

LGO2222

**Human Resources Management
In Local Government**

BY

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Chapter 1¹

Introduction of human resource management

1.1 Introduction

Strategic human resource management (strategic HRM or SHRM) is an approach to the development and implementation of HR strategies that are integrated with business strategies and support their achievement. SHRM has been described by Boxall (1996) as the interface between HRM and strategic management. Schuler and Jackson (2007: 5) stated that SHRM is fundamentally about 'systematically linking people with the firm'.

Baird and Meshoulam (1988: 116) pointed out that: 'Business objectives are accomplished when human resource practices, procedures and systems are developed and implemented based on organizational needs, that is, when a strategic perspective to human resource management is adopted.' Wright and McMahan (1992: 295) explained that the field of HRM has 'sought to become integrated with the strategic management process through the development of a new discipline referred to as strategic human resource management'.

In essence, strategic HRM is conceptual; it is a general notion of how integration or 'fit' between HR and business strategies is achieved, the benefits of taking a longer-term view of where HR should be going and how to get there, and how coherent and mutually supporting HR strategies should be developed and implemented. Importantly, it is also about how members of the HR function should adopt a strategic approach on a day-to-day basis. This means that they operate as part of the management team, ensure that HR activities support the achievement of business strategies on a continuous basis and add value.

The aim of this chapter is to explore what this involves. It starts with an analysis of the meaning of SHRM. It then covers: an examination of its nature and its aims; an analysis of its underpinning concepts the resource-based view and strategic fit. This is followed by a description of how strategic HRM works, namely the universalistic, contingency and configurational perspectives defined by Delery and Doty (1996) and the three approaches associated with those perspectives – best practice, best fit

¹ Armstrong, M. (2014). *Armstrong's handbook of human resource management practice* (11th ed.). London: Kogan Page.

and bundling. The chapter continues with a summary of the distinctive features of strategic HRM and ends with an examination of how HR strategies are developed and implemented when an SHRM approach is adopted.

1.2 The conceptual basis of strategic HRM

Strategic HRM takes the notion of HRM as a strategic, integrated and coherent process and associates it with an approach to management that involves adopting a broad and long-term view of where the business is going and managing it in ways that ensure that this strategic thrust is maintained. It is influenced by the concepts of strategic management and strategy.

1.2.1 Strategic management

According to Boxall and Purcell (2003: 44): 'Strategic management is best defined as a process. It is a process of strategy making, of forming and, if the firm survives, reforming its strategy over time.' Strategic management was described by Johnson et al (2005: 6) as 'understanding the strategic position of an organization, making strategic choices for the future, and turning strategy into action'. The purpose of strategic management has been expressed by Kanter (1984: 288) as being to 'elicit the present actions for the future' and become 'action vehicles – integrating and institutionalizing mechanisms for change' (ibid: 301).

The key strategic management activity identified by Thompson and Strickland (1996: 3) is 'deciding what business the company will be in and forming a strategic vision of where the organization needs to be headed in effect, infusing the organization with a sense of purpose, providing long-term direction, and establishing a clear mission to be accomplished.'

The focus is on identifying the organization's mission and strategies, but attention is also given to the resource base required to make it succeed. Managers who think strategically will have a broad and long-term view of where they are going. But they will also be aware that they are responsible, first, for planning how to allocate resources to opportunities that contribute to the implementation of strategy, and second, for managing these opportunities in ways that will add value to the results achieved by the firm.

1.2.2 The concept of strategy

Strategy is the approach selected to achieve specified goals in the future. As defined by Chandler (1962: 13) it is: 'The determination of the long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals.' The formulation and implementation of corporate strategy is a process for developing a sense of direction, making the best use of resources and ensuring strategic fit.

Strategy has three fundamental characteristics. First, it is forward looking. It is about deciding where you want to go and how you mean to get there. It is concerned with both ends and means. In this sense a strategy is a declaration of intent: 'This is what we want to do and this is how we intend to do it.' Strategies define longer-term goals but they also cover how those goals will be attained. They guide purposeful action to deliver the required result. A good strategy is one that works, one that in Abell's (1993: 1) phrase enables organizations to adapt by 'mastering the present and pre-empting the future'. As Boxall (1996: 70) explained: 'Strategy should be understood as a framework of critical ends and means.'

The second characteristic of strategy is the recognition that the organizational capability of a firm (its capacity to function effectively) depends on its resource capability (the quality and quantity of its resources and their potential to deliver results). This is the resource-based view as described later in this chapter.

The third characteristic of strategy is that it aims to achieve strategic fit – the need when developing functional strategies such as HR to achieve congruence between them and the organization's business strategies within the context of its external and internal environment.

Chapter 2²

Strategic HRM

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2.2 The conceptual basis of strategic HRM

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The third characteristic of strategy is that it aims to achieve strategic fit – the need when developing functional strategies such as HR to achieve congruence between them and the organization's business strategies within the context of its external and internal environment.

2.3 The nature of strategic HRM

Strategic HRM is an approach that defines how the organization's goals will be achieved through people by means of HR strategies and integrated HR policies and practices. It was defined by Mabey et al (1998: 25) as the process of 'developing corporate capability to deliver new organizational strategies'. It is based on two key ideas, namely the resource-based view and the need for strategic fit, as discussed later in this chapter.

SHRM can be regarded as a mindset underpinned by certain concepts rather than a set of techniques. It provides the foundation for strategic reviews in which analyses of the organizational context and existing HR practices lead to decisions on strategic plans for the development of overall or specific HR strategies. SHRM involves the exercise of strategic choice (which is always there) and the establishment of strategic priorities. It is essentially about the integration of business and HR strategies so that the latter contribute to the achievement of the former.

Strategic HRM is not just about strategic planning, nor does it only deal with the formulation of individual HR strategies. Its main concern is with integrating what HR does and plans to do with what the business does and plans to do. As modelled in Figure 2.1, SHRM is about both HR strategies and the strategic management activities of HR professionals.

2.4 Aims of SHRM

The fundamental aim of strategic HRM is to generate organizational capability by ensuring that the organization has the skilled, engaged, committed and well-motivated employees it needs to achieve sustained competitive advantage. Alvesson (2009: 52) wrote that strategic HRM is about 'how the employment relationships for all employees can be managed in such a way as to contribute optimally to the organization's goal achievement'.

SHRM has three main objectives: first to achieve integration – the vertical alignment of HR strategies with business strategies and the horizontal integration of HR strategies. The second objective is to provide a sense of direction in an often turbulent environment so that the business needs of the organization and the individual and the collective needs of its employees can be met by the development and implementation of coherent and practical HR policies and programmes. The third objective is to contribute to the formulation of business strategy by drawing attention to ways in which the business can capitalize on the advantages provided by the strengths of its human resources.

2.5 Critical evaluation of the concept of SHRM

The whole concept of SHRM is predicated on the belief that HR strategies should be integrated with corporate or business strategies. Vertical integration (strategic fit between business and HR strategies) may be desirable but it is not easy to achieve for the following reasons.

2.5.1 Diversity of strategic processes, levels and styles

The different levels at which strategy is formulated and the different styles adopted by organizations may make it difficult to develop a coherent view of what sort of HR strategies will fit the overall strategies and what type of HR contributions are required during the process of formulation.

2.5.2 The complexity of the strategy formulation process

Business strategy formulation and implementation is a complex, interactive process heavily influenced by a variety of contextual and historical factors. In these circumstances, as Guest (1991) has asked, how can there be a straightforward flow from the business strategy to the HR strategy? It has been pointed out by Truss (1999: 44) that the assumption of some matching models of strategic HRM is that there is a simple linear relationship between business strategy and human resource strategy, but this assumption 'fails to acknowledge the complexities both between and within notions of strategy and human resource management... [It] is based on a rational model of organizations and individuals which takes no account of the significance of power, politics and culture.'

2.5.3 The evolutionary nature of business strategy

The evolutionary and incremental nature of strategy making may make it difficult to pin down the HR issues that are likely to be relevant. Hendry and Pettigrew (1990) suggest that there are limits to the extent to which rational HR strategies can be drawn up if the process of business strategic planning is itself irrational.

2.5.4 The absence of articulated business strategies

If, because of its evolutionary nature, the business strategy has not been clearly articulated, this would add to the problems of clarifying the business strategic issues that human resource strategies should address.

2.5.5 The qualitative nature of HR issues

Business strategies tend, or at least aim, to be expressed in the common currency of figures and hard data on portfolio management, growth, competitive position, market share, profitability, etc. HR strategies may deal with quantifiable issues such as resourcing and skill acquisition but are equally likely to refer to qualitative factors such as engagement, commitment, motivation, good employee relations and high employment standards. The relationship between the pursuit of policies in these areas and individual and organizational performance may be difficult to establish.

2.5.6 Integration with what?

The concept of SHRM implies that HR strategies must be totally integrated with corporate/business strategies in the sense that they both flow from and contribute to such strategies. But as Brewster (2004) argued, HR strategy will be subjected to considerable external pressure; for example, in Europe, legislation about involvement. These may mean that HR strategies cannot be entirely governed by the corporate/ business strategy.

The question: 'To what extent should HR strategy take into account the interests of all the stakeholders in the organization, employees in general as well as owners and management?' also needs to be answered.

2.5.7 Conclusions

The difficulties mentioned above are real, but they are frequently glossed over in rhetorical statements about the need for integration. Too often the outcome is a platitudinous statement such as: 'Our HR strategy is to develop a performance culture' or: 'Our HR strategy is to ensure that the organization has the talented people it needs'. These are perfectly laudable broad objectives but they need to be more specific about how the aims will be achieved and how they will support the achievement of business goals.

Matching HR and business strategies is a problematic process but this doesn't mean that the attempt to do so should be abandoned. HR strategists must make every effort to understand the business model of their organization (ie a picture of an organization that explains how it achieves competitive advantage and makes money) and the plans for business model innovation (the process followed by an organization to develop a new business model or change an existing one). They have to take into account the difficulties mentioned above but they need to overcome these by persistent efforts designed to obtain insight into the real issues facing the organization, leading to plans for practical interventions that address those issues.

Chapter 3³

Delivering HRM systems and roles

3.1 Introduction

The framework for delivering HRM is provided by the HR architecture of an organization, which consists of the HR system, HR practices and the HR delivery model adopted by the HR function. Within that framework the provision of advice and services relating to human resource management is the responsibility of the HR function and the HR professionals who are members of the function. Ultimately, however, the delivery of HRM is up to line managers who put HR policies into practice.

HR techniques such as organization development, selection testing, talent management, performance management and total reward play an important part in the delivery of HRM. But there is the danger that new and seemingly different techniques become 'flavours of the month' only to be quickly forgotten when they fail to deliver. Some time ago McLean (1981: 4) observed that:

The history of the management of human resources is littered with examples of widely acclaimed techniques enthusiastically introduced by managers who are keen to find solutions to their 'people' problems, only to be discarded and discredited by the same disillusioned and increasingly cynical managers some time later.

Times have not changed. The effective delivery of HRM depends on using techniques which are tried, tested and appropriate, not ones which have been promoted vigorously as 'best practice' without supporting evidence.

3.2 HR architecture

HR architecture consists of the HR systems, processes and structure, and employee behaviours. It is a comprehensive representation of all that is involved in HRM, not simply the structure of the HR function. As explained by Becker et al (2001: 12): 'We use the term HR architecture to broadly describe the continuum from the HR professionals within the HR function, to the system of HR related policies and practices, through the competencies, motivation and associated behaviours of the firm's employees.'

³ Armstrong, M. (2014). *Armstrong's handbook of human resource management practice* (11th ed.). London: Kogan Page.

It was noted by Hird et al (2010: 25) that: 'this architecture is seen as a unique combination of the HR function's structure and delivery model, the HR practices and system, and the strategic employee behaviours that these create'.

Purcell (1999: 38) suggested that the focus should be on 'appropriate HR architecture and the processes that contribute to organizational performance'. Becker and Huselid (2006: 899) stated that: 'It is the fit between the HR architecture and the strategic capabilities and business processes that implement strategy that is the basis of HR's contribution to competitive advantage.'

3.3 The HR system

The HR system contains the interrelated and jointly supportive HR activities and practices which together enable HRM goals to be achieved. Becker and Huselid (1998: 95) observed that: 'The HRM system is first and foremost a vehicle to implement the firm's strategy.' Later (2006) they argued that it is the HR system that is the key HR asset. Boselie et al (2005: 73) pointed out that in its traditional form HRM can be viewed as 'a collection of multiple discrete practices with no explicit or discernible link between them. The more strategically minded system approach views HRM as an integrated and coherent bundle of mutually reinforcing practices.'

As illustrated in Figure 3.1, an HRM system brings together HR philosophies that describe the overarching values and guiding principles adopted in managing people. Taking account of the internal and external environments in which the organization operates, the system incorporates:

- HR strategies, which define the direction in which HRM intends to take each of its main areas of activity.
- HR policies, which set out what HRM is there to do and provide guidelines defining how specific aspects of HR should be applied and implemented.
- HR practices, which consist of the HRM activities involved in managing and developing people and in managing the employment relationship.

