measures are called for.

In practice, demand and supply of labour will hardly balance. An attempt must be made to remove the discrepancy between the demand and supply of labour.

For example, if **demand for labour exceeds supply of labour**, the excess demand must be met through **recruitment**.

In this context, two factors will be given due weightage:

1. **The condition of supply of labour in the market**
2. **The company's budget**

The budgetary provision fixes the maximum number of workers that the firm can recruit.

Recruitment and Selection

No one can dispute the fact that a scientific approach is essential in the matters of selection, training and promotion of employees.

As **Rustom S. Davar** has remarked:

“A good organisation structure and a good plan can be ruined by merely placing the wrong men on the jobs, whilst putting the right men on the jobs still affords a chance that they might be able to develop sound plans and a sound organisation structure.”

In a country like India, which suffers from large-scale unemployment and underemployment, it may seem comparatively easy to recruit employees. Apparently, it does not pose any problem. But appointing any person to vacancies does not mean recruitment.

Scientific recruitment involves appointing the **right person for the right job**.

Scientific methods like **job analysis and merit rating** are highly useful in proper recruitment. Developing and maintaining personnel after they are scientifically recruited is equally important.

MEANING OF RECRUITMENT

Necessity for securing new employees arises for many reasons.

The mere passage of time causes some employees to grow older, retire, die or become incapacitated. Seasonal and cyclical fluctuations in business cause a constant change in the workforce of many companies. Expansion of business requires new men.

According to Flipppo

“Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.”

According to Yoder

“Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient work force.”

FACTORS AFFECTING RECRUITMENT

A. INTERNAL FACTORS

Internal factors are factors which can be controlled by the organisation.

1. Growth and Expansion

If an organisation wants to expand its operations, employment of more personnel will be required. In short, growth and expansion of an organisation or its operation will demand employment of personnel.

2. Nature and Size of Organisation

The nature and size of an organisation are important factors in the recruitment process. Many experts are of the opinion that larger organisations find recruitment less problematic than smaller organisations.

3. Recruitment Policy

The recruitment policy of the organisation also affects the recruitment process. Recruitment policy such as recruiting from **internal and/or external sources** affects the recruitment process.

Normally, recruitment by way of internal sources is more viable because existing employees of an organisation know the culture of the organisation well.

4. Human Resource Planning

Effective human resource planning helps in determining:

- Gaps present in the existing manpower of the organisation
- Number of employees to be recruited
- Qualifications required by employees

5. Cost of Recruitment

Recruitment increases the cost of the organisation or employer.

Hence, organisations try to employ sources of recruitment which will prove to be less costly for recruiting each candidate.

B. EXTERNAL FACTORS

1. Supply and Demand

Manpower availability, both within and outside the organisation, is an important factor to be considered in recruitment. If an organisation has demand for more professionals and there is limited supply in the market, it will have to depend upon internal sources by providing development programmes and expertise training.

2. Goodwill / Image

An organisation having a positive image and goodwill can easily attract and retain employees. An organisation with a negative image may fail to attract or retain employees. The goodwill/image of a company is based on what the organisation does and is affected by the industry. The image of the company is also an important tool to attract a large number of job-seekers.

3. Labour Laws

There are various labour laws and regulations passed by State and Central Governments that govern different kinds of employment.

Examples mentioned in the source include:

- Child Labour (Prohibition and Regulation) Act, 1986
- Factory Act, 1948
- Apprentices Act, 1961
- Employment Exchange Act, 1959

4. Unemployment Rate

When the unemployment rate in a given area is high, the recruitment process tends to be simpler. The reason is that the number of applicants is expected to be very high, making it easier to attract qualified applicants. On the contrary, recruitment becomes difficult with a low rate of unemployment.

5. Political and Legal Aspects

Political and legal considerations are major factors affecting recruitment. The source gives reservation of jobs for **Scheduled Tribes (STs), Scheduled Castes (SCs) and Other Backward Classes (OBCs)** as an example of such considerations.

6. Labour Market Conditions

Both demand and supply of labour affect recruitment. If supply is more than demand for a specific skill, recruitment becomes easier. If demand is more than supply for a specific skill, recruitment becomes difficult.

7. Competitors

Recruitment policies of competitors can also affect the recruitment process. To survive in competition, organisations may have to change their recruitment policies according to policies adopted by competitors.

METHODS OF RECRUITMENT

Methods of recruitment are classified into two groups:

A. DIRECT METHODS

1. Inviting Applications from Employees within the Organisation

Vacancies can often be filled by promotion from within. For this purpose, applications are invited from present employees of the organisation. The applications are properly screened so that applicants who do not possess the requisite qualifications are kept out. This practice is based on the assumption that the “**promotion within**” policy leads to high morale among employees.

2. Waiting Lists

Many firms maintain application files in which applications received from casual applicants are kept pending. Similarly, when the number of candidates found fit for a job exceeds the number of vacancies, surplus candidates are kept on a waiting list. Such records prove to be a useful source of recruitment whenever vacancies arise.

3. Friends and Relatives of Present Employees

Some firms obtain recommendations from employees regarding their friends and relatives for employment. It is a convenient source of labour supply and is helpful in maintaining goodwill and morale of present employees. However, there is a danger that persons recommended by existing staff may be inefficient or unfit for the job.

4. Notices Exhibited at Factory Gates

Boards may be displayed at factory gates, restaurants, shops etc., showing that certain types of workers are required. This method can be safely used for unskilled workers. It is hardly used for recruiting permanent employees.

5. Advertisement in Newspapers

When experienced employees are not available through other sources, companies resort to advertising. The most appropriate newspaper, journal or other publication can be used for the post concerned. Posts may be advertised without revealing the name of the company, so that persons with requisite qualifications may be tempted to apply.

Sometimes posts are advertised using a particular **box number**, so that undue pressure or influence is not used for appointing a particular candidate.

A danger of the box-number system is that experienced persons may not dare to apply because they fear that the company advertising the post may be the same company in which they presently work.

INDIRECT METHODS

When a company makes use of an individual or institution as an intermediary for recruitment of manpower, it is known as an **indirect method of recruitment**.

1. Contractors

Under this method, professional contractors supply required workers on payment of commission. Generally, contractors who supply labour at the lowest wage rates are preferred.

Advantages

1. Workers can be obtained easily.
2. It provides labour at low wage rates.
3. Contractors are in personal contact with labourers and therefore can keep a check on them.

Disadvantages

1. Poor farmers and small artisans may be tempted to join the ranks of labourers.
2. A part of the wage goes into the pockets of contractors.
3. Contractors can exploit labourers.
4. Contractors may compel labourers to provide personal services to them free of charge.
5. The source states that female workers were sometimes forced into immoral practices.

The system proved effective in providing labour within a very short period. It was popular in the coal industry in India and was also used in plantation and construction industries.

2. Jobbers

The system of recruitment through jobbers is described in the source as a legacy of British rule in India and as widely prevalent in the textile industry.

A jobber was essentially a supervisor of the factory. His primary duties included:

- Supervising employees
- Maintaining discipline
- Maintaining quality of output
- Employing substitutes for absent workers
- Repairing machines
- Keeping machines in good working condition

The jobber system developed because intermediaries were needed to keep watch over workers.

Advantages

1. Management is relieved of the problem of recruitment.
2. Jobbers are better informed about the qualities and capabilities of workers.
3. Constant watch on workers ensures discipline and efficiency.
4. Recruitment through this system is less costly compared with other systems.

Drawbacks

1. Jobbers may be interested in removing workers because their remuneration is linked with the number of appointments made, leading to increased labour turnover.
2. Jobbers may take a portion of workers' wages.
3. Jobbers may take commission from workers at the time of appointment.
4. Workers may be exploited in various ways.
5. The source describes the attitude of jobbers as generally inhuman and unkind.