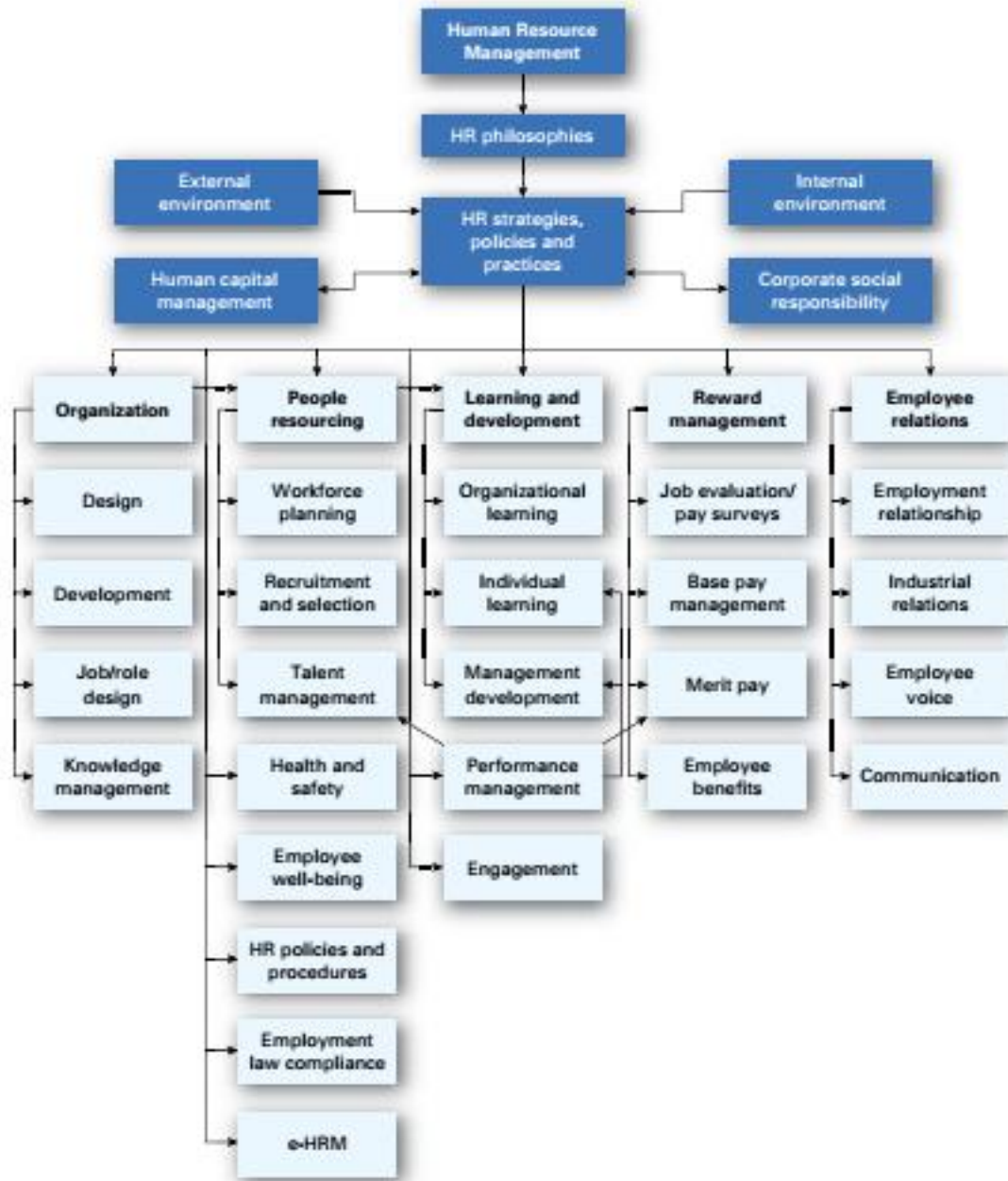


Figure 3.1: The HRM system

3.4 The HR function delivery model

In a sense the HR function is in the delivery business – providing the advice and services that enable organizations and their line managers to get things done through people. The HR delivery model describes how those services are provided. These methods of delivery take place irrespective of the degree to which what is done corresponds with the conceptual HRM model described in Chapter 1.

The most celebrated delivery model was produced by Dave Ulrich. In his influential Harvard Business Review article (1998: 124) he wrote that: 'HR should not be defined by what it does but by what it delivers results that enrich the organization's value to customers, investors, and employees.' More specifically he suggested that HR can deliver in four ways: as a strategic partner, an administrative expert, an employee champion and a change agent. This first model was later modified by Ulrich and Brockbank (2005), who defined the four roles as employee advocate, human capital developer, functional expert and strategic partner. The role and organization of the HR function in delivering HRM is explored below.

3.5 The role and organization of the HR function

Members of the HR function provide insight, leadership, advice and services on matters affecting the management, employment, learning and development, reward and well-being of people, and the relationships between management and employees. Importantly, they contribute to the achievement of organizational effectiveness and success (the impact of HRM on performance is considered in Chapter 4). The basic role of HR is to deliver HRM services. But it does much more than that. It plays a key part in the creation of an environment that enhances engagement by enabling people to make the best use of their capacities, to realize their potential to the benefit of both the organization and themselves, and to achieve satisfaction through their work.

Increasingly, the role of HR is seen to be business-oriented – contributing to the achievement of sustained competitive advantage. Becker and Huselid (1998: 97) argued that HR should be 'a resource that solves real business problems'. But one of the issues explored by Francis and Keegan (2006) through their research is the tendency for a focus on business performance outcomes to obscure the importance of employee well-being in its own right. They quoted the view of Ulrich and Brockbank (2005: 201) that 'caring, listening to, and responding to employees remains a centrepiece of HR work'. The HR function and its members have to be aware of the ethical dimensions of their work.

3.5.1 HR activities

HR activities can be divided into two broad categories: 1) transformational (strategic) activities that are concerned with developing organizational effectiveness and the alignment and implementation of HR and business strategies; 2) transactional activities, which cover the main areas of HR service delivery: resourcing, learning and development, reward and employee relations. A CEO's view on the HR agenda as quoted by Hesketh and Hird (2010: 105) was that it operates on three levels: 'There's the foundation level, which we used to call personnel, it's just pay and ratios, recruitment, all that sort of stuff that makes the world go round, transactional work. Level two to me is tools, it could be engagement, reward, development, those sort of things. Level three is the strategic engagement.'

3.5.2 The organization of the HR function

The ways in which HR operates vary immensely. As Sisson (1990) commented, HR management is not a single homogeneous occupation – it involves a variety of roles and activities that differ from one organization to another and from one level to another in the same organization. Tyson (1987) claimed that the HR function is often 'balkanized' – not only is there a variety of roles and activities but these tend to be relatively self-centered, with little passage between them. Hope-Hailey et al (1997: 17) believed that HR could be regarded as a 'chameleon function' in the sense that the diversity of practice established by their research suggests that 'contextual variables dictate different roles for the function and different practices of people management'.

The organization and staffing of the HR function clearly depend on the size of the business, the extent to which operations are decentralized, the type of work carried out, the kind of people employed and the role assigned to the HR function. A survey by Incomes Data Services (IDS, 2010) found that the overall median number of HR staff in the responding organizations was 14: in small and medium-sized companies (with 1–499 staff) the median number was 3.5, and in companies with 500 or more employees it was 20. While, as would be expected, large organizations employed more staff than small and medium-sized enterprises (SMEs), they had on average fewer HR staff per employee. For SMEs the median ratio of employees to HR staff was 62:1; in large employers it was 95:1. The overall ratio was 80:1. The IRS 2012 survey of HR roles and responsibilities found that the median ratio of employees to HR practitioners was 80:1.

A traditional organization might consist of an HR director responsible directly to the chief executive, with functional heads dealing, respectively, with recruitment and employment matters, learning and

development, and reward management. Crail (2006: 15) used the responses from 179 organizations to an IRS survey of the HR function to produce a model of an HR department. He suggested that this 'might consist of a team of 12 people serving a workforce of around 1,200. The team would have a director, three managers, one supervisor, three HR officers and four assistants. It would include a number of professionally qualified practitioners, particularly at senior level'. However, there is no such thing as a typical HR function, although the 'three-legged stool' model as described below has attracted a lot of attention.

3.5.3 The three-legged stool model

The notion of delivering HRM through three major areas centers of expertise, business partners and HR shared service centers emerged from the HR delivery model produced by Ulrich (1997, 1998), although, as reported by Hird et al (2010: 26): 'Ulrich himself has gone on record recently to state that the structures being implemented by HR based on his work are not actually his idea at all but an interpretation of his writing.' They noted that the first reference to the three-legged stool was in an article by Johnson (1999: 44), two years after Ulrich published his delivery model. In this article Johnson quoted David Hilborn, an associate of William Mercer, management consultants, as follows:

The traditional design [of an HR department] typically includes a vice president of HR, then a manager of compensation and benefits, a manager of HRIS and payroll, a manager of employment and so on. However, the emerging model is more like a three-legged stool. One leg of the stool includes an administrative service center which processes payroll, benefits and the like and focuses on efficiency in transaction functions. The second leg is a center of excellence (or expertise) in which managers and specialists work. These employees concentrate on design rather than transactions and will have line managers as their customers. HR business partners make up the third leg. They are generalists who usually report to line managers and indirectly to HR. These employees don't get involved in transactions, but instead act as consultants and planners, linking the business with appropriate HR programmes.

This exposition provided the blueprint for all subsequent versions of the model, which has evolved as follows:

- Centers of expertise – these specialize in the provision of high-level advice and services on key HR activities. The CIPD survey on the changing HR function (CIPD, 2007) found that they existed in 28 per cent of respondents' organizations. The most common expertise areas were training

and development (79 per cent), recruitment (67 per cent), reward (60 per cent) and employee relations (55 per cent).

- Strategic business partners – these work with line managers to help them reach their goals through effective strategy formulation and execution. They are often 'embedded' in business units or departments.
- HR shared service centers – these handle all the routine 'transactional' services across the business, which include such activities as recruitment, absence monitoring and advice on dealing with employee issues such as discipline and absenteeism.

Collect and Rearrange By Marndarath

Chapter 4⁴

Knowledge management in LGO.

4.1 Introduction

Knowledge management is concerned with storing and sharing the wisdom, understanding and expertise accumulated in an enterprise about its processes, techniques and operations. It treats knowledge as a key resource. It was defined by Tan (2000: 10) as: 'The process of systematically and actively managing and leveraging the stores of knowledge in an organization.' As Ulrich (1998: 126) remarked: 'Knowledge has become a direct competitive advantage for companies selling ideas and relationships.'

There is nothing new about knowledge management. Hansen et al (1999: 106) observed that: 'For hundreds of years, owners of family businesses have passed on their commercial wisdom to children, master craftsmen have painstakingly taught their trades to apprentices, and workers have exchanged ideas and know-how on the job.' But they also commented that: 'As the foundation of industrialized economies has shifted from natural resources to intellectual assets, executives have been compelled to examine the knowledge underlying their business and how that knowledge is used' (ibid: 106).

Knowledge management is more concerned with people and how they acquire, exchange and spread knowledge than it is about information technology. That is why it has become an important area for HR practitioners, who are in a strong position to exert influence in this aspect of people management. It is associated with intellectual capital theory (see Chapter 5), in that it refers to the notions of human, social and organizational or structural capital. It is also linked to organizational learning (see Chapter 22).

Knowledge management should be based on an understanding of the concept of knowledge; this is therefore dealt with in the first section of this chapter. In subsequent sections knowledge management is described in more detail, strategies for developing its practice are described and consideration is given to the role of HR.

⁴ Armstrong, M. (2014). *Armstrong's handbook of human resource management practice* (11th ed.). London: Kogan Page.

4.2 The concept of knowledge

Knowledge is defined as what people understand about things, concepts, ideas, theories, procedures and practices. It can be described as know-how or,

when it is specific, expertise. A distinction was made by Ryle (1949) between 'knowing how' and 'knowing that'. 'Knowing how' is the ability of a person to perform tasks, and 'knowing that' is holding pieces of knowledge in one's mind. According to Blackler (1995: 1023): 'Rather than regarding knowledge as something that people have, it is suggested that knowing is better regarded as something that they do.' He also noted that: 'Knowledge is multifaceted and complex, being both situated and abstract, implicit and explicit, distributed and individual, physical and mental, developing and static, verbal and encoded' (ibid: 1032–33).

Nonaka (1991) suggested that knowledge is held either by individuals or collectively. In Blackler's (1995) terms, embodied or embraced knowledge is individual and embedded, and cultural knowledge is collective. It can be argued (Scarborough and Carter, 2000) that knowledge emerges from the collective experience of work and is shared between members of a particular group or community.