The source notes that the Royal Commission on Labour criticised the system and suggested its abolition.

3. Employment Exchanges

Private and public employment exchanges may be maintained to facilitate recruitment.

Employment exchanges:

- Keep records of persons looking for jobs.
- Collect information from employers about vacancies.
- Screen candidates.
- Ask suitable candidates to contact employers.

Thus, employment exchanges serve as a link between workers and employers.

Major Functions of Employment Exchanges

1. Prepare and maintain a list of unemployed persons.
 2. Keep themselves informed of vacancies in industrial concerns.
 3. Supply suitable employees to industrial concerns.
 4. Collect and analyse statistical data regarding employment situations.
 5. Offer vocational guidance to jobless persons.
 6. Arrange training of workers for different occupations.
 7. Maintain close contact with labour unions, employers and Government and provide useful information about unemployment.
-

4. Labour Unions

In India, labour unions are described as a relatively new source of labour supply compared with countries such as the USA. Except in the textile industry, other industries in India have historically hesitated to use this source because of concerns about the powers of trade unions.

5. Campus Interview

Campus recruitment is the system of securing suitable candidates from:

- Schools
- Colleges
- Technical institutions

Employment managers remain in close contact with heads of educational institutions from which promising persons may be recruited. Heads of institutions are aware of the capabilities of students and can recommend appropriate candidates.

RECRUITMENT PROCEDURE

The whole recruitment procedure may be divided into three stages:

1. **Planning of Personnel Requirements**
 2. **Employment Requisition**
 3. **Contact with Sources of Labour Supply**
-

1. Planning of Personnel Requirements

Just as production planning is required for smooth functioning of production work, similarly it is necessary to estimate the number of employees required in different departments.

Generally, **manning tables** are used to record this data. In a manning table, each job is listed along with the number of operators, personnel and trainees on hand. Forecasted requirements for personnel are compared with available talent, adjusted for labour turnover.

The differences indicate how many employees will be required. The use of manning tables permits management to anticipate personnel needs and results in more satisfactory staffing activity.

2. Employment Requisition

The next step is filling up an employment requisition by the head of the department where vacancies arise.

It specifies:

- The job for which an employee is required
- Job specifications
- Qualities required in an employee

The requisition should be scrutinised and sanctioned by a responsible official and compared with the personnel budget before being sent to the personnel manager.

3. Contact with Sources of Labour Supply

It is the duty of the personnel manager to constantly keep in touch with sources of labour supply so that suitable employees may be appointed as promptly as possible.

The wider the contact, the wider will be the field of choice open to the manager.

Major Sources of Labour Supply

1. Promotion and transfer of employees within the organisation
2. Former employees willing to return
3. Friends, relatives and acquaintances of present employees
4. Technical schools, colleges and institutions
5. Employment exchanges
6. Labour unions
7. Advertisements in newspapers and journals
8. Waiting lists
9. Applicants whose applications are on file
10. Employees of rival concerns

MODERN TECHNIQUES OF RECRUITMENT

Modern techniques of recruitment mentioned in the source are:

1. **Head Hunting**
2. **Body Shopping**
3. **Tele Recruitment**
4. **Business Alliances**

1. Head Hunting

The company requests professional organisations to search for the best candidates, particularly for senior executive positions. Professional organisations identify suitable candidates and advise the company about filling the position. Such organisations are also known as **head-hunters or search consultants**.

2. Body Shopping

Professional organisations and modern training institutions develop a pool of human resources for possible employment. Prospective employers contact these organisations to recruit candidates. Alternatively, organisations approach prospective employers to place their human resources. These professional and training institutions are called **body shoppers**, and their activities are known as **body shopping**. Body shopping is mostly used for computer professionals and is also known as “**employee leasing activity**.”

3. Tele Recruitment

Technological developments help organisations in recruiting human resources. The Internet is a useful recruitment tool. Organisations advertise job vacancies through the **World Wide Web**. Job-seekers can send applications through e-mail. Organisations can also use the telephone as a key source of recruitment.

4. Business Alliances

Business alliances such as:

- Mergers
- Acquisitions
- Takeovers

may help organisations obtain human resources. Organisations may also share human resources on a temporary basis.

RECRUITMENT PRACTICES IN INDIA

According to the research study referred to in the source, recruitment practices were examined in:

1. Private Sector
2. Public Sector
3. Government Sector

1. Recruitment in Private Sector Organisations

Methods of recruitment were not formalised in private-sector organisations because each private employer tended to follow its own method.

Major recruitment sources, in order of preference:

1. Advertisements
2. Employment exchanges
3. Friends and relatives of employees
4. Internal sources through transfer and promotion
5. Casual employment sectors

2. Recruitment in Public Sector Organisations

Recruitment methods were more formalised.

Major recruitment sources, in order of preference:

1. Employment exchanges
2. Advertisements
3. Internal sources through transfer and promotion
4. Casual callers
5. Relatives and friends of existing employees

3. Recruitment in Government Organisations

Sources observed were:

1. **Advertisement** – to recruit higher-level jobs
2. **Employment exchanges** – to recruit lower-level semi-skilled jobs
3. **Competitive examinations** – to fulfil cadre-built vacancies such as IAS, IPS etc.

8. E-RECRUITMENT

Electronic recruitment is also known as **online recruitment**. Job portals such as **Monster, Shine, Naukri** etc. enable recruiters to reach a large audience. E-recruitment is widely used for **entry-level and mid-level positions**.

It involves:

- Screening candidates electronically
- Directing potential hires to a special website
- Online skill assessment
- Conducting background checks over the Internet
- Interviewing candidates through videoconferencing

- Managing the entire process through web-based software

Disadvantages of E-Recruitment

1. Recruiters may miss competent applicants who lack access to the Internet.
 2. Broader exposure may result in many unqualified applicants applying for jobs.
 3. More e-mails and more resumes need to be reviewed.
-

SELECTION PROCEDURE

After applications of the required number of employees are secured through different methods of recruitment, the selection process begins.

The main purpose of selection is to **find the right man for each job**. The efficiency and profitability of the concern depend mainly on proper selection of personnel. Hence, there is a need for a scientific procedure of selection.

Different industrial concerns adopt different selection procedures. Even in the same concern, the exact procedure depends upon the job for which appointment is to be made. The procedure is elaborate and complicated for jobs involving responsibility and decision-making, while it is relatively simple for ordinary workers.

A scientific procedure of selection requires two things:

1. Knowledge regarding the qualities which a person should possess in order to do a given job properly.
 2. Evaluation of qualities possessed by a candidate for the job.
-

STAGES OF SELECTION

According to **Richard S. Uhrbrock**, the scientific order of different stages of selection is:

1. Reception of Applicant
2. Preliminary Interview
3. Application Blank
4. Employment Tests
5. Interview
6. Investigation of Past Career
7. Preliminary Selection
8. Final Selection
9. Physical Examination
10. Placement

1. Reception of Applicant

The selection procedure begins with reception of applicants in the personnel department.

The receptionist provides information about the company and current vacancies and assists in completing application forms.

The receptionist may arrange schedules for interviews, tests and other steps in selection.

A tactful approach by the receptionist and a pleasant physical environment can create a good impression of the company.

2. Preliminary Interview

The primary purpose of the preliminary interview is to screen out those who are obviously unsuitable.

These interviews are usually quite short and may be performed by the receptionist.

The receptionist should be capable of assessing the applicant's worth and may administer survey tests to determine whether basic job requirements are met.

If suitable at this stage, an application blank may be given to the candidate to fill in and return.

3. APPLICATION BLANK

Applicants are asked to complete a blank that provides space for recording information relating to:

- Name of candidate
- Address
- Telephone number
- Personal information
- Physical characteristics
- Experience
- Hobbies
- References etc.

Application blanks should not be too lengthy. They should be concise and contain no unnecessary questions.

Only relevant information should be collected.

According to **George R. Terry**, application blanks should provide for two types of data:

1. Data about candidates' personal identification
2. Other additional data useful to the company

The application blank should not be unnecessarily used as an employee record. If employment records are desired, more complete forms can be filled out after the employee is hired.

Weighted application blanks may be used as interview guides.

While scrutinising applications received, points are assigned to each factor relevant to the job. Candidates are evaluated on this basis and candidates failing to secure the required total credit points are considered unfit for the job.

4. EMPLOYMENT TESTS

Employment tests are widely used in the selection of candidates.

Most companies in industrially advanced countries use employment tests for scientific selection of workers.

It is believed that tests give an accurate idea of the intelligence and ability of candidates.

The source identifies four major types:

A. Intelligence Tests

Intelligence tests measure the intellectual capacity of the candidate.

Sometimes oral tests are conducted in which arithmetic questions or tricky questions are asked. Sometimes written tests are administered.

Intelligence tests may be used advantageously in selecting candidates for posts such as:

- Accountant
- Advocate
- Professor
- Secretary
- Manager

Such tests provide a measure of one or more types of ability, including:

- Memory
 - Reasoning
 - Vocabulary
 - Social perception
-

B. Trade Tests

Trade tests are useful in measuring the applicant's knowledge and skill in a particular trade.

Candidates are asked to perform a particular job.

For example, recruitment of a stenographer may involve checking speed in dictation and typing. Candidates should be given exactly the same work under similar circumstances. Each company may prepare its own trade tests according to its requirements.

C. Aptitude Tests

Aptitude tests determine the **latent capacity or potential ability** of an individual.

They measure the aptitude of applicants towards the job for which they are being considered. The source also refers to personality tests as being designed to judge emotional balance and maturity.

D. Interest Tests

Interest tests are designed to find out the interests of the applicant. They may be helpful in determining the nature of job suitable for the candidate. The source notes that the results of an interest test must not be confused with measurements of ability.

5. INTERVIEWS

Interviewing is described as the most widely used tool in selection. In many companies, the interview is the only tool used in selecting new employees. Interviewing is an art and successful interviewing follows established principles which the interviewer must bear in mind.

The interviewer should:

- Prepare a list of questions based on job specification.
- Provide privacy.
- Provide sufficient time for the interview.
- Keep aside personal prejudices.
- Ask questions in simple language understandable to the applicant.

Types of Interviews

1. Planned Interview
2. Non-Directive Interview
3. Depth Interview
4. Stress Interview
5. Group Interview

A. Planned Interview

A planned interview is a carefully designed interview. It is designed to have a high degree of accuracy, precision and exactitude. Questions to be asked are prepared beforehand and made available in printed form. Answers given by candidates are noted by interviewers. It is systematic and scientific. Its limitation is that it does not allow sufficient scope for extra questions and therefore may be useful only for selecting candidates for specific jobs.

B. Non-Directive Interview

This type of interview gives the interviewee considerable freedom to express his mind freely. The interviewer encourages the interviewee to express thoughts with considerable freedom.

The interviewer initially asks a few common questions. The candidate is therefore not able to get an idea about the likes and dislikes of the interviewer. This may provide a correct picture of the applicant, his aptitude and capabilities.

C. Depth Interview

A depth interview is designed to examine intensively the candidate's background and thinking. The interviewer goes into considerable detail on particular subjects of special interest to the candidate.

For example, if a candidate reveals an interest in writing short stories, the interviewer may ask detailed questions regarding story-writing and thereby learn about the personality of the candidate.

D. Stress Interview

A stress interview is designed to test the candidate's conduct and behaviour under conditions of stress or emotional strain.

The candidate may be:

- Asked tricky questions
- Frequently interrupted
- Irritated
- Subjected to abrupt changes of topic
- Challenged regarding performance or motives

The candidate is placed under emotional strain to observe whether and to what extent he can remain cool and calm.

Such interviews should be used for particular types of jobs only.

E. Group Interview

Several candidates are brought together in the office and discuss an assigned topic or one of their choosing.

It is also known as **group discussion**. It is designed to save interviewer's time and to observe how candidates react to each other.

It helps evaluate leadership qualities such as:

- Ability to get along with others
 - Speaking ability
 - Other interpersonal qualities
-

GUIDELINES FOR INTERVIEWERS

The source attributes the following suggestions to psychologists **Bingham and Moore**:

1. The object of interview must be clarified.
 2. Qualifications and capabilities to be examined must be clearly stated and classified.
 3. A complete interview plan must be carefully prepared.
 4. The interviewer's point of view must take the interviewee's point of view into consideration.
 5. The interviewer must examine and eliminate personal prejudices.
 6. The interviewee should feel at ease in a congenial and pleasant atmosphere.
 7. Listen to the candidate silently.
 8. Keep control of the interview and do not abruptly divert to another subject.
-

6. INVESTIGATION OF PAST CAREER

Applicants are usually asked to provide references from:

- Past employers
- One or two respectable persons

References and recommendations can provide information about the character and reputation of candidates. However, references may be biased and one-sided.

To check references, one may use:

- Telephone
- Postal service
- Personal visit to the reference giver

7. PRELIMINARY SELECTION

If a candidate is found eligible for the post on the basis of the above steps, he is appointed on probation or as an apprentice.

For some time, new employees are trained and oriented for a particular job.

8. FINAL SELECTION

If the candidate successfully completes probation, he is finally selected for the post.

The final authority for selection lies with the **line manager**. As the line manager/executive officer is responsible for the results of his department, he is given authority to choose his subordinates. Therefore, candidates judged suitable after all the above screening are finally selected by line managers.

9. PHYSICAL EXAMINATION

After approval by the supervisor, the candidate is sent to the factory physician for a thorough medical check-up.

The basic purpose of physical examination is to determine the job for which candidates are fittest and not to eliminate them altogether.

Different jobs require different types of capacities.

Examples:

- Miners must be physically strong and healthy.
- Telephone operators must have strong audition/hearing power.

Physical examination benefits both employee and employer.

The employee learns about his physical condition, while the employer benefits because physically fit persons are given employment.

It tends to:

- Reduce labour turnover
- Promote contentment
- Diminish lost time

10. PLACEMENT

The process of recruitment is not over until the employee is finally placed on the job for which he is selected.

He is introduced to:

- His job
- Co-workers
- Superior
- Workplace
- Work facilities

Proper induction provides the employee with knowledge of the company's history, products and policies.

The employee's particular functions, duties and responsibilities are explained. Opportunities for advancement are outlined. The programme is explained. Co-workers introduce the new employee to facilities such as washrooms and cafeteria. Hours of work, break periods and transportation from the plant are explained.

SOURCES OF MANPOWER SUPPLY

Sources of manpower supply are divided into:

A. Internal Sources

1. Present Employees
2. Past Employees
3. Friends & Relatives of Employees

B. External Sources

1. Advertisement
 2. Educational Institutions
 3. Employment Exchanges
 4. Labour Unions
 5. Employees of Other Firms
 6. Casual Applicants
 7. Others
-

A. INTERNAL SOURCES

Internal sources refer to employees within the organisation. Present employees may be promoted when vacancies arise or may be transferred. In certain cases they may be demoted or dismissed.

1. Present Employees

Vacancies may be filled through:

- Promotion
- Transfer

Promotion means placing an employee in a higher position, while transfer involves shifting an employee from one job to another. Since the employer knows the plus and minus points of the

worker's abilities, vacancies can be filled with minimum cost and delay. No advertisement is necessary. This practice also keeps workers' morale high and promotes loyalty to the firm.

However, when a post requiring specialised skill is to be filled, this practice may not help.