4.2.1 Explicit and tacit knowledge

Nonaka (1991) and Nonaka and Takeuchi (1995) stated that knowledge is either explicit or tacit. Explicit knowledge can be codified – it is recorded and available and is held in databases, in corporate intranets and intellectual property portfolios. Tacit knowledge exists in people's minds. It is difficult to articulate in writing and is acquired through personal experience. As suggested by Hansen et al (1999), it includes scientific or technological expertise, operational know-how, insights about an industry and business judgement. The main challenge in knowledge management is how to turn tacit knowledge into explicit knowledge.

4.2.2 Data, information and knowledge

A distinction can be made between data, information and knowledge:

- Data consists of the basic facts – the building blocks for information and knowledge.
- Information is data that have been processed in a way that is meaningful to individuals; it is available to anyone entitled to gain access to it. As Drucker (1988: 46) put it, 'information is data endowed with meaning and purpose'.
- Knowledge is information used productively; it is personal and often intangible and it can be elusive the task of tying it down, encoding it and distributing it is tricky.

4.3 Knowledge management defined

Knowledge management is about getting know- ledge from those who have it to those who need it in order to improve organizational effectiveness. It was defined by Scarborough et al (1999: 1) as 'any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations'. They suggested that it focuses on the development of firm-specific knowledge and skills that are the result of organizational learning processes. Knowledge management deals with both stocks and flows of knowledge. Stocks include expertise and encoded knowledge in computer systems. Flows represent the ways in which knowledge is transferred from people to people or from people to a knowledge database.

Knowledge management identifies relevant information and then disseminates it so that learning can take place. It promotes the sharing of knowledge by linking people with people and by linking them to information so that they learn from recorded experiences. As explained by Blake (1988), the purpose of knowledge management is to capture a company's collective expertise and distribute it to wherever it can achieve the biggest payoff. This is in accordance with the resource-based view of the firm, which suggests that the source of competitive advantage lies within the firm (ie in its people and their know- ledge), not in how it positions itself in the market. A successful company is a knowledge-creating company.

Knowledge is possessed by organizations and people in organizations. Organizational operational, technical and procedural knowledge can be stored in databanks and found in reports, libraries, policy documents, manuals and presentations. It can also be moved around the organization through information systems and by meetings, workshops, courses, 'master classes', written publications and 'communities of practice', defined by Wenger and Snyder (2000: 139) as 'groups of people informally bound together by shared expertise and a passion for joint enterprise'. The intranet provides an additional and very effective medium.

People possess knowledge that has been acquired through their own experiences at work. But it will not necessarily be shared formally or even informally with their colleagues and crucial knowledge could be lost if it remains locked up in the minds of employees, or taken elsewhere by them if they leave the organization. An important issue in knowledge management is how knowledge can be identified and distributed.

In the information age, knowledge rather than physical assets or financial resources is the key to competitiveness. Knowledge management allows companies to make the best use of their employees' creativity and expertise (Mecklenburg et al, 1999). As Boxall and Purcell (2000: 197) noted: 'Managing knowledge inevitably means managing both the company's proprietary technologies and systems (which don't walk out of the door at the end of the day) and the people (who do)'.

4.4 Knowledge management strategies

Two approaches to knowledge management strategy have been identified by Hansen et al (1999): the codification strategy and the personalization strategy.

4.4.1 The codification strategy

Knowledge is carefully codified and stored in data-bases where it can be accessed and used easily by anyone in the organization. Knowledge is explicit and is codified using a 'people-to-document' approach. The strategy is therefore document-driven. Knowledge is extracted from the person who developed it, made independent of that person and reused for various purposes. It is stored in an electronic repository for people to use, and allows people to search for and retrieve codified knowledge without having to contact the person who originally developed it. This strategy relies largely on information technology to manage databases and also on the use of the intranet.

4.4.2 The personalization strategy

Knowledge is closely tied to the person who has developed it and is shared mainly through direct person-to-person contacts. This 'person-to-person' approach means providing for tacit knowledge to be passed on. The exchange is achieved by creating networks and encouraging face-to-face communication between people by informal conferences, workshops, communities of practice, brainstorming and one-to-one sessions.

Hansen et al (1999) proposed that the choice of strategy should be contingent on the organization: what it does and how it does it. Thus consultancies such as Ernst & Young, using knowledge to deal with recurring problems, may rely on codification so that recorded solutions to similar problems are easily retrievable. Strategy consultancy firms such as McKinsey or Bains, however, rely on a personalization strategy to help them to tackle the high-level strategic problems they are presented with that demand the provision of creative, analytically rigorous advice. They need to channel individual

expertise and they find and develop people who are able to use a person-to-person knowledge-sharing approach. Experts can be identified who can be approached by e-mail, telephone or personal contact.

The research conducted by Hansen et al (1999) established that companies that use knowledge well adopt either the codification or the personalization strategy predominantly and use the other strategy to support their first choice. They pointed out that those who try to excel at both strategies risk failing at both.

4.5 Knowledge management issues

The strategies referred to above do not provide easy answers. The issues that need to be addressed in developing knowledge management practices are discussed below.

4.5.1 The pace of change

One of the main issues in knowledge management is how to keep up with the pace of change and identify what knowledge needs to be captured and shared.

4.5.2 Relating knowledge management strategy to business strategy

As Hansen et al (1999) showed, it is not knowledge per se but the way it is applied to strategic objectives that is the critical ingredient in competitiveness. They suggested that 'competitive strategy must drive knowledge management strategy' and that management have to answer the question: 'How does knowledge that resides in the company add value for customers?' (ibid: 114).

4.5.3 Technology and people

Technology may be central to companies adopting a codification strategy, but for those following a personalization strategy IT is best used in a supportive role. Hansen et al (1999: 113) commented that:

In the codification model, managers need to implement a system that is much like a traditional library it must contain a large cache of documents and include search engines that allow people to find and use the documents they need. In the personalization model, it's more important to have a system that allows people to find other people.

Scarborough et al (1999) suggested that technology should be viewed as a means of communication rather than as a means of storing knowledge. Knowledge management is more about

people than technology. Research by Davenport (1996) established that managers get two-thirds of their information from face-to-face or telephone conversations.

There is a limit to how much tacit knowledge can be codified. In organizations relying more on tacit than explicit knowledge, a person-to-person approach works best, and IT can only support this process; it cannot replace it.

Collect and Rearrange By Marndarath

Chapter 5⁵

The Ethical Dimension of HRM

5.1 Introduction

The theme of this chapter is the importance of recognizing that there is an ethical dimension to human resource management. As Boxall et al (2007: 5) pointed out: 'While HRM does need to support commercial outcomes (often called "the business case"), it also exists to serve organizational needs for social legitimacy.' This means exercising social responsibility, ie being concerned for the interests (well-being) of employees and acting ethically with regard to the needs of people in the organization and the community.

To grasp this ethical dimension, it is necessary to understand the nature and principles of ethics, the ethical role of HR and the ethical guidelines they can use. It is also necessary to know about approaches to resolving ethical dilemmas.

5.2 The meaning and concerns of ethics

Ethics is defined by the Compact Oxford Dictionary as being 'related to morals, treating of moral questions', and ethical is defined as 'relating to morality'. Morality is defined as 'having moral qualities or endowments' and moral is defined as 'of or pertaining to the distinction between right and wrong'. Petrick and Quinn (1997: 42) wrote that ethics 'is the study of individual and collective moral awareness, judgement, character and conduct'. Hamlin et al (2001: 98) noted that ethics is concerned with rules or principles that help us to distinguish right and wrong.

Ethics and morality are sometimes treated as being synonymous, although Beauchamp and Bowie (1983: 1–2) suggested that they are different: 'Whereas morality is a social institution with a history and code of learnable rules, ethical theory refers to the philosophical study of the nature of ethical principles, decisions and problems.' Clearly, ethics is concerned with matters of right and wrong and therefore involves moral judgements. Even if ethics and morality are not the same, the two are closely linked. As Clegg et al (2007: 111) put it: 'We understand ethics as the social organizing of morality.' Simplistically, ethics could be described as being about behaviour while morality is about beliefs.

⁵ Armstrong, M. (2014). *Armstrong's handbook of human resource management practice* (11th ed.). London: Kogan Page.

Ethics is concerned with making decisions and judgements about what is the right course of action to take. It can be described in terms of a framework that sets out different approaches and can be extended to embrace particular concepts that affect and guide ethical behaviour, namely equity, justice and fair dealing. These approaches and concepts are discussed below.

5.3 The nature of ethical decisions and judgements

As defined by Jones (1991: 367), an ethical decision is one that is morally acceptable to the larger community. He also noted that: 'A moral issue is present where a person's actions, when freely performed, may harm or benefit others. In other words, the action or decision must have consequences for others and must involve choice, or volition, on the part of the actor or decision maker' (ibid: 367).

Winstanley and Woodall (2000a: 8–9) observed that:

Ethics is not about taking statements of morality at face value; it is a critical and challenging tool. There are no universally agreed ethical frameworks... Different situations require ethical insight and flexibility to enable us to encapsulate the grounds upon which competing claims can be made. Decisions are judgements usually involving choices between alternatives, but rarely is the choice between right and wrong... Moral disagreement and judgements are concerned with attitudes and feelings, not facts.

Clegg et al (2007: 112) emphasized that: 'Ethical decisions emerge out of dilemmas that cannot be managed in advance through rules.' People have to make choices. Foucault (1997: 284) asked: 'What is ethics, if not the practice of freedom?'

5.4 Ethical frameworks

The ethical concepts of deontology, utilitarianism, stakeholder theory and discourse theory, as described below, provide frameworks that can be used to evaluate HRM policies and practices.

5.4.1 Deontological theory

Deontological (from the Greek for 'what is right') theory maintains that some actions are right or wrong irrespective of their consequences. It is associated with Kant's notion of the categorical imperative, which contains two main propositions: a) that one should follow the principle that what is right for one person is right for everyone, and thus you must do to others as you would be done by; and b) in the words of Rawls (1973: 183): 'We must treat persons solely as ends and not in any way as means.'

5.4.2 Utilitarianism

Utilitarianism is the belief that the highest principle of morality is to maximize happiness, the overall balance of pleasure against pain. Actions are justified when they result in the greatest good to the greatest number. As Sandel (2010: 33) explained, utilitarianism says that 'the morality of an action depends solely on the consequences it brings about; the right thing to do will be whatever brings about the best state of affairs.' In other words, actions should be judged in terms of their results. This can be interpreted as supporting the dubious principle that the end justifies the means – torture is all right as long as it prevents terrorism (NB even if this argument were accepted, the effectiveness of torture as a means of preventing terrorism is highly questionable). Utilitarianism has been criticized first because it fails to respect individual rights and second because, as Michael Sandel explained, it implies that all moral judgements can be translated into a single currency of value, but there is no such thing as a 'util'.

5.4.3 Stakeholder theory

In accordance with the ideas of Freeman (1984), stakeholder theory states that the organization should be managed on behalf of its stakeholders: its owners, employees, customers, suppliers and local communities. As Legge (1998: 22) described it, management must act in the interests of the stakeholders as their agent, and also act in the interests of the organization to ensure the survival of the firm, safeguarding the long-term stakes of each group.

5.4.4 Discourse ethics

Foucault (1972) defined discourse as the taken-for-granted ways that people are collectively able to make sense of experience. Discourse ethics, as explained by Winstanley and Woodall (2000a: 14), suggests that 'the role of ethicists is not to provide solutions to ethical problems, but rather to provide a practical process and procedure which is both rational and consensus enhancing, through which issues can be debated and discourse can take place'.

5.4.5 Equity theory

Equity theory, as formulated by Adams (1965), is concerned with the perceptions people have about how they are being treated as compared with others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person. Equity involves feelings and perceptions and it is always a comparative process. It is not synonymous with

equality, which means treating everyone the same and would be inequitable if they deserve to be treated differently.

5.4.6 Justice

Justice is the process of treating people in a way that is inherently fair, right and proper. The concept of 'justice as fairness' proposed by Rawls (1973: 348) states that 'natural duties and obligations arise only in virtue of ethical principles'. These principles were expressed by Rawls as follows:

First: every person is to have the equal right to the most extensive basic liberty comparable with a similar liberty for others.

Second: social and economic inequalities are to be arranged so that they are both (a) reasonably expected to be to everyone's advantage, and (b) attached to positions and offices open to all. (ibid: 60)

There are four types of justice: procedural justice, distributive justice, social justice and natural justice.

5.4.7 Procedural justice

Procedural justice (Adams, 1965; Leventhal, 1980) involves treating people in ways that are fair, consistent, transparent and properly consider their views and needs. In organizations, it is concerned with fair process and the perceptions employees have about the fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated. The five factors that affect perceptions of procedural justice, as identified by Tyler and Bies (1990), are:

- Adequate consideration of an employee's viewpoint.
- Suppression of personal bias towards an employee.
- Applying criteria consistently across employees.
- Providing early feedback to employees about the outcome of decisions.
- Providing employees with an adequate explanation of decisions made.

5.4.8 Distributive justice

Distributive justice (Adams, 1965; Leventhal, 1980) means ensuring that people are rewarded equitably in comparison with others in the organization and in accordance with their contribution, and that they receive what was promised to them (management 'delivers the deal').

5.4.9 Social justice

Social justice is based on the concepts of human rights and equality. Rawls (1973: 3–4) rejected the principle of utilitarianism when he asserted that in society: 'Each person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override. For this reason, justice denies that the loss of freedom for some is made right by a greater good shared by others.' In organizations, social justice means relating to employees generally in ways that recognize their natural rights to be treated justly, equitably and with respect.

5.4.10 Natural justice

According to the principles of natural justice employees should know the standards they are expected to achieve and the rules to which they are expected to conform. They should be given a clear indication of where they are failing or what rules have been broken and, except in cases of gross misconduct, they should be given a chance to improve before disciplinary action is taken.

5.4.11 HRM ethical guidelines

The guidelines set out below relate to how employees are treated in general and to the major HRM activities of organization development, recruitment and selection, learning and development, performance management, reward management and employee relations. They also relate to employment practices concerning the work environment, employee well-being, equal opportunities, managing diversity, handling disciplinary matters and grievances, job security and redundancy.

5.4.12 General guidelines

- Recognize that the strategic goals of the organization should embrace the rights and needs of employees as well as those of the business.
- Recognize that employees are entitled to be treated as full human beings with personal needs, hopes and anxieties.
- Do not treat employees simply as means to an end or mere factors of production.
- Relate to employees generally in ways that recognize their natural rights to be treated justly, equitably and with respect.

5.4.13 Organization development (OD)

- Agree in advance with clients and individuals the goals, content and risks of an OD programme.

- Obtain the maximum involvement of all concerned in the programme so that they understand the processes involved and how they can benefit from them.

- Work with clients to plan and implement change to the benefit of all stakeholders.
- Enable individuals to continue with their development on completing the programme.
- Protect confidentiality.

5.4.14 Recruitment and selection

- Treat candidates with consideration – applications should be acknowledged, candidates should be kept informed without undue delay of decisions made about their application, and they should not be kept waiting for the interview.

- Avoid intrusive or hectoring questioning in interviews.
- Do not put candidates under undue stress in interviews.
- Do not criticize any aspect of the candidate's personality or experience.
- Use relevant selection criteria based on a proper analysis of job requirements.
- Give candidates reasonable opportunity to present their case and to ask questions.
- Avoid jumping to conclusions about candidates on inadequate evidence or as a result of prejudice.

- Give accurate and complete information to candidates about the job, prospects, security and terms and conditions of employment. Only use properly validated tests administered by trained testers.

- Do not use discriminating or biased.
- Monitor tests for impact and unintended bias.
- Ensure that candidates are not unfairly disadvantaged by testing processes.
- Give candidates feedback on test results unless there are compelling reasons why feedback should not be given.

Chapter 6⁶

Organizational Behavior

6.1 Introduction

An understanding of how organizations function and how people behave in them is important to HR professionals, indeed to all managers, as pointed out by Nadler and Tushman (1980).

6.2 Organizational behavior defined

Organizational behavior was defined by Huczynski and Buchanan (2007: 843) as the term used to describe 'the study of the structure, functioning, and performance of organizations and the behavior of groups and individuals within them'. The following are the characteristics of organizational behavior theory.

6.3 The sources and applications of organizational behavior theory

Organizational behavior theory is based on the main behavioral science disciplines. These are defined as the fields of enquiry dedicated to the study of human behavior through sophisticated and rigorous methods. The ways in which they contribute to different aspects of organizational behavior theory and how they in turn influence HRM practices are summarized in Figure 6.1

⁶ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

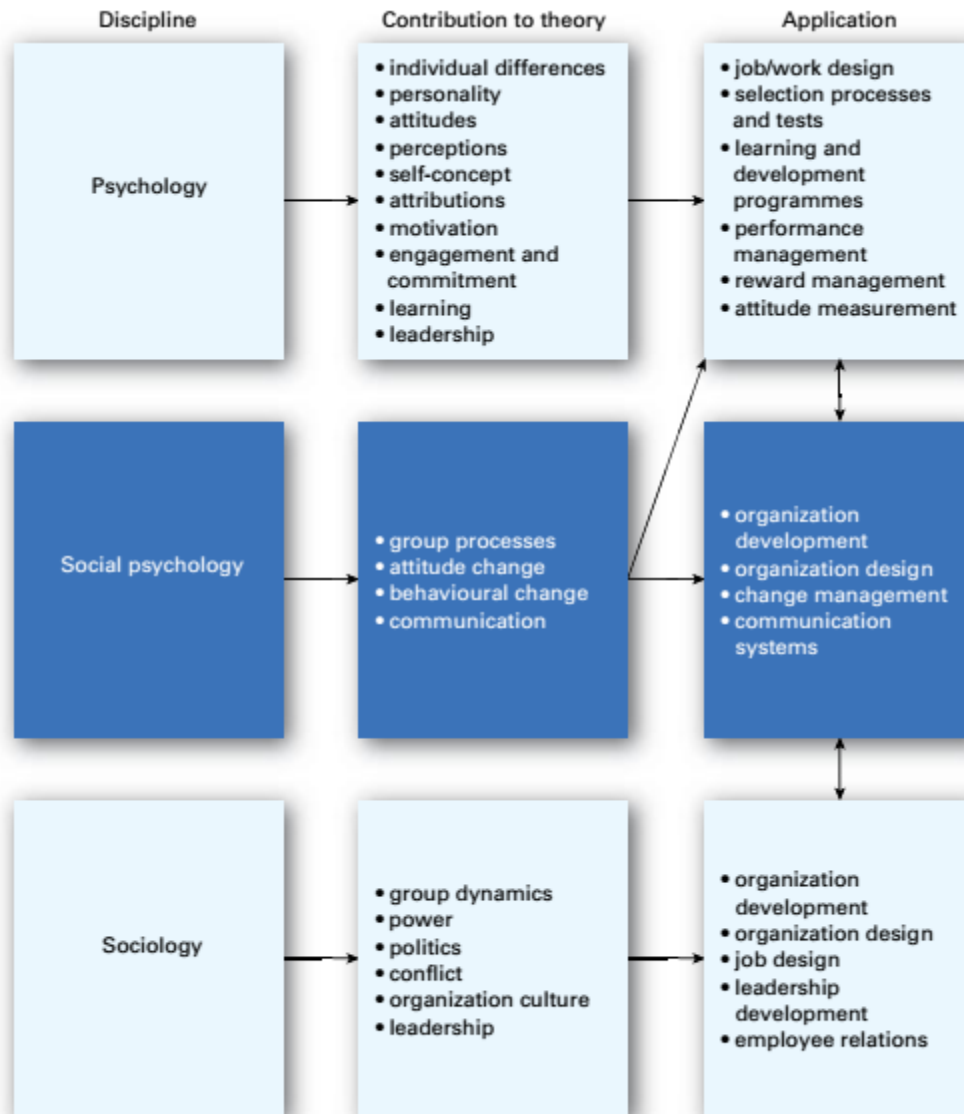


Figure 6.1 The sources and applications of organizational behavior theory

6.4 How organizations function

An organization is an entity that exists to achieve a purpose through the collective efforts of the people who work in or for it. Organizing is the process of making arrangements in the form of defined or understood responsibilities and relationships to enable those people to work cooperatively together. Organizations can be described as systems that, as affected by their environment, have a structure that has both formal and informal elements. Organization structures are frameworks for getting things done.

Traditional formal structures were based on laid down hierarchies (lines of command) represented in organization charts, and use was made of closely defined job descriptions. But to varying extents organizations operate informally as well as formally by means of a network of roles and relationships that cut across formal organizational boundaries and lines of command. Organization structures can evolve almost spontaneously as circumstances change and new activities have to be carried out.

6.4.1 Factors affecting how organizations function

The processes that take place in organizations interaction and networking, leadership, group behavior, the exercise of power and the use of politics may well have much more effect on how organizations function than can be shown in a defined organization chart supported by elaborate job descriptions and an organization manual. Moreover, the way in which an organization functions will be largely contingent on its purpose, technology, methods of working and external environment. A number of theories have been developed, summarized in Table 6.1, to explain how organizations function, culminating in the contingency and post-bureaucratic schools that now predominate

6.4.2 Types of organization

The main types of organization are described briefly below:

- Line and staff – a traditional organization based on the military model in which a hierarchy of ‘line managers’ carry out the fundamental operations such as manufacturing, sales or customer service while the ‘staff’ functions such as finance and personnel provides them with services, advice and support.
- Mechanistic – a formal organization that is hierarchical with rigid chains of command and control, distinct departments and tightly defined and specialized jobs (usually a characteristic of a line and staff organization).
- Organic – a relatively informal organization with a non-hierarchical, flat structure where the emphasis is on horizontal processes, the elimination of boundaries between functions, teamwork and flexible roles (also known as a lattice organization).
- Matrix organization – an organization that consists of a functional structure with a number of different disciplines and a project structure consisting of project teams drawn from the disciplines.
- Network organization – a collection of interrelated organizations that extends beyond the boundaries of any single organization.

- Virtual organization – an organization that mainly uses electronic means for its members to interact with one another thus minimizing face-to-face contacts.

Table 6.1 Schools of organization theory

School	Leading exponents	Summary of theory
The classical school	Taylor (1911), Fayol (1916), Urwick (1947)	Organizations need control, measurement, order and formality to function well. They have to minimize the opportunity for unfortunate and uncontrollable informal relations, leaving room only for the formal ones.
The human relations school	Barnard (1938), Roethlisberger and Dickson (1939)	Barnard emphasized the importance of the informal organization – the network of informal roles and relationships that, for better or worse, strongly influences the way the formal structure operates. In their analysis of the Hawthorne studies Roethlisberger and Dickson stressed the importance of informal groups and decent, humane leadership.
The behavioural science school	Argyris (1957), Herzberg <i>et al</i> (1957), McGregor (1960), Likert (1961), Schein (1965)	A humanistic point of view is adopted that is concerned with what people can contribute and how they can best be motivated.
The bureaucratic model	Weber (1908) translated in 1947	Max Weber coined the term 'bureaucracy' as a label for a type of formal organization in which impersonality and rationality are developed to the highest degree. Bureaucracy, as he conceived it, was the most efficient form of organization because it was logical and because

School	Leading exponents	Summary of theory
		personalized relationships and non-rational, emotional considerations do not get in its way.
The socio-technical model	Emery (1959), Trist <i>et al</i> (1963)	In any system of organization, technical or task aspects are interrelated with the human or social aspects. The emphasis is on interrelationships between, on the one hand, the technical processes of transformation carried out within the organization and, on the other hand, the organization of work groups and the management structures of the enterprise.
The systems school	Miller and Rice (1967)	Organizations should be treated as open systems that are continually dependent upon and influenced by their environments. The basic characteristic of the enterprise as an open system is that it transforms inputs into outputs within its environment.
The contingency school	Burns and Stalker (1961), Woodward (1965), Lawrence and Lorsch (1969)	Members of the contingency school analyzed a variety of organizations and concluded that their structures and methods of operation are a function of the circumstances in which they exist. They do not subscribe to the view that there is one best way of designing an organization or that simplistic classifications of organizations as formal or informal, bureaucratic or non-bureaucratic are helpful.

Chapter 7⁷

Human Resource Planning in LGO.

7.1 Meaning

HRP means deciding the number & type of the human resources required for each job, unit & the total company for a particular future date in order to carry out organizational activities.

HRP or manpower planning is essentially the process of getting the right number of qualified people into the right job at the right time. It is a system matching the supply of people (existing employees & those to be hired or searched for) with openings the organization expects over a time frame.

Definition: –Edwin B.Geisler

"Manpower planning is the process (including forecasting, developing, implementing & controlling) by which a firm ensures that it has the right number of people & the right kind of people, at the right places, at the right time, doing things for which they are economically useful.

Acc. Bruce P. Coleman "Manpower planning is the process of determining manpower requirements in order to carry out the integrated plan of the organization".

7.2 Objective / Purposes of HRP

1. Forecasting Human Requirements:

HRP Human resource planning is essential to determine the future human resource needs in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

2. Effective Management of Change:

Proper planning is required to cope with changes in market conditions, technology products, and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills and in the absence of planning there might be under-utilization of human resource.

3. Realizing Organizational Goals:

⁷ Asst. Prof. Sangeetha. N, SSCASC, TUMKURU.

In order to meet the needs of expansion programmes and growth strategies of the organizations planning is essential.