2. Former Employees

Former employees who have been laid off or left for personal reasons may be taken back. Those with good records are desirable. They are familiar with the company and job and therefore require no initial training.

However, loyalty of such employees may be doubtful.

3. Friends and Relatives of Present Employees

Present employees may be requested and encouraged to recommend their friends and relatives for jobs.

Advantages include:

- Existing employees can consider qualifications and capacities before recommending candidates.
- They help friends and relatives learn the intricacies of the job.
- New employees can adjust easily to the company's environment.

However, there is a danger that existing employees may try to form a strong group and put pressure on management.

If their recommendations are rejected, bitterness may be created.

B. EXTERNAL SOURCES

External sources include employment exchanges, colleges and schools etc.

The source lists the following:

1. Advertisement
2. Educational Institutions
3. Employment Exchanges

4. Labour Unions
 5. Employees of Other Firms
 6. Casual Applicants
 7. Others
-

1. Advertisement

Advertisement is an extremely popular method of recruitment. The employer can choose an appropriate newspaper, magazine or journal.

Advertisements are suitable for posts requiring special skills. Qualifications required for the job should be clearly stated in detail so that only eligible candidates apply.

The post may be advertised under a box number to prevent applicants from using improper means of influence. A limitation is that good candidates may not apply if they fear that their own firm may discover that they are applying elsewhere.

2. Educational Institutions

Promising young persons can be obtained from schools, colleges and technical institutions.

Some universities have employment bureaus to provide vocational guidance and supply qualified persons to business firms. Initial training may be required.

Young recruits may be energetic and eager to grasp their job. They may also be employed at lower initial salaries and tend to be loyal to employers who give them opportunities.

Campus Recruitment Campus recruitment is described as a recent innovation.

Personnel managers personally visit institutions and, on recommendations of institutional heads, conduct on-the-spot interviews of aspiring students. This method can obtain employees easily and promptly for lower posts but is not useful for highly specialised posts.

3. Employment Exchanges

Private and public employment exchanges are an important external source of recruitment.

They maintain contact with employers and send names of registered persons who possess the required qualifications.

4. Labour Unions

This is comparatively new in India but is widely used in countries where trade unions are strong and not anti-employer.

5. Employees of Other Firms

A new firm can obtain experienced and trained labour by attracting employees from rival firms.

However:

- Such employees may be loyal to their former firm.
 - They may leave again if paid more elsewhere.
 - Different work environments may affect their performance.
 - They may suffer from a superiority complex.
 - They may demand higher salaries.
 - Their behaviour may conflict with company discipline or traditions.
-

6. Casual Applicants

Many firms maintain an application file in which applications received from casual applicants are kept pending.

Such records, when kept up-to-date, provide a useful source of recruitment.

7. Others

Other external recruitment methods mentioned include:

- Jobbers
- Contractors
- Personnel consultants
- Factory-gate notices
- Notices exhibited in workshops etc.

MEANING OF TRAINING

Training is an act of increasing the **knowledge and skill of a worker for doing a particular job.**

It is an act of imparting knowledge regarding the methods of doing a job. In other words, training is an organised procedure through which people acquire knowledge or skill for a definite purpose.

According to Michael J. Jucius

Training is the process by which the **aptitudes, skills and abilities of employees to perform a specific job are increased.**

According to Flippo

Training is the act of increasing the **knowledge and skill of an employee for doing a particular job.**

3. IMPORTANCE OF TRAINING

Training is important for both employees and the organisation. The file discusses the following importance of training:

1. Improvement in Performance

Training improves the knowledge and skills of employees and enables them to perform their jobs more efficiently.

2. Increase in Productivity

Training contributes to an increase in productivity because trained employees can perform their work more effectively.

3. Improvement in Quality

Training helps workers understand their work and the correct methods of performing it. This improves the quality of products.

4. Reduction in Wastage

Proper training helps employees use machines, materials and equipment correctly and therefore reduces wastage.

5. Reduction in Supervision

A trained worker can perform his duties with less supervision.

6. Better Utilisation of Machines and Equipment

Training makes workers familiar with machines, equipment and materials and helps them operate them correctly.

7. Development of Employees

Training develops employees' knowledge and skills and prepares them for higher responsibilities.

8. Health and Safety

Properly trained employees understand safety precautions and are less likely to cause accidents.

9. Employee Satisfaction

Training gives employees confidence in their abilities and increases job satisfaction.

10. Better Industrial Relations

Training can improve the relationship between employees and management by developing employees' confidence and understanding.

4. ADVANTAGES OF TRAINING

The file identifies several major advantages of training programmes.

1. Increase in Productivity

Training improves employee performance, resulting in increased production.

2. Improve Quality of Production

Trained workers understand the correct methods of performing work and therefore improve the quality of products.

3. Reduction in Wastage

Training reduces wastage because employees learn to handle machines, equipment and materials carefully.

4. Reduction in Supervision

Trained employees can perform work efficiently without requiring constant supervision.

5. Better Utilisation of Machines and Equipment

Training teaches employees the correct use of machinery and equipment.

6. Development of Employees

Training develops employees and helps prepare them for higher positions.

7. Promotion and Transfer

Trained employees can be transferred or promoted more easily because they possess the required skills and knowledge.

8. Health and Safety

Training helps employees understand safety precautions, reducing accidents and promoting health and safety.

9. Employee Satisfaction and Morale

Training increases confidence and gives employees a feeling of security. This increases job satisfaction and morale.

10. Reduction in Labour Turnover

Training can increase employee satisfaction and loyalty and thereby reduce labour turnover.

5. OBJECTIVES OF TRAINING

1. Improve Efficiency and Productivity

Training aims at improving the efficiency and productivity of employees.

2. Improve Quality of Production

Training enables workers to perform their work correctly and helps improve product quality.

3. Survive Changes

Technological changes continually introduce new machines, equipment and methods. Training prepares employees to cope with these changes.

4. Meet Future Needs

Training prepares employees for future requirements and higher responsibilities.

5. Development of Employees

Training develops employees' knowledge, skills and abilities.

6. Improve Atmosphere

Training creates an enthusiastic and progressive atmosphere in the organisation.

7. Make Transfer and Promotion Easier

Trained employees can be transferred to other jobs or promoted to higher positions more easily.

8. Maintaining Health and Safety

Training teaches employees the precautions necessary to maintain health and safety and prevent accidents.

6. TYPES OF TRAINING

The file classifies training on two bases.

A. On the Basis of Objectives

1. Induction Training
2. Job Training
3. Promotion Training
4. Refresher Training

B. On the Basis of Types of Employees

1. Training of Workers
 2. Training of Supervisors
 3. Training of Executives
-

A. TYPES OF TRAINING ON THE BASIS OF OBJECTIVES

1. Induction Training

The objective of induction training is to introduce a new employee to the organisation.

The employee is acquainted with:

- Organisation
- Fellow employees
- Department
- Job
- Rules and practices
- General working environment

Induction training makes the employee feel comfortable and helps him adjust to the organisation.

2. Job Training

Job training is given to workers to make them acquainted with the job they have to perform.

It makes workers efficient in handling:

- Machines
- Equipment
- Materials
- Work procedures

It helps operations run smoothly and reduces mistakes.

3. Promotion Training

When an existing employee is promoted to a higher position, he may require training to prepare him for his new responsibilities.

For example, in case of the death or absence of an official holding an important position, a trained junior employee can take over the responsibilities.

4. Refresher Training

Knowledge and technology are expanding rapidly.

Old machines and methods may become outdated. Therefore, refresher training is arranged frequently to acquaint present employees with:

- New knowledge

- New methods
- New technology
- New equipment

It also refreshes old knowledge and skills.

B. TYPES OF TRAINING ON THE BASIS OF EMPLOYEES

1. Training of Workers

The file discusses training of rank-and-file workers, particularly new entrants.