4. Promoting Employees:

The database available provides a comprehensive skill repertoire, which facilitates for decision making as to the promotional opportunities to be made available for the organization.

5. Effective Utilization of Human Resource:

This database is also useful for identifying surplus and unutilized human resource and resources. In times of downsizing or in estimating the cost-benefit analysis of human resources would add value to the process.

The objective of human resource planning is to maintain and improve the organization's ability to achieve its goals by developing strategies that will result in optimum contribution of human resources.

1. To forecast the future needs of human resources.
2. To ensure fuller and effective utilization of existing human resources.
3. To ensure that necessary manpower is available as and when required.
4. To relate human resource planning with the organizational planning.
5. To estimate the surplus or shortage of human resource in the organization at any given time.
6. To get information about the manner in which the existing personnel are deployed, the kind of skills needed for various jobs, and manpower requirements over a specified period of time in relation to the organizational goals.
7. To anticipate the impact of technology on jobs and human resources.
8. To determine the levels of recruitment and training.
9. To estimate the cost of labour force and its housing requirements.
10. To provide a basis for management development programme.
11. To meet the needs of expansion and diversification programmes.
12. To increase the labour productivity and thereby reduce the labour costs.

7.3 Factors Affecting/Influencing HRP

The factors can be classified into Internal & External factors

1. Internal Factors: –

1) Government Policies: – Policies of the government like labour policy, industrial relations policy, policy towards reserving certain job for different communities & sons of the soil etc. affect the HRP.

2) Level of Economic Development: – level of economic development determines the level of HRD in the country & thereby the supply of human resources in the future in the country.

3) Business Environment: – external business environmental factors influence the volume & mix of production & thereby the future demand for human resources.

4) Level of Technology: – level of technology determine the kind of human resources required.

5) International Factors: – International factors like the demand for the resources & supply of HR in various counties.

2. Internal Factors

1) Company Policies & strategies: – Company's policies & strategies relating to expansion, diversification, alliances etc. determines the human resource demand in terms of quality & quantity.

2) Human Resource Policies: – HR Policies of the company regarding quality of HR compensation level, quality of work life etc. influences human resources plan.

3) Job Analysis: – fundamentally, HR plan is based on job analysis, job description & job specification determines the kind of employees required.

4) Time Horizons: – companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short term range.

5) Type & quality of information: – any planning process need qualitative & accurate information. This is more so with human resource plan, strategic, organizational & specific information affect HRP.

6) Company's production operation policy: – company's policy regarding how much to produce & how much to buy from outside to prepare a final product influence the number the number & kind of people required.

7) Trade unions: – Influence of trade unions, regarding number of working hours per week, recruitment sources etc. affect the HRP.

7.4 Process of HRP

1.Environmental Scanning: –Environmental scanning refers to the systematic monitoring of the external forces influencing the organization. Managers monitor several forces but the following are pertinent for HRP

2.Organisational objectives & Policies: – HR plans need to be based on organizational objectives. In practice, this implies that objectives of the HR plans must be derived from organizational objectives. Specific requirements in terms of number & characteristics of employees should be derived from the organizational objectives.

3.HR demand forecast: – it is the process of estimating the future quantity & quality of people required. The basis of the forecast must be the annual budget & long term corporate plan translated into actively levels for each function & department.

4. HR supply forecast: – Personnel demand analysis provides the manager with the means of estimating the number & kind of employees that will be required. The next logical step for the management is to determine whether it will be able to procure the required number of personnel & the sources for such procurement. this information is provided by supply forecasting. Supply forecasting measures the number of people likely to be available from within & outside an organization after making allowance for absenteeism, internal movements & promotions, wastage & changes in hours & other conditions of work.

5. HR Programming: – Once an organization's personnel & supply are forecast the two must be reconciled or balance in order that vacancies can be filled by the right employees at the right time. HR programming the third step in the planning process, therefore assumes greater importance.

6. HR Plan Implementation: – implementation requires converting an HR plan into action. A series of action programmes are initiated as a part of HR plan implementation. Some such programmes are recruitment, selection & placement, training & development, retaining & redeployment the retention plans the succession plan & redundancy plan.

7. Control & Evaluation: – this represents the fifth & final phase in the HRP process. The HR plan should include budgets, targets & standards. It should also clarify responsibilities for implementation & control & establish reporting procedures, which will enable achievements to be monitored against plan.

Chapter 8⁸

Work, organization and job design

8.1 Introduction

Work, organization, and job design are three distinct but closely associated processes that establish what work is done in organizations and how it is done. Work design deals with the ways in which things are done in the work system of a business by teams and individuals. Organization design is concerned with deciding how organizations should be structured. Job design is about establishing what people in individual jobs or roles are there to do. Although these three activities are dealt with separately in this chapter they share one purpose to ensure that the organization's work systems and structure operate effectively, make the best use of people in their jobs and roles and take account of the needs of people at work.

In theory, to achieve that purpose, work, organization and job design function sequentially. The work system is designed to meet the specific needs of the business and to deliver value to its customers or clients. An organization structure or system (not all organizations are rigidly structured) has to be developed to enable the work system to operate. The structure is made up of jobs or roles (there is a distinction, which will be explained later) that have to be designed in ways that will maximize the extent to which they can be carried out effectively and provide intrinsic motivation, ie motivation from the work itself.

In practice, the processes involved can run concurrently the work system will involve deciding how the work should be organized, and both the work system and organization design processes will define what sort of jobs or roles are required. At the same time, job design considerations will affect how the work is organized and how the work system functions. This chapter deals with each aspect of design separately, but it should be remembered that the processes interlink and overlap.

8.2 Work design

Work design is the creation of systems of work and a working environment that enhance organizational effectiveness and productivity, ensure that the organization becomes a great place in

⁸ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

which to work' and are conducive to the health, safety and well-being of employees. Work involves the exertion of effort and the application of knowledge and skills to achieve a purpose. Systems of work are the combined processes, methods and techniques used to get work done. The work environment comprises the design of jobs, working conditions and the ways in which people are treated at work by their managers and co-workers as well as the work system. Work design is closely associated with organization and job design in that the latter is conducted within the context of the system of work and the work environment.

To understand the meaning of work design it is necessary first to appreciate what is happening to the world of work and next to review its history.

8.2.1 What is happening to work

The key changes in the contextual and external environment surrounding the world of work have been set out clearly by Parker et al (2001). They are:

- a shift away from large-scale industrial production, with a dramatic decline in manufacturing jobs and rise in service work;
- partly as a consequence of this, an increase in customer-facing roles involving some form of emotional behaviour – the requirement for employees to express positive emotions in the way in which they interact with customers;
- significant shifts in the demographics of the workforce in the shape of an increased proportion of women, greater ethnic diversity, more educated employees and an ageing workforce;
- growth in the number of employees engaged in 'knowledge work' – for example, professional services and new product and service development;
- the requirement for a greater variety of products and services and flexibility and agility in responding to customer needs and increased global competition;
- developments in technology affecting the degree to which jobs are involved in IT and become dependent on it;
- shifts from traditional, office or factory-based working to more flexible alternatives, including homeworking;

8.2.2 Work system design

A system is a set of practices or activities that fit together and interact to achieve a purpose. Work system design is concerned with how the various processes required to make a product or provide a service should operate. It deals with the set of related activities that combine to give a result that customers want. The structure of the system describes the relations between different operations.

A work system may be centered on activities such as manufacturing, chemical processing, information processing, supply, distribution, transport, the provision of public services or customer service. There is usually a choice between different processes within the work system. As the design of the work system affects costs, quality and productivity it is important to provide the best match between the product or service and the process used to make or deliver it.

8.3 Job design

Job design specifies the contents of jobs in order to satisfy work requirements and meet the personal needs of the job holder, thus increasing levels of employee engagement. As observed by Wall and Clegg (1998: 265):

Jobs are created by people for people. Whether deliberately or by default, choices are made about which tasks to group together to form a job, the extent to which job holders should follow prescribed procedures in completing those tasks, how closely the job incumbent will be supervised, and numerous other aspects of the work. Such choices are the essence of job design.

8.3.1 Jobs and roles

A distinction can be made between jobs and roles. A job is an organizational unit consisting of a group of defined tasks or activities to be carried out or duties to be performed. A role is the part played by individuals and the patterns of behaviour expected of them in fulfilling their work requirements. Jobs are about tasks; roles are about people. This distinction means that while jobs may be designed to fit work requirements, roles are developed as people work flexibly, demonstrate that they can do more and take on different responsibilities. Role development (as covered in the next section of this chapter) happens informally, in contrast to the more formal approaches to job design (considered below).

8.3.2 Factors affecting job design

Deciding on the content of a job starts from work requirements because that is why the job exists. When the tasks to be done have been determined it is then necessary to consider how the jobs can be set up to provide the maximum degree of intrinsic motivation for those who have to carry them out with a view to improving performance and productivity. Consideration also has to be given to another important aim of job design: to fulfil the social responsibilities of the organization to the people who work in it by improving the quality of working life, an aim that, as stated in Wilson's (1973) report on this subject, depends upon both efficiency of performance and satisfaction of the worker.

Clearly, the content of a job depends on the work system in which it exists and the organization structure in which it is placed. Job design therefore happens within the context of work and organization design, as described in this chapter, but it is also affected by the following factors:

- the characteristics of jobs;
- the characteristics of task structure;
- the process of intrinsic motivation; the job characteristics model;
- the implications of group activities.

8.3.3 Approaches to job design

Job design starts with an analysis of task requirements, using the job analysis techniques described in Chapter 51. These requirements will be a function of the system of work and the organization structure. As described by Robertson and Smith (1985), the method can be based on the job characteristics model as follows:

- Influence skill variety by providing opportunities for people to do several tasks and by combining tasks.
- Influence task identity by combining tasks to form natural work units.
- Influence task significance by forming natural work units and informing people of the importance of their work.
- Influence autonomy by giving people responsibility for determining their own working systems.
- Influence feedback by establishing good relationships and opening feedback channels.

These methods influence the four approaches to job design described below.

1) Job rotation : this is the movement of employees from one task to another to reduce monotony by increasing variety.

2) Job enlargement : this means combining previously fragmented tasks into one job, again to increase the variety and meaning of repetitive work.

3) Job enrichment : this goes beyond job enlargement to add greater autonomy and responsibility to a job. Job enrichment aims to maximize the interest and challenge of work by providing the employee with a job that has these characteristics:

- it is a complete piece of work in the sense that the worker can identify a series of tasks or activities that end in a recognizable and definable product;
- it affords the employee as much variety, decision-making responsibility and control as possible in carrying out the work;
- it provides direct feedback through the work itself on how well the employee is doing his or her job.

As described by Herzberg (1968), job enrichment is not just increasing the number or variety of tasks, nor is it the provision of opportunities for job rotation. These approaches may relieve boredom, but they do not result in positive increases in motivation.

4) Self-managing teams (autonomous work groups) : these are self-regulating teams who work largely with- out direct supervision. The philosophy on which this approach is founded is that of job enrichment but it is also influenced by socio-technical systems theory, which suggests that because the technical aspects of work are interrelated with the social aspects both should be considered when designing jobs.

A self-managing team enlarges individual jobs to include a wider range of operative skills (multi-skilling); decides on methods of work and the planning, scheduling and control of work; distributes tasks itself among its members; and monitors its own performance, taking corrective action when required.

8.4 Job Analysis

8.4.1 Definition

Job analysis is the process of studying & collecting information relating to the operation & responsibilities of a specific job. The immediate products of this analysis are job descriptions & job specification.

Meaning: – Job Analysis is a process of Collecting information about a job. The process of job analysis results in two sets of data

a) Job Description: – A statement contains Job title, Location, Job summary, Duties, Machines, tools & equipment, Materials & forms used, supervision given of received, working conditions, hazards.

b) Job Specification: – A statement of human qualification necessary to do the job, which contains Education, Experience, Training, Judgement, Initiative, Physical effort, Physical skills, Responsibilities, Communication skills, Emotional characteristics.

8.4.2 Uses of Job Analysis

– Human Resource Planning :

HRP determines as to how many & what type of personnel will be needed in the coming period. The number & the type of personnel are determined by the jobs which need to be satisfied. Job related information is therefore, necessary for human resource planning.

– Recruitment & Selection :

Recruitment needs to be preceded by job analysis. Job analysis helps human resource manager to locate places to obtain employees for openings anticipated in the future. An understanding of the types of the skills needed & types of jobs that may open in the future. Selection a qualified person to fill a job requires knowing clearly the work to be done & the qualifications needed for someone to perform the work satisfactorily, without a clear & precise understanding of what a job entails.

– Training & Development :

Job analysis is useful for human resource development manager is as much as it helps him/her know what a given job demands from the incumbent in terms of knowledge & skill. Training & development programmes can be designed depending on the job requirements. Selection of trainees is also facilitated by job analysis.

– Job Evaluation :

it involves determination of relative worth of each job for the purpose of establishing wage & salary differentials, relative worth is determined mainly on the basis of job description & job specification.

– Remuneration :

job evaluation helps determine wage & salary grades for all the jobs. Employees need to be compensated depending on the grades of jobs, which they occupy. Remuneration involves fringe benefits, bonus & other benefits.

- Performance Appraisal :

it involves assessment of the actual performance of an employee against what is expected to him/her. Such assessment is the basis for awarding promotion, effecting transfers, or assessing training needs.

- Safety & Health :

the process of conducting a detailed job analysis provides an excellent opportunity to uncover & identify hazardous conditions & unhealthy environmental factors (such as heat, noise fumes & dust) so that

Collect and Rearrange By Marndarath

Chapter 9⁹

Learning and development

9.1 Identifying learning and development needs and priorities

Discussing learning and development needs and priorities and how these needs will be addressed is an important element of the Performance Framework.

Consider the capabilities, skills and knowledge needed to do a good job (i.e. to achieve what is in your performance plan). Refer to:

- What your role and responsibilities are and what you are expected to achieve.
- Capability or competency frameworks (if there are any that apply to your role).

See below for examples of capabilities, skills and knowledge.



Reflect on existing capabilities, skills and knowledge.

- Take into account the broad range of capabilities, skills and knowledge developed in your current job as well as previous roles in and outside of work



Identify the gaps

- What capabilities, skills and knowledge do you need to develop or be even better at?



⁹ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

Consider learning and development needs related to career goals, where these have been discussed.

- Note that the development needs required for the current job are given priority.



Prioritise learning and development needs, taking into account what is most important and being realistic about what can be achieved.

Examples of capabilities, skills and knowledge

When we talk about capabilities, skills and knowledge in the public service we are talking about:

- Knowledge – what we know or understand
- Skills – what we can do
- Capabilities – how we can apply our knowledge and skills

Knowledge	Skills	Capabilities
Knowing or understanding <ul style="list-style-type: none"> - the steps in a process - who to involve and when - how to undertake a task - legislation, policies or rules of a subject/issue - how something works - how to use a system 	Being able to: <ul style="list-style-type: none"> <input type="checkbox"/> do a task <input type="checkbox"/> complete a process <input type="checkbox"/> involve and communicate with others <input type="checkbox"/> use a system <input type="checkbox"/> interpret and analyses information 	Applying knowledge and skills to: <ul style="list-style-type: none"> <input type="checkbox"/> solve problems <input type="checkbox"/> make decisions <input type="checkbox"/> exercise judgment <input type="checkbox"/> build relationships <input type="checkbox"/> work out what needs to be done

9.2 Know your own Style: How do you learn best?

9.2.1 Learning styles

There are a number of theories and models that describe different learning styles. One simple model describes three different learning styles – Visual, Auditory and Kinaesthetic or ‘VAK’.

The VAK learning style theory says that most people have one dominant or preferred learning style. While they may have a dominant or preferred style they can still learn using the other styles, but this learning may not be as efficient or effective. The VAK model also recognizes that some people may have a mix of learning styles.

9.2.2 Learning style self-assessment

It is likely that you already know what your preferred learning style is. The following self-assessment is a simple way of exploring and confirming how you prefer to learn. Remember that while we usually have a dominant or preferred style we will also use the other styles.

Consider the statements in the left hand column in the table below and circle the response that is most like you.

When I...	I prefer to...		
1. attend a training course	Read the notes/ PowerPoint's or watching the trainer	Listen and talk with the trainer and other participants	Do activities
2. prepare for exam or an interview	Write and read notes or create a visual of key points in my head	Say key points or phrases in my head or talk answers through with others	Practice answering questions
3. am using a new piece of technology for the first time (e.g. a camera, TV)	Read the manual or watch a demonstration	Ask the salesperson or someone else how to use it	Turn it on and work it out as I go
4. am remembering someone I have met	I recall their face or what they looked like	I recall what they said or what we talked about	I recall what we were doing or what was happening at the time

When I...	I prefer to...		
5. am delegating a task	Put the instructions in writing (e.g. in an email)	Talk to the other person about what needs to be done	Ask them to have a go
6. am going somewhere new	Look at a map or directions	Ask someone for directions	Head off in the direction I think I should be going
7. attend a seminar	See lots of handouts, diagrams and visual aids	Listen to what the presenter has to say	Participate in hands-on demonstrations or practical sessions
8. receive feedback	Receive it in writing or as annotations on a piece of work	To be given it verbally	To be given it as I am doing a task
9. choose a book or magazine to read	Select on the basis of what the cover looks like or the written reviews	Ask others what they recommend	Read parts of it before making a decision
10. am making a major purchase (e.g. a car, laptop)	Read the brochure and/or see what it looks like	Ask others for their views or take into account what others have told me	Try it (e.g. go for a test drive)
Total circled in each column			
Learning Style	Visual	Auditory	Kineasthetic

The number of responses that you circled in each column indicates how you prefer to learn. You may have a clear preference or you may like to learn in way that is consistent with two or all three of the learning styles.

9.2.3 Visual learning style

Visual people think in terms of images such as graphics and text on a page. People with a visual learning style learn through observation. They prefer information to be conveyed through the use of diagrams, pictures or handouts. Examples of learning activities include:

- watching or observing others
- reading or writing instructions, maps, timelines and graphs
- making notes or 'brain-storm' diagrams
- developing a document, model or diagram
- viewing a video.

9.2.4 Auditory learning style

Auditory people prefer sound and the spoken voice. People with an auditory learning style learn through listening to or talking with others. They prefer information to be conveyed through the spoken word or sounds. Examples of learning experiences include:

- being briefed verbally – listening to 'what has happened'
- talking an idea or issue through with other people
- listening to audio.

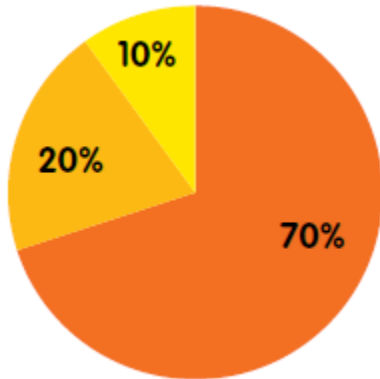
9.2.5 Kinaesthetic learning style

Kinaesthetic people think in terms of touch and feel. People with a kinaesthetic style learn through practical experience. Examples of learning experiences include:

- 'having a go'
- completing a practical or hands-on task
- thinking about how an idea or proposal will look 'in real life' in order to understand it better.
- trying, testing, 'fiddling' with a system or process until they have explored it enough to learn how to use it.

9.3 The 70:20:10 model of learning and development

Many organizations are adopting the 70:20:10 model of learning and development. The model is based on research by Michael M Lombardo and Robert W Eichinger which found that learning and development is most effective when it is a combination of learning approaches, and when about:



70% is structured on-the-job learning or learning from experience;

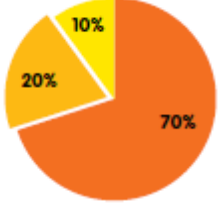
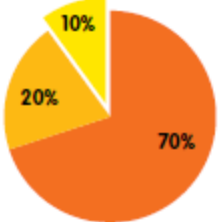
20% is relationship-based learning or learning through other colleagues; and

10% is formal learning or learning through structured courses and programs.

A combination of learning approaches is often called blended learning.

9.4 Learning and development options

On-the-job learning									
<table border="1"> <thead> <tr> <th>Learning Approach</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Structured on-the-job learning or learning from experience</td> <td>70%</td> </tr> <tr> <td>Relationship-based learning or learning through other colleagues</td> <td>20%</td> </tr> <tr> <td>Formal learning or learning through structured courses and programs</td> <td>10%</td> </tr> </tbody> </table>	Learning Approach	Percentage	Structured on-the-job learning or learning from experience	70%	Relationship-based learning or learning through other colleagues	20%	Formal learning or learning through structured courses and programs	10%	<ul style="list-style-type: none"> - Working on a new project (individually or with other colleagues). - Completing different tasks and being given feedback on the completion of those tasks. - Following a procedure manual or online tutorial while completing a task. - Taking on a new role. - Working with a new process or system. - Completing tasks which usefully challenge or ‘stretch’ someone so they learn something new (known as stretch assignments). - Participating in a corporate activity or committee. - Shadowing or pairing with another team/staff member or more senior staff member. - Completing research. - Job rotation or secondment. - Self-evaluation and reflection.
Learning Approach	Percentage								
Structured on-the-job learning or learning from experience	70%								
Relationship-based learning or learning through other colleagues	20%								
Formal learning or learning through structured courses and programs	10%								

<p>Learning through other colleagues</p>  <table border="1"> <caption>Data for Learning through other colleagues</caption> <thead> <tr> <th>Method</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>70%</td> </tr> <tr> <td>20%</td> <td>20%</td> </tr> <tr> <td>10%</td> <td>10%</td> </tr> </tbody> </table>	Method	Percentage	70%	70%	20%	20%	10%	10%	<ul style="list-style-type: none"> - Talking with, or receiving a brief from an expert or more experienced person. - Sharing knowledge/insights with other colleagues. - Presenting to the team following training. - Observing colleagues under the direction of the supervisor or manager “why not ask X if you can go with them so you can see...” - Participating in online forums. - Peer supervision “how do you think I did there? What would you have done” - Discussing and seeking feedback. - Being coached or mentored (some workplaces have ‘buddy’ systems” which provide mentors to new staff) - Mentoring, coaching or teaching other colleagues (often the best way to learn) - Networking (meeting and talking with others who share your professional interest or role in a different team or part of the service)
Method	Percentage								
70%	70%								
20%	20%								
10%	10%								
<p>Courses and Training</p>  <table border="1"> <caption>Data for Courses and Training</caption> <thead> <tr> <th>Method</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>70%</td> </tr> <tr> <td>20%</td> <td>20%</td> </tr> <tr> <td>10%</td> <td>10%</td> </tr> </tbody> </table>	Method	Percentage	70%	70%	20%	20%	10%	10%	<ul style="list-style-type: none"> - Attending courses. - Team training. - Reading books, journals or articles. - Completing online learning modules or computer training. - Further study. - Internet research.
Method	Percentage								
70%	70%								
20%	20%								
10%	10%								

9.5 Tips for discussing learning and development needs and priorities

Employees	Supervisors/managers
<ul style="list-style-type: none"> - Reflect on: <ul style="list-style-type: none"> □ what you are comfortable doing – your strengths □ what you could do better – areas for development □ areas you would like to support your career development - Be prepared to talk about your performance challenges - Think about ways you would like to be stretched in your job - Bring your thoughts on any development opportunities you want to pursue to the meeting - Be realistic about what can be achieved taking into account time and resources available. Take into account: <ul style="list-style-type: none"> ○ Current and future workloads and priorities ○ Staffing issues (e.g. timing of leave) ○ Whether any direct costs can be met within the budget - How you will implement what you have learned and developed in the workplace 	<ul style="list-style-type: none"> - Reflect on: <ul style="list-style-type: none"> □ what the employee is comfortable doing – their strengths □ what they could do better – areas for further development □ development that would support their career development - Be realistic about learning and development options – reflect on what is available and possible and be careful not to create expectations that cannot be met - What support you can provide <ul style="list-style-type: none"> □ on-the-job learning opportunities □ mentoring or coaching □ sharing your knowledge - How the impact of learning and development will be implemented and monitored

Chapter 10¹⁰

Development and Career Planning

10.1 Training

10.1.1 Meaning

- Training is concerned with increasing knowledge and skill in doing a particular job and the major burden of training falls upon the business organization in which the job is located.

- Training is the act of increasing the knowledge & skill of an employee for doing a particular job. It is a short term educational process utilizing a systematic & organized procedure by which employees learn technical knowledge skills for definite purpose.

10.1.2 Definition

Dale S. Beach defines the training "the organized procedure by which people learn knowledge and/or skill for definite purpose".

10.1.3 Objectives of Training

1. To provide the basic knowledge & skill to the newly joined people to perform the tasks as designed by the organization.
2. To develop the existing employees by exposing them to latest concepts, information & techniques, and thereby strengthen their skills.
3. To develop second & third line executive to strengthen the working links & levels, so that they can occupy higher positions.
4. To improve the outlook of senior level managers & other policy-makers enabling them to look into new horizons of the organization.
5. To make employees more effective & productive which increase the image of employees' earning power & job security.
6. To mould the employee attitude with the purpose of achieving a better co-operative with the company & develop loyalty to the organization.

¹⁰ Asst. Prof. Sangeetha. N, SSCASC, TUMKURU.

10.1.4 Importance of Training

1. To Match the employee specifications with the job requirements & organizational needs : managements find deviations between employee's present specification & the job requirements & organizational needs. Training is needed to fill these gaps by developing & molding the employee's skill, knowledge, attitude, behavior etc., to the tune of the job requirements & organizational needs.