Because literacy among workers may be low, induction training is considered necessary.

Various methods can be used to train workers.

2. Training of Supervisors

Supervisors work with people as well as machines.

Therefore, supervisory training must cover both:

Technical knowledge

Knowledge of:

- Products
- Production processes
- Machines
- Scheduling
- Record keeping

Human relations

Knowledge of:

- Communication
- Personal interest in workers
- Leadership
- Handling employee problems

A supervisor must develop leadership qualities and should become a **leader rather than merely a boss**.

3. Training of Executives

Modern management requires professionally trained managers.

The main objective of management training is to develop managerial skills and provide a larger supply of expert management personnel.

The programme covers:

1. Technical knowledge
2. Knowledge of economics
3. Knowledge of human relations
4. Administrative training
5. Leadership qualities

Managers must understand economic conditions, market demand, products and organisational responsibilities.

They also need knowledge of human relations because managers deal with people.

7. METHODS OF TRAINING FOR WORKERS

The file discusses the following methods:

1. On-the-Job Training
 2. Apprentice Training
 3. Vestibule Method
 4. Internship Training
 5. Other Methods
-

1. On-the-Job Training

Under this method, a new worker is trained while performing the actual job.

An experienced instructor or senior worker supervises the employee and guides him in performing the work.

The worker learns:

- How to perform the job
- How to handle machines
- How to use equipment
- How to use materials
- Correct methods of working

Merits of On-the-Job Training

1. Simple method.
2. Less expensive.
3. Production work is not seriously disturbed.
4. Training is realistic because the worker uses actual equipment.
5. Beneficial to employees because they learn while working.
6. Suitable for small units that cannot afford a separate training department.

Demerits of On-the-Job Training

1. Trainee receives mainly practical rather than theoretical knowledge.
 2. An efficient worker may not always be a good instructor.
 3. Mistakes by trainees can disturb production.
 4. It is difficult to train a large number of employees through this method.
 5. It may not be suitable when a job requires a long training period.
 6. Existing workers may not always be interested in giving proper training.
-

2. APPRENTICE TRAINING

Apprenticeship is an old and still popular method of training.

It is particularly useful for trades requiring a long period of training and development of specialised skills.

Examples include traditional skilled trades such as goldsmith work.

The apprentice works under the guidance of an expert for a specified period.

The apprentice receives practical experience and gradually develops the skill required for the trade.

The source refers to the **Apprentices Act, 1961**, under which conditions of apprenticeship are regulated.

Merits of Apprenticeship

1. Long-term relationship develops between trainee and organisation.
2. Trainee receives practical knowledge and skill.
3. Suitable for trades requiring long training.
4. Trainees become familiar with the actual working environment.

Demerits of Apprenticeship

1. There is no guarantee that the trained person will continue with the organisation.
 2. If the employee leaves after training, the organisation may lose the time and money spent on training.
 3. The method is governed by prescribed terms and conditions.
-

3. VESTIBULE METHOD

Under this method, new workers are trained on special machines and equipment in a separate room or workshop located within or near the actual workplace.

The training environment resembles the actual work environment.

A specialist instructor provides training before workers are assigned to actual jobs.

Merits

- Workers can receive training without disturbing the actual production process.
- Specialist instructors can provide training.
- Workers can practise before entering actual work.

Demerits

1. Expensive because duplicate machinery may be required.
 2. Time-consuming.
 3. Production technology may change before training is completed.
 4. It requires special machinery and facilities.
 5. Exact working conditions may be difficult to reproduce.
 6. Difference between instructor and line supervisor can create problems.
-

4. INTERNSHIP TRAINING

Internship training is arranged to enable workers/students to take responsibility for actual jobs.

The method is generally used for training technical and professional personnel.

It may be implemented through cooperation between educational institutions and industries.

5. OTHER METHODS OF TRAINING

Other methods mentioned in the file include:

- Lectures
- Conferences
- Case studies
- Role playing
- Programmed instruction
- Reading and educational material

Lecture Method

The lecture method is useful for large groups.

Conference Method

A conference is a small-group meeting in which the leader develops knowledge and understanding by obtaining active participation from trainees.

Case Study Method

Under the case-study method, actual cases are assigned to candidates for analysis and discussion.

Candidates are expected to think about the problem and find solutions.

The method develops:

- Analytical thinking
- Problem-solving ability
- Decision-making ability

Role-Playing Method

Two or more trainees are assigned roles and perform situations before the rest of the class.

Examples include:

- Supervisor discussing a grievance with an employee
- Supervisor conducting an interview
- Salesman making a presentation

Role playing allows trainees to practise dealing with realistic situations.

Programmed Instruction

Programmed instruction is used for teaching specific knowledge, including subjects such as mathematics and physics.

8. METHODS OF TRAINING FOR SUPERVISORS

The file presents the following methods:

1. Conference Method
 2. Case Method
 3. Role-Playing Method
 4. Training Within Industry
 5. Management Games
-

1. Conference Method

Small groups of supervisors meet to discuss problems faced by supervisors.

The leader encourages participation from trainees.

The success of the conference depends on active participation.

The source recommends limiting the group to approximately **15–20 persons**.

Advantages

1. Supervisors learn from the instructor as well as from one another.
2. Participation in reaching conclusions makes supervisors more willing to accept decisions.
3. Management learns what supervisors expect.
4. Supervisors learn about management difficulties.

Limitations

1. The method is limited to relatively small groups.
 2. Discussions may become slow because everyone is allowed to speak.
 3. Time may be unnecessarily consumed.
-

2. CASE METHOD

The case-study method was originally developed in the field of medical science and later became extensively used in:

- Management
- Production management
- Marketing
- Labour relations

Actual cases are assigned to candidates for analysis and discussion.

Candidates develop their own solutions.

The method develops analytical thinking and problem-solving ability.

3. ROLE-PLAYING METHOD

This method was developed to provide practical experience in handling human situations.

Trainees are assigned specific roles.

Typical situations include:

- Supervisor discussing an employee grievance
- Conducting an interview
- Salesman making a presentation

The trainees practise dealing with situations that may occur in actual work.

4. TRAINING WITHIN INDUSTRY (TWI)

The file discusses **Training Within Industry (TWI)**.

The method gives importance to:

- Job instruction
- Job methods
- Job relations
- Development of supervisory skills

The first experiment mentioned in the source was conducted in a textile mill at the request of **ATIRA**.

The results were reported as encouraging, with increases in productivity in departments of the textile mill.

The Government of India incorporated the TWI programme into the Five-Year Plan.

The source also describes the work of British experts who visited India and helped establish TWI centres.

According to the source, an inquiry by ATIRA found improvements in:

- Production methods
 - Reduction of wastage
 - Industrial relations
-

9. SUGGESTIONS FOR EFFECTIVE TRAINING

The source lists several suggestions for making training programmes effective:

1. Objectives of training should be clearly defined.
 2. Training programmes should be properly planned.
 3. Training should conform to organisational requirements.
 4. Training methods should be appropriate to the needs of employees.
 5. Trainers should have proper knowledge of the subject.
 6. Trainees should be selected carefully.
 7. Management should provide necessary support.
 8. Adequate training facilities should be provided.
 9. Training material should be properly prepared.
 10. Training programmes should be evaluated.
 11. There should be proper follow-up.
 12. Training should be related to standards of quantity, quality, scrap, safety and human relations.
-

10. TRAINING PROCEDURE

1. Preparing the Instructor

The instructor must have:

- Knowledge of the job/subject

- Willingness to teach
- Knowledge of teaching principles and methods
- Aptitude and ability to teach
- Leadership capacity
- Pleasant personality
- Latest concepts and knowledge

The instructor should know the subject thoroughly and should be capable of explaining it effectively.