2. Organizational Viability and the Transformation process : the primary goals of most of the organizations is that their viability is continuously influenced by environmental pressure. If the organization does not adapt itself to the changing factors in the environment, it will lose its market share. If the organization desires to adapt these changes, first it has to train the employees to impart specific skills & knowledge in order to enable them to contribute to organizational efficiency & to cope with the changing environment.

3. Technical Advances : Every organization in order to survive & to be effective should adopt the latest technology i.e., mechanization, computerization & automation. Adoption of latest technological means & methods will not be complete until they are manned by employees possessing skills to operate them. So, the organization should train the employees to enrich them in the areas of changing technical skills & knowledge from time to time.

4. Organizational Complexity : with the emergence of increased mechanization & automation, manufacturing of multiple products & by-products or dealing in services of diversified lines, extension of operations to various regions of the country or in overseas countries, organization of most of the companies has become complex.. This creates the complex problems of coordination & integration of activities adaptable for adaptable to the expanding & diversifying.

5. Human Relation – Trends in approach towards personnel management has changed from the commodity approach to partnership approach, crossing the human relations approach. So today, management of most of the organization has to maintain human relations besides maintaining sound industrial relations although hitherto the managers are not accordingly.

6. Change in the Job Assignment : training is also necessary when the existing employee in promoted to the higher level in the organization & when there is some new job or occupation due to transfer. Training is also necessary to equip old employees with the advanced disciplines, techniques or technology.

7. The training also need for Increase productivity, improve quality of the products/service, help a company to fulfil its future personnel needs, Improve organizational climate.

10.1.5 Methods of Training

1. On the job training

This type of Training, also known as job instruction training, is the most commonly used method. Under this method, the individual is placed on a regular job & taught the skills necessary to perform that job. The trainee learns under the supervision & guidance of a qualified worker or instructor. On-the job training methods includes

– Job Instruction Training

This method is also known training step by step. Under this method, the trainer explains to the trainee the way of doing the job, Job knowledge & skills & allows him to do the job. The trainer appraises the performance of the trainee, provides feedback information & corrects the trainee.

– Vestibule Training

In this method, actual work conditions are simulated in a classroom. Material, files & equipment which are used in actual job performance are also used in training. This type of training is commonly used to training personnel for clerical & semi-skilled jobs. The Duration of this training ranges from days to a few weeks. Theory can be related to practice in this method.

– Simulation

The real situation of work environment in an organization is presented in the training session. In other words, in simulation, instead of taking participants into the field, the field is simulated in the training session itself. The participants act out samples of real business behavior in order to get practice in making decisions. It covers situations of varying complexities & roles for the participants. Role Playing is one of the common simulation methods of training.

– Job Rotation

This type of training involves the movement of the trainee from one job to another. The trainee receives job knowledge & gains experience from his supervisor or trainer in each of the different job assignments. Though this method of training is common in training managers for general management positions, trainees can also be rotated from job to job in workshop jobs.

– Coaching

The trainee is placed under a particular supervisor who functions as a coach in training the individual. The supervisor provides feedback to the trainee on his performance & offers him some suggestions for improvements. Often the trainee shares some of the duties & responsibilities of the coach & relieves him of his burden. A limitation of this method of training is that the trainee may not have the freedom or opportunity to express his own ideas.

– Apprenticeship

It is a structured process by which people become skilled workers through a combination of classroom instructions & on-the-job training. It is widely used to train individuals for many occupations. Many organizations have apprenticeship laws with supervised plans for such training.

2. Off the job training

Under this method of training the trainee is separated from the job situation & his attention is focused upon learning the material related to his future job performance. Since the trainee is not distracted by job requirements, he can place his entire concentration on learning the job rather than spending his time in performing it. There is an opportunity for freedom of expression for the trainees.

Off-the Job Training includes

– Lecture Method

The lecture is traditional & direct method of instruction. The instructor organizes the material & gives it to group of trainees in the form of a talk. To be effective, the lecture must motivate & create interest among the trainees. Thus, costs & time involved are reduced. The major limitation of the lecture method is that it does not provide for transfer of training effectively.

– Conference or Discussion

It is a method in training the clerical, professional & supervision personnel. This method involves a group of people who pose ideas, examine & share facts, ideas & data test assumptions & draw conclusions, all of which contribute to the improvement of job performance. Discussion has the distinct advantage over the lecture method, in that the discussion involves two-way communication & hence, feedback is provided. The participants feel free to speak in small groups. The success of this method depends on the person who leads the group.

– Case Discussion (Case studies)

The case study method, the instructor describes the actual situation or problem on a specific concern of the problem. This method increases the trainee's power of observation & also his analytical ability.

– Role Play

It is defined as a method of human interaction that involves realistic behavior in imaginary situations. This method of training involves action, doing & practice. The participants play the role of certain characters such as the production manager, mechanical engineer, superintendents, maintenance engineers, quality control inspectors, foreman, workers & the like. This method is mostly used for developing interpersonal interactions & relations. 5. Programmed Instruction:

In recent years, this method has become popular. The subject matter to be learned is presented in a series of carefully planned sequential units. These units are arranged from simple to more complex levels of instruction. The trainees go through these units by answering question or filling the blanks. This method is expensive & time consuming.

– T-Group or Sensitivity Training

This method aims to influence an individual's behavior through group discussion. In group discussion, the trainees freely express their ideas, beliefs & attitudes. In this method the trainees are enabled to see themselves as others see them & develop an understanding of others' views & behavior. Further, any. In addition, the trainees by interaction in a group become sensitive to one another's feelings & also develop increased tolerance for individual's differences.

– In basket Training

In this method to acquaint employees about their job where a number of problems are kept in the in basket (usually kept on the desk of the employee). The worker has to look at the problems which could also the complaints from different employees & simultaneously deal with those problems.

10.2 Career Planning

10.2.1 Meaning

Career planning is the self-evaluation & planning done by a person to have a strong career path. Career planning process is the continuous reiterative process of understanding oneself, setting career goals, revising skills and searching for the right career options.

10.2.2 Importance of Career Planning

1. To attract competent person & to retain them in the organization.
2. To provide suitable promotional opportunity.
3. To enable the employees to develop & take them ready to meet the future challenges.
4. To increase the utilization of managerial reserves within an organization.
5. To attract employment placement.
6. To reduce employee dissatisfaction & turnover.
7. To improve motivation & morale.

Career planning process is an important aspect for an individual's career development. Some of the basic steps in a career planning process are:

1. Self-Assessment: The first step in the career planning process is self-assessment to be done by the individual to understand his or her skills, areas of interest etc.
2. Research on Careers: The second step in the career planning process is to understand the career options, companies available, growth options in career etc.
3. Set Career Objectives: The next step in the career planning is to set short-term as well as long-term career goals for oneself, and to have a clear career path.
4. Learn & Improve Skills: The fourth step in the career planning process is to keep acquiring new skills and knowledge to be in line with career objectives and with industry requirements.
5. Preparation of CV: The next step in the career planning is to be fully prepared in terms of CV, cover letter, recommendations etc.
6. Job Search: The sixth step in the career planning process is to short-list the companies where an individual is seeking a job & start applying.
7. Revise Career Goals: The last step in the career planning process is to continuously evaluate the career goals and again do a self-assessment to build a strong career path.

10.3 Succession Planning

10.3.1 Meaning

– Succession Planning is the process of identifying and tracking high-potential employees who will be able to fill top management positions when they become vacant.

– Succession planning is an ongoing process that identifies necessary competencies, then works to assess, develop, and retain a talent pool of employees, in order to ensure a continuity of leadership for all critical positions. Succession planning is a specific strategy, which spells out the particular steps to be followed to achieve the mission, goals, and initiatives identified in workforce planning. It is a plan that managers can follow, implement, and customize to meet the needs of their organization, division, and/or department.

– Succession planning establishes a process to recruit employees, develop their skills, and prepare them for advancement, all while retaining them to ensure a return on the organization's training investment. Succession planning involves understanding the organization's long-term goals and objectives, identifying employee development needs, and determining trends.

Collect and Rearrange By Marudath

Chapter 11¹¹

Performance management

11.1 Introduction

As defined by Aguinis (2005: 2): 'Performance management is a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.' Its five elements are agreement, measurement, feedback, positive reinforcement and dialogue.

Cappelli (2008: 196) wrote that: 'When employees fail in their jobs, part of the organization also fails.' Performance management aims to eliminate or at least significantly reduce this possibility. Pulakos (2009: 3) emphasized that: 'Performance management is the key process through which work gets done. It's how organizations communicate expectations and drive behavior to achieve important goals; it's also about how organizations identify ineffective performers for development programmes or other personnel actions.'

The earliest mention of performance management in the literature was made by Warren (1972). Another early reference to performance management was made by Beer and Ruh (1976). Their thesis was that 'performance is best developed through practical challenges and experiences on the job with guidance and feedback from superiors'. Performance management developed out of merit rating, which originated in the early 20th century and was influenced by the scientific management movement. This was followed by performance appraisal and management by objectives. But it is said that the first known use of merit rating took place during the Wei dynasty (AD 221–265) when the emperor employed an 'imperial rater' whose task it was to evaluate the performance of officials.

Today, the term performance management as an overall description of a process of performance planning and review conducted by managers and individuals has largely replaced the term performance appraisal. The latter has often been relegated to a description of the performance assessment and rating aspect of performance management. Indeed, there are those, including the writers of this handbook, who prefer to avoid the use of the phrase performance appraisal altogether because of its connotations

¹¹ Armstrong, M. (2014). *Armstrong's handbook of human resource management practice* (11th ed.). London: Kogan Page.

with the worst aspects of traditional merit rating, ie a top-down pronouncement by managers on what they think of their subordinates, which is used as an instrument for command and control. We prefer

'performance review', which signifies that performance management is a joint affair, based on dialogue and agreement.

As considered initially in this chapter, performance management is founded on an understanding of what the word 'performance' means and is under-pinned by a number of behavioral theories. It is also based on a number of principles that have emerged from experience in operating it. The chapter continues with a definition of the aims of performance management and an examination of a conceptual model of performance management consisting of the plan-act-monitor-review cycle. The problems of making this concept work are then explored and the chapter ends with analyses of the impact of performance management on performance and reward, a description of a special type of performance management: 360-degree feedback, or multisource assessment, and notes for guidance on introducing performance management.

11.2 The basis of performance management

Performance management should be based on an understanding of what the word 'performance' means. Those concerned with introducing and operating performance management should be aware of the underpinning theories and the principles evolved by practitioners from their experience.

11.2.1 The meaning of performance

Performance is defined as behavior that accomplishes results. As noted by Brumbach (1988: 387): Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results.

Brumbach observed that because of the significance of behaviour there was more to success or failure than whether results were achieved: 'Success is not always positive nor failure always negative' (ibid: 388). This concept of performance leads to the conclusion that when assessing and rewarding the performance of individuals a number of factors have to be considered including both outputs (results) and inputs (behaviour).

Any attempt to manage performance should also bear in mind that it is a complicated notion. Campbell (1990) suggested that performance is the outcome of three determinants:

- 1 knowledge about facts and things (termed declarative knowledge);
- 2 knowledge about how things are done and the skills to do them (termed procedural knowledge and skills);
- 3 motivations to act, to expend effort and to persist (termed motivation).

11.2.2 Underpinning theories

The following three theories underpin performance management.

Goal theory

Goal theory, as developed by Latham and Locke (1979), highlights four mechanisms that connect goals to performance outcomes: 1) they direct attention to priorities; 2) they stimulate effort; 3) they challenge people to bring their knowledge and skills to bear to increase their chances of success; and 4) the more challenging the goal, the more people will draw on their full repertoire of skills. This theory supports the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.

Control theory

Control theory focuses attention on feedback as a means of shaping behavior. As people receive feedback on their behavior they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome the discrepancy. Feedback is recognized as a crucial part of performance management processes.

Social cognitive theory

Social cognitive theory was developed by Bandura (1986). It is based on his central concept of self-efficacy. This suggests that what people believe they can or cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective.

11.2.3 Principles of performance management

The research conducted by Armstrong and Baron (1998, 2004) identified the following 10 principles of performance management as stated by practitioners:

1. It's about how we manage people – it's not a system.

2. Performance management is what managers do: a natural process of management.
3. A management tool that helps managers to manage.
4. Driven by corporate purpose and values.
5. To obtain solutions that work.
6. Only interested in things you can do something about and get a visible improvement.
7. Focus on changing behavior rather than paperwork.
8. Based on accepted principle but operates flexibly.
9. Focus on development not pay.
10. Success depends on what the organization is and needs to be in its performance culture.

11.3 Aims of performance management

Performance management is a means of getting better results by providing the means for individuals to perform well within an agreed framework of planned goals, standards and competency requirements. It involves developing a shared understanding about what is to be achieved and how it is to be achieved. The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. A further aim is to clarify how individuals are expected to contribute to the achievement of organization goals by aligning individual objectives with the strategic objectives of the organization.