2. Preparing the Trainee

The trainee should be made comfortable.

Most people may feel nervous when facing an unfamiliar task such as training.

The instructor should create a friendly environment and make the trainee feel at ease.

3. Getting Ready to Teach

This includes:

1. Preparing the training programme.
2. Preparing the instructor's outline.
3. Making the session move logically.
4. Avoiding excessive material.
5. Discussing each item in detail.

The teaching material should be properly organised.

4. Presenting the Operation

The operation can be presented through:

- Explanation
- Demonstration
- Training aids
- Pictures
- Charts
- Diagrams

After presentation, the trainee is asked to perform the job.

The trainee may be asked to explain each step before performing it, particularly where safety is involved. Repetition helps the trainee develop skill.

5. Trying Out the Trainee's Performance

The trainee performs the operation after receiving instructions. The instructor observes the performance and corrects mistakes. This provides practical experience and helps the trainee gain confidence.

6. Follow-Up

Follow-up is the final step.

Since considerable money and effort are spent on training, management must determine whether the programme has been useful.

Follow-up helps determine:

- Whether objectives have been achieved
- Whether trainees have acquired the required skills
- Whether problems remain
- Whether improvements are necessary

Every training programme should therefore include follow-up.

11. MANAGEMENT DEVELOPMENT

Management development is concerned with developing the **mental abilities and inherent qualities of managers and executives**.

Executives or managers are persons who have authority over others and are responsible for their activities and for the operations of the enterprise.

According to Michael J. Jucius

Executive development is the programme by which **executive capacities to achieve desired objectives are increased**.

Management development involves planned development of:

- Managerial abilities
- Skills
- Knowledge
- Leadership qualities
- Personality
- Decision-making ability
- Human relations capabilities

12. NEED FOR MANAGEMENT DEVELOPMENT

The file identifies several factors responsible for the need for management development.

1. Development of Leadership Qualities

The success of an organisation depends greatly upon the leadership provided by managers.

Management development helps managers develop leadership skills and managerial abilities.

2. Shortage of Experienced Managers

There may be a shortage of experienced managerial personnel, particularly in growing enterprises.

Management development helps organisations develop talented employees into capable managers.

3. Development of Companies

As companies grow and expand, their managerial requirements increase.

Management development helps prepare managers to handle organisational growth.

4. Rapid Technological Changes

Technological changes are occurring rapidly, particularly in fields such as electronics.

Managers must continuously update their knowledge and skills.

5. Concept of Social Responsibility

Business organisations are increasingly expected to recognise their responsibilities towards society.

Managers therefore need training to deal with broader social responsibilities.

6. Development of Managerial Knowledge

Knowledge in management is developing rapidly.

Continuous training is required to keep managers updated.

A successful manager can become outdated if he does not keep himself informed about new management knowledge.

13. DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT

The final pages provide a comparative table.

Basis	Training	Development
1. Meaning	Training provides practical and theoretical education to employees for improving proficiency in a particular job.	Development is concerned with all-round development of employees.
2. Who imparts it	Training is generally imparted by supervisors.	Development is generally imparted by superiors and through self-development.
3. Purpose	Training is concerned with improving present job performance and skills.	Development is concerned with developing managerial abilities and broader capabilities.
4. Time period	Training is generally of short-term duration.	Development is generally of longer duration.
5. Career focus	Training is generally concerned with the present job.	Development has a broader and longer-term career orientation.
6. Nature	Training is generally a routine and short-term activity.	Development is a continuous activity.
7. Cost	Training is comparatively less expensive.	Development may require greater investment.
8. Emphasis	Training emphasises practical and technical aspects of work.	Development emphasises conceptual and theoretical aspects.
9. Objective	Development of specific skills and technical knowledge.	All-round development of mental abilities and inherent qualities.

A. GIG EMPLOYEES

1. INTRODUCTION

Gig work is generally performed by a person **as a freelancer or an independent contractor**. Unlike a traditional employer offering a regular salary, this type of work involves receiving payment for individual or short-term projects.

A company, for example, may hire a person to assist with a large temporary project. Gig workers often build their work experience by serving **multiple clients simultaneously** rather than working for one organisation.

Gig workers differ from traditional employees in several important ways:

- They are not bound by traditional employment agreements.
- They generally work on a **per-project basis**.
- They receive payment for each project rather than a regular salary.
- They have greater flexibility regarding when and where they work.
- They generally do not receive the same level of benefits as traditional employees.
- They may not receive health insurance, paid vacation or retirement benefits from clients.
- They may not receive the same protections as regular employees, such as unemployment insurance or workers' compensation.

Despite the lack of benefits, many people are attracted to gig work because of its flexibility. Gig workers can:

- Choose their working hours.
- Work from home.
- Take more or less work according to their needs.
- Earn additional income.

2. MEANING OF GIG WORKERS

The word “**gig**” has several meanings. In modern usage, it generally refers to:

- A paid job or role, particularly for a musician or performer.
- Any temporary job.

A **gig worker** is an individual who works on a **per-project or freelance basis**.

They are generally self-employed and work independently, often through online platforms that connect them with clients.

Gig workers may also be called:

- Independent contractors
- Freelancers

They differ from temporary workers because they are generally not hired by a company for a specified period as employees.

Gig workers are becoming increasingly common as businesses move towards an **on-demand or gig model**.

The arrangement is common in industries such as:

- Transportation
- Food delivery
- Home services
- Online services

A gig worker may take short-term or project-based jobs for several clients instead of being employed by a single company. Many freelancers find gigs through online platforms.

Gig Economy

Examples of Gig Workers

Examples mentioned in the file include:

- **Uber and Ola** – ride-sharing services
- **Zomato and Swiggy** – food delivery
- **BigBasket** – grocery delivery

Unlike traditional employment, where roles and schedules are more rigid, gig work provides a more flexible approach to managing professional life.

3. TYPES OF GIG WORKERS

There are various types of gig workers across industries.

1. Freelancers

Freelancers are a major part of the gig economy.

They work as independent contractors and specialise in short-term projects and consulting. Their work arrangements may vary. Some freelancers establish long-term relationships with clients, while others find new clients for every project. Digital platforms are frequently used to find gig work.

2. Teachers

The education sector is also adopting gig-economy arrangements.

Teachers may work as:

- Freelancers
- Independent contractors

Teachers with strong presentation skills may take short-term teaching assignments.

These flexible arrangements provide educators with greater control over:

- Where they work
 - When they work
 - How they work
-

3. Construction Employees

Construction is a significant part of the gig economy. It includes numerous gig workers and professionals. Many construction professionals work as:

- Independent contractors
- Freelancers

Highly specialised professionals such as **architects and engineers** can also find work through flexible arrangements. These arrangements provide part-time and short-term opportunities outside traditional long-term employment.

4. Finance Professionals

The gig economy offers opportunities to finance professionals.

Examples include:

- Accountants
- Financial planners
- Investment consultants

These professionals may work as freelancers or independent contractors.

They may take short-term assignments such as:

- Helping small businesses improve accounting.

- Building investment portfolios for individual clients.
-

5. Technical / Support Professionals

Technical and support professionals represent a growing sector within the gig economy. The types of work available depend upon the needs of companies. Gig assignments may range from highly specialised activities to general support work.

6. Food Service and Hospitality Professionals

Many people seeking gig work find opportunities in the food-service and hospitality sector.

Examples include:

- Bartenders
- Hotel concierges
- Restaurant workers
- Food-service professionals

A bartender, for example, may work only at special events such as weddings.

7. Driver / Delivery Service Professionals

There are many opportunities for drivers in the gig economy.

Drivers may:

- Deliver goods.
 - Transport passengers.
 - Work through ride-sharing platforms.
-

4. HUMAN RESOURCE AND GIG ECONOMY

The concept of gig workers removes the traditional employment relationship between an employee and an employer.

This creates challenges for HR because gig workers may have different:

- Rights
- Duties
- Benefits
- Employment relationships

The major HR areas discussed are:

1. Workforce Planning
2. Recruitment and Selection
3. Training and Development
4. Performance Management
5. Compensation and Benefits
6. Job Design

1. Workforce Planning

In the gig economy, workforce planning largely relates to identifying workforce requirements. Intermediary platforms need to observe demand carefully and plan the workforce accordingly.

2. Recruitment and Selection

Careful selection of gig workers can provide value to all parties involved. The worker needs appropriate qualifications and knowledge to successfully perform the assigned work.

3. Training and Development

According to the source, freelancers generally do not have the same level of involvement in training and development as traditional employees. One reason is that gig workers may have to fund training themselves.

On the other hand, gig platforms may provide useful information and training relating to:

- Improving customer ratings
- Customer service
- Platform procedures
- Performance improvement

4. Performance Management

Performance management is important because gig platforms need to monitor the quality of services provided by gig workers. Customer ratings and feedback may be important in evaluating performance.

5. Compensation and Benefits

Compensation is generally linked with the work or project completed. Unlike traditional employees, gig workers may not receive regular employee benefits. Therefore, compensation arrangements need to be considered carefully by both parties.

6. Job Design

The rise of the gig economy has affected job design.

HR departments have to rethink job offerings and consider:

- Short-term arrangements
- Flexible jobs
- Project-based work
- Different forms of employment

5. LEGAL CONSIDERATIONS FOR GIG WORKERS

The source identifies several fundamental legal issues.

1. Independent Contractor Status

Gig workers are often classified as **independent contractors rather than employees**.

This classification can affect:

- Tax responsibilities
- Benefits
- Legal rights

For example, contract workers may not receive:

- Minimum wage protection
- Overtime benefits
- Unemployment benefits

2. Self-Employment Taxes

Tax responsibilities can be more complicated for gig workers. Since the worker is self-employed, he or she may need to take care of both the employer and employee portions of certain taxes. Gig workers therefore need to make provisions for income taxes.

3. Insurance

Insurance protections available to traditional employees may not automatically apply to gig workers.

Examples include:

- Workers' compensation
- Unemployment insurance
- Health insurance

Gig workers may need to arrange their own health insurance and other forms of protection.

4. Business Licenses

Some gig workers may need to comply with small-business or business-license requirements. They should understand the applicable legislation and requirements.

5. Contractual Agreements

Before beginning a gig assignment, the worker should understand the contractual terms relating to:

- Payment
- Nature of work
- Responsibilities
- Liabilities

Where necessary, professional advice may be obtained.

6. State Laws

Different regions may have specific laws concerning gig workers. Workers should remain informed about the laws applicable in their respective areas.

7. Intellectual Property

The nature of gig work may involve intellectual-property rights. Depending on the contract, ownership rights over work produced by the gig worker may transfer to the client after payment. Therefore, the contract should clearly specify intellectual-property ownership.

6. ADVANTAGES OF GIG WORKERS

The source discusses the following major advantages:

1. Flexibility

Gig workers generally have freedom to choose:

- When they work
- Where they work
- How much they work

This is particularly useful for people who have other commitments or prefer non-traditional working hours. For example, a ride-sharing driver may work only during peak-demand periods.

2. Independence

Gig workers can act as their own bosses.

They can have greater control over:

- Projects
- Rates
- Workflow
- Work style

For example, a freelance graphic designer can select projects according to preferred style, while a consultant can select projects according to interests or expertise.

3. Diverse Opportunities

The gig economy provides a wide range of opportunities.

Examples range from:

- Driving
- Software development
- Consulting
- Teaching
- Design

- Delivery services

4. Expanding Network

Gig workers frequently interact with different clients and professionals. This can help them develop professional networks and discover additional opportunities.

5. Supplemental Income

Gig work can be used to supplement income from a primary occupation.

For example:

- A teacher may tutor students during summer.
- An artist may sell crafts to support a primary occupation or interest.

6. Increased Work Security / Work Opportunities

Freelancers may work with multiple clients at the same time. Because their work is not necessarily dependent on one employer, the end of one professional relationship may not mean the end of all work opportunities. They may also obtain additional work from existing clients.

7. DISADVANTAGES / LIMITATIONS OF GIG WORKERS

1. Lack of Job Security

Unlike a traditional full-time job, gig work does not generally provide long-term employment security.

A traditional employee who loses a job may have access to:

- Company redress procedures
- Severance benefits
- Unemployment benefits

Such avenues may not be available to gig workers. The professional relationship generally ends when the contract or assignment is completed.

2. Lack of Benefits

Many gig workers do not receive employer-provided benefits.

They may not receive:

- Health insurance
- Paid leave
- Retirement plans
- Other employee benefits

The source refers to a **2023 study** indicating that a proportion of gig workers did not have health insurance.

3. Inconsistent Income

Income in the gig economy can be unpredictable. A freelancer may receive several assignments in one period and very few assignments in another. Therefore, financial planning can be difficult. The source refers to an Economic Policy Institute study indicating that some gig workers earned less than the federal hourly minimum wage.

4. Isolation

Working independently can result in social isolation. For example, a virtual assistant working from home may miss the interaction and team environment associated with office-based employment.

5. Administrative Tasks

Gig workers generally have to manage many administrative responsibilities themselves.

These may include:

- Invoicing
- Tax payments
- Marketing
- Client management

In large organisations, such responsibilities are usually distributed among specialised departments.

B. TEAM

1. INTRODUCTION

The concept of the **team** was developed and applied in Japan in the 1950s, particularly to deal with quality problems.

Today, the term team is widely used in almost all human activities.

Several leading corporate organisations introduced teams into their production processes. The source mentions organisations such as:

- W. L. Gore
- Volvo
- General Motors
- SAIL
- Tata Motors

Today, teams are widely used in organisations.

Teams have become a primary unit of performance in high-performance organisations.

Teams are:

- Highly flexible.
- More responsive to changing events than traditional groups.
- A better way to utilise employee talent.
- A means of democratising organisations.
- A means of increasing employee motivation.

2. MEANING OF TEAM

A **team or work team** has been defined by different authors.

John W. Newstrom

A team is a cooperative small group in regular contact, with members working together to accomplish a common purpose.

Ramesh B. Rudani

A team is a group of persons with the ability to perform special tasks who prefer to work collectively, have shared leadership and bear individual and collective accountability.

Robbins, Judge and Vohra

A team is a group in which **individual efforts result in performance greater than the sum of the individual inputs.**

3. NATURE / CHARACTERISTICS OF TEAM

The source identifies the following characteristics.

1. Few People

A team consists of a relatively small number of people. Interaction and communication are essential to team processes.

When the number of people becomes very large, members may have difficulty:

- Interacting
 - Influencing each other
 - Utilising complementary skills
 - Meeting goals
 - Holding themselves accountable
-

2. Complementary Skills

A team consists of people having complementary skills needed to get work done.

Three types of skills are generally required:

A. Technical or Functional Skills

Some members need technical or functional knowledge to perform the work.

B. Problem-Solving and Decision-Making Skills

Some members need the ability to:

- Identify problems
- Determine priorities
- Evaluate alternatives
- Make decisions about the direction of the team

C. Interpersonal Skills

Members need interpersonal skills to:

- Manage communication
- Manage conflicts
- Direct questions and discussion
- Provide support
- Recognise the interests of team members

These complementary skills enable the team to function without constantly requiring outside support.

3. Collective Purpose and Performance Goals

A team has common purposes and performance goals.

These goals establish the:

- Direction
- Focus
- Priorities

Team members work together, use available resources and develop their skills to achieve team goals.

4. Collective Approach

A team develops a common approach followed by all members.

The team approach generally covers:

- How work will be done
- Social norms
- Dress
- Attendance at meetings
- Fairness
- Ethical behaviour
- Activities included or excluded from team responsibilities

5. Mutual / Collective Accountability

Team members accept responsibility for achieving team goals.

Accountability involves a commitment by members to do everything possible to achieve their goals.

It requires:

- Trust
- Commitment
- Responsibility
- Cooperation

4. TYPES OF TEAM

Modern business organisations perform many activities through teams.

The source discusses the following major forms:

1. Cross-Functional Teams
2. Virtual Teams
3. Self-Managed Teams
4. Problem-Solving Teams

1. CROSS-FUNCTIONAL TEAMS

A cross-functional team consists of specialists and supporting staff drawn from different functional areas or departments.

Experts from different areas perform tasks that are supplementary to each other.

Purpose

Cross-functional teams are created to:

- Make decisions
- Solve problems
- Carry out assignments
- Handle activities that cannot be effectively completed by one department

Examples

A team of doctors working in an emergency ward may constitute a cross-functional team.

Similarly, teachers from different disciplines may form a team to teach students.

A business school may be managed by teachers belonging to:

- Management
- Computer science
- Mathematics
- Economics
- Other disciplines

The source also gives the example of the **Boeing Company**, where a cross-functional team consisting of employees from production, planning, quality control, tooling, design engineering and information systems worked on automation.

The team reportedly helped reduce:

- Cycle time

- Costs
- Quality

The source also mentions organisations such as:

- IBM
- LG
- Toyota
- Honda Motors
- Suzuki
- Tata Group
- Ford Motors

Five Steps for Improving Cross-Functional Teams

David Chaudron's suggestions mentioned in the source are:

1. Choosing members carefully.
2. Clearly establishing the purpose of the team.
3. Ensuring that everyone understands how the group will function.
4. Conducting intensive team-building efforts so members learn to interact effectively.
5. Achieving noticeable results so morale remains high and members can see the impact of their efforts.

2. VIRTUAL TEAMS

Virtual teams use **computer technology** to unite physically dispersed members and help them achieve common goals.

Members collaborate online through communication technologies such as:

- Wide Area Networks (WAN)
- Video conferencing
- Email
- Networking
- Chat rooms
- Websites
- Other electronic communication systems

In modern business activities, many teams perform at least some tasks remotely. Unlike traditional teams, virtual teams generally do not have face-to-face interaction.

Definition by Lipnack and Stamps

Virtual teams are groups of people who work interdependently with a shared purpose across:

- Space
- Time
- Organisational boundaries

Importance

Virtual teams have become increasingly important because of:

- Information technology
- Globalisation
- Need for speedy transactions
- Global partnering
- Outsourcing

Electronic links enable members to:

- Collect data
- Gather ideas
- Negotiate
- Communicate
- Conduct business from different locations

Limitations

Virtual teams cannot be used effectively for every type of interaction. They are particularly suitable for **knowledge-based tasks** where members are geographically separated.

Face-to-face interaction and physical proximity may be difficult to replace completely.

3. SELF-MANAGED TEAMS

Self-managed teams are also known as:

- Self-reliant teams
- Self-directed teams
- Empowered teams

They are natural work groups given substantial autonomy. In return, members are expected to control their behaviour and produce significant outcomes.

Self-managed teams generally have their own:

- Objectives
- Mission
- Resources
- Special language

- Values
- Norms
- Relationship styles

They:

- Plan their activities.
- Direct their work.
- Monitor activities.
- Control their activities.
- Develop multiple skills.

They may be empowered to:

- Hire staff
- Organise activities
- Purchase inputs
- Purchase facilities

Definition by Dale E. Yeatts and Cloyd Hyten

Self-managed teams are groups of members responsible for managing and performing technical tasks that result in a product or service delivered to internal or external customers.

Advantages

Research referred to in the source indicates that self-managed teams may have positive effects on:

- Productivity
- Job satisfaction
- Customer service
- Commitment to the organisation

Limitations

Self-managed teams are not a foolproof solution. They may not manage conflicts effectively.

When conflict arises:

- Cooperation may decline.
- Power struggles may occur.
- Group performance may decline.

The source gives cricket and football teams as examples where conflict can affect cooperation and coordination.

Self-managed teams require a high degree of:

- Conformity
- Understanding
- Maturity
- Compromise

4. PROBLEM-SOLVING TEAMS

Problem-solving teams are also known as **corrective teams**.

Members of these teams:

- Share ideas.
- Suggest improvements.
- Identify problems.
- Improve work processes.
- Improve work methods.

Such teams are created to solve specific problems faced by an organisation. Members are selected from areas where the problems exist.

They may come from:

- One department
- Several departments

Problem-solving teams generally consist of experienced experts who can tackle complex problems.

Problem-solving process

Team members:

1. Study the problem.
2. Apply appropriate methodologies and techniques.
3. Search for alternative solutions.
4. Evaluate alternatives.
5. Select an appropriate solution.
6. Implement the solution.
7. Accept responsibility for outcomes.

The source notes that modern problem-solving teams may not merely make recommendations; they may also be responsible for implementing solutions and outcomes.

5. TEAM BUILDING

Team building is widely used to perform a variety of functions in modern organisations. Team building is an important responsibility of top management.

It is an act or process involving a high degree of interaction among team members to increase:

- Trust
- Openness

Top management generally formulates guidelines for team management and assigns the team-building task to a **team leader or facilitator**.

Team building is challenging because the success of a team depends upon:

- How it is constituted
- How it functions
- The quality of its members
- Management support

Definition by John W. Newstrom

Team building is the process of making a team more effective by encouraging members to examine how they work together, identify weaknesses and develop more effective ways of cooperating.

Objectives of Team Building

Team building involves deliberate organisational efforts to:

- Construct teams.
- Develop teams.
- Sustain teams.
- Achieve common goals.
- Develop collective responsibility.
- Teach teamwork.
- Clarify individual roles.
- Improve decision-making.
- Pursue group goals.
- Improve cooperation.

Groups require time and training to become productive and cohesive teams.

The main goal of team building is to make the team **more effective**.

Large industrial organisations may undertake special team-building programmes to improve team performance.

TEAM BUILDING SKILLS

Team-building activities may be performed by internal or external experts.

The person responsible for team building should possess specialised skills.

The **facilitator** has an important role in team building.

The source identifies four major skills:

1. Consultation Skills
2. Research Skills
3. Interpersonal Skills
4. Presentation Skills

1. CONSULTATION SKILLS

Consultation skills are the ability to provide advice or consultancy on issues related to team building.

The team builder should be professionally qualified and capable of guiding others.

Consultation skills include:

- Coaching
- Diagnosing
- Contracting
- Designing change
- Teaching skills
- Identifying potential capabilities
- Decision-making

2. RESEARCH SKILLS

Research involves searching for information on a topic or problem and generating new information.

Research skills include:

- Knowledge of research fundamentals
- Problem diagnosis
- Research planning
- Conducting research studies
- Evaluating results

A team builder needs research skills to understand problems and develop appropriate solutions.

3. INTERPERSONAL SKILLS

A team builder must possess strong interpersonal skills.

These include:

- Listening
- Cheerfulness
- Trust building
- Coaching
- Giving feedback
- Conflict resolution
- Empathy
- Openness
- Tolerance
- Convincing skills
- Other interpersonal abilities

These skills help the team builder establish trust and cooperation among members.

4. PRESENTATION SKILLS

A person responsible for team building must also possess presentation skills.

These include:

- Good command of language
- Confidence in facing an audience
- Subject knowledge
- Effective speech
- Effective gestures
- Public speaking ability
- Presentation ability

Effective presentation skills enable the team builder to communicate ideas and instructions clearly.