Performance management provides the basis for self-development but, importantly, it is also about ensuring that the support and guidance people need to develop and improve are readily available. Performance management can play an important role in rewarding employees by providing them with positive feedback and the recognition of their accomplishments.

Performance management is often seen as primarily a developmental process and may therefore be referred to as 'performance and development management'. It can also be used to generate ratings that inform performance pay decisions.

Shields (2007: 24) explained that a performance management system has a fourfold purpose:

- 1 Strategic communication – convey to people what doing a good job means and entails.
- 2 Relationship building – create stronger work relationships by bringing managers and those they manage together regularly to review performance achievements.

3 Employee development – provide performance feedback as a basis for the joint analysis of strengths, weaknesses and areas for improvement and an agreement on a personal development plan and learning contract.

4 Employee evaluation – assess the performance of employees (performance appraisal) as a basis for making decisions on job reassignment, promotion or performance-related reward.

Shields noted that: 'the relationship between the developmental and evaluative purposes is frequently a troubled one and maintaining a harmonious relationship between the two is undoubtedly one of the greatest challenges that awaits the unsuspecting human resource manager' (ibid: 25).

Respondents to an e-reward survey in 2005 identified the following performance management objectives:

- Align individual and organizational objectives 64 per cent.
- Improve organizational performance – 63 per cent.
- Improve individual performance – 46 per cent.
- Provide the basis for personal development – 37 per cent.
- Develop a performance culture – 32 per cent.
- • Inform contribution/performance pay decisions – 21 per cent.

Note the relatively small emphasis on pay.

The following is a statement of objectives from one respondent to the e-reward survey: 'To support culture change by creating a performance culture and reinforcing the values of the organization with an emphasis on the importance of these in getting a balance between "what" is delivered and "how" it is delivered.'

Chapter 12¹²

Evaluating and Rewarding Employees

12.1 Performance Appraisal

12.1.1 Meaning

Performance appraisal is the process of measuring quantitative & qualitatively an employee's past or present performance against the background of his expected role performance and about his future potential of an organization.

12.1.2 Definition

Acc. to Edward flippo performance appraisal is a systematic, periodic & an impartial rating of an employee's excellence in matters pertaining to his present job & his potential for a better job".

Acc. to Wayne Cascio as "the systematic description of employee's job relevant, strength, weakness. Performance appraisal may be conducted once in every 6 months or once in a year. The basic idea of the appraisal is to evaluate the performance of the employee, giving him a feedback. Identify areas where improvement is required so that training can be provided. Give incentives and bonus to encourage employees etc.

12.1.3 Advantages/Importance of Performance Appraisal

1. Feedback to the employee : Performance appraisal is beneficial because it provides feedback to the employee about his performance. It identifies the areas for improvement so that employee can improve itself.

2. Training and development : Due to performance appraisal it is easy to understand what type of training is required for each employee to improve himself accordingly training programs can be arranged.

3. Helps to decide promotion : Performance appraisal provides a report about the employee. Based on this report future promotion are decided, incentives, salary increase is decided.

4. Validation of selection process : Through performance appraisal the HR department can identify whether any changes are required in the selection process of the company normally a sound selection process results in better performance and positive appraisal.

¹² Asst. Prof. Sangeetha. N, SSCASC, TUMKURU.

5. Human resource planning and career development:– Companies can plan for future vacancies at higher levels based on performance appraisal reports. Similarly, career planning can be done for the employee on the performance appraisal report.

12.1.4 Process of Performance Appraisal

1. Setting performance standards :– In this very first step in performance appraisal the HR department decides the standards of performance i.e. they decide what exactly is expected from the employee for each and every job. Sometimes certain marking scheme may be adopted eg. A score 90/100 = excellent performance, a score of 80/100 = good. And so on.

2. Communication standard set to the employee – Standards of performance appraisal decided in 1st step are now conveyed to the employee so that the employee will know what is expected from him and will be able to improve his performance.

3. Measuring performance :– The performance of the employee is now measure by the HR department, different methods can be used to measure performance i.e. traditional and modern method. The method used depends upon the company's convenience.

4. Comparing performance with standard :– The performance of the employee is now judged against the standard. To understand the score achieved by him. Accordingly, we come to know which category of performance the employee falls into i.e. excellent, very good, good, satisfactory etc.

5. Discussing result :– The results obtained by the employee after performance appraisal are informed or conveyed to him by the HR department. A feedback is given to the employee asking him to change certain aspects of his performance and improve them.

6. Collective action :– The employee is given a chance or opportunity to improve himself in the areas specified by the HR department. The HR department constantly receives or keeps a check on the employee's performance and notes down improvements in performance.

7. Implementation and review :– The performance appraisal policy is to be implemented on a regular basis. A review must be done from time to time to check whether any change in policy is required. Necessary changes are made from time to time.

12.1.5 Methods of Performance Appraisal

1. Traditional method

Traditional approach is also known as traits approach. It is based on the evaluation of traits in a person. This system may list ten to fifteen personal characteristics such as ability to get along with people, competence, judgement, initiative & leadership etc.

1.1 Check list method :-

In this method the senior, the boss is given a list of questions about the junior. These questions are followed by check boxes. The superior has to put a tick mark in any one of the boxes. This method can be explained with the following eg. * Y N Does the employee have leadership qualities?

1.2 Confidential report :-

This method is very popular in government departments to appraise IAS officers and other high level officials. In this method the senior or the boss writes a report about the junior giving him details about the performance about the employee. The +ve and -ve traits, responsibilities handled on the job and recommendations for future incentives or promotions. The report is kept highly confidential and access to the report is limited.

1.3 Critical incident method :-

In this method critical or important incidents which have taken place on this job are noted down along with employee's behavior and reaction in all these situations. Both +ve and -ve incidents are mentioned. This is followed by an analysis of the person, his abilities and talent, recommendations for the future incentives and promotions.

1.4 Ranking method :-

In this method ranks are given to employees based on their performance. There are different methods of ranking employees. Simple ranking method Alternate ranking method Paired comparison method

i. Simple ranking method:- Simple ranking method refers to ranks in serial order from the best employee eg. If we have to rank 10 best employees we start with the first best employee and give him the first rank this is followed by the 2nd best and so on until all 10 have been given ranks.

ii. Alternate ranking :- In this method the serial alternates between the best and the worst employee. The best employee is given rank 1 and then we move to the worst employee and give him rank 10 again to 2nd best employee and give him rank 2 and so on.

iii. Paired comparison :- In this method each and every person in the group, department or team is compared with every other person in the team/group/department. The comparison is made on certain criteria and finally ranks are given. This method is superior because it compares each and every person on certain qualities and provides a ranking on that basis.

1.5 Graphic rating scale :-

Graphic rating scale refers to using specific factors to appraise people. The entire appraisal is presented in the form of a chart. The chart contains certain columns which indicate qualities which are being appraised and other columns which specify the rank to be given.

Eg. Employee A Quality of work Quantity of work Intelligence Excellent Very good good satisfactory poor The senior has to put a tick mark for a particular quality along with the ranking. Such charts are prepared for every employee. According to the department in which they work. Sometimes the qualities which are judged may change depending upon the department.

1.6 Narrated essay :-

In this method the senior or the boss is supposed to write a narrative essay describing the qualities of his junior. He may describe the employees strength and weakness, analytical abilities etc. the narrative essay ends with a recommendation for future promotion or for future incentives. Modern methods Modern methods of appraisal are being increasingly used by companies. Now days one of the striving feature that appraisal involves is, the opinion of many people about the employee and in some cases psychological test are used to analyze the ability of employee.

1.7 Paired Comparisons Method:-

In this method every person is compared traits-wise, with other person, one at a time, the number of times one person is compared with other is tallied on a piece o paper. Theses number help in yielding rank order of employees.

Example:- if there are five person to be compared A's performance is first compared with that N to find out who has better performance, then A is compared with C,D & E in turn & performance is recorded.

1.8 Grading System:-

Under this system certain features like analytical ability, co-opeaativeness, dependability, job-knowledge etc are selected for evaluation the employees are given grades according to the judgement of the rater. The grades may be such as

A-Outstanding

B-very Good

C-Satisfactory

D-Average

E-Below average etc.

1.9 Forced Distribution method:-

Some raters suffer from a constant error i.e. they rate of employees as only good, average or poor. They thus do not evaluate the employees properly. This system minimizes rater's bias so that all employees are not similarly rated. This system is based on presumption that all employees can be divided into five categories i.e. Outstanding, Above average, Average, Below average & poor.

1.10 Nominations:-

Under the nominations method, appraisers are asked to identify the exceptionally good & exceptionally poor performers, who are then singled out for special treatment.

1.11 Work Sample Tests:-

In this method, employees are given from time to time, work related tests which are then evaluated.

2. Modern method

2.1 Assessment centers :-

Assessment centers (AC) are places where the employee's are assessed on certain qualities talents and skills which they possess. This method is used for selection as well as for appraisal. The people who attend assessment centers are given management games, psychological test, questioners about different management related situations etc. based on their performance in these test an games appraisal is done.

2.2 Management by objective :-

This method was given by Peter Drucker in 1974. It was intended to be a method of group decision making. It can be used for performance appraisal also. In this method all members of the department starting from the lowest level employee to the highest level employee together discuss target goals to be achieved, plan for achieving these goals and work together to achieve them. The seniors in the department get an opportunity to observe their junior- group efforts, communication skills, knowledge levels, interest levels etc. based on this appraisal is done.

2.3 Behavioral anchored rating scale :- (BARS)

In this method the appraisal is done to test the attitude of the employee towards his job. Normally people with +ve approach or attitude view and perform their job differently as compared to people with a -ve approach.

2.4 Human resource audit/accounting :-

In this method the expenditure on the employee is compared with the income received due to the efforts of the employee. A comparison is made to find out the utility of the employee to the organization. The appraisal informs the employee about his contribution to the company and what is expected in future.

2.5 360 Degree Performance appraisal :-

In this method of appraisal an all round approach is adopted. Feedback about the employee is taken from the employee himself, his superiors, his juniors, his colleagues, customers he deals with, financial institutions and other people he deals with etc. Based on all these observations an appraisal is made and feedback is given. This is one of the most popular methods.

12.2 Limitations of Performance Appraisal

1. Halo effect :- In this case the superior appraises the person on certain positive qualities only. The negative traits are not considered. Such an appraisal will not give a true picture about the employee. And in some cases employees who do not deserve promotions may get it.

2. Horn effect :- In this case only the negative qualities of the employee are considered and based on this appraisal is done. This again will not help the organization because such appraisal may not present a true picture about the employee.

3. Central tendency :- In this case the superior gives an appraisal by giving central values. This prevents a really talented employee from getting promotions he deserves and some employees who do not deserve anything may get promotion.

4. Leniency and strictness – Some bosses are lenient in grading their employees while some are very strict. Employee who really deserves promotions may lose the opportunity due to strict bosses while those who may not deserve may get benefits due to lenient boss.

5. Spill over effect :- In this case the employee is judged +vely or -vely by the boss depending upon the past performance. Therefore although the employee may have improved performance, he may still not get the benefit. 6. Fear of losing subordinates and spoiling relations :- Many bosses do not wish to spoil their relations with their subordinates. Therefore when they appraise the employee they may end up giving higher grades which are not required. This is an injustice to really deserving employees.

7. Goodwill and techniques to be used :- Sometimes a very strict appraisal may affect the goodwill between senior and junior. Similarly when different departments in the same company use different methods of appraisal it becomes very difficult to compare employees. 8. Paper work and personal bias :- Appraisal involves a lot of paper work. Due to this the work load of HR department increases. Personal bias and prejudice result in bosses favoring certain people and not favoring others.

12.3 Compensation Management

Meaning:- Compensation Management is the act of providing monetary value to an employee for the work they do by means of a company process or policy. Some types of compensation include salary, bonuses & benefit packages.

Acc. to D.S. Beach "the establishment & implementation of sound policies & practices of employee compensation. It includes such areas as job evaluation, surveys of wage & salaries, analysis of relevant organizational problems, development & maintenance of wage structure, establishing rules for administering wages, wage payment incentives, profit sharing, wage changes & adjustments, supplementary payments, control of compensation costs & other related items.

Chapter 13¹³

Motivation

13.1 The meaning of motivation

The term 'motivation' derives from the Latin word for movement (mover). A motive is a reason for doing something. Motivation is the strength and direction of behavior and the factors that influence people to behave in certain ways. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward one that satisfies their needs and wants. The term 'motivation' can refer variously to the goals that individuals have, the ways in which individuals chose their goals and the ways in which others try to change their behavior. Locke and Latham (2004: 388) observed that: 'The concept of motivation refers to internal factors that impel action and to external factors that can act as inducements to action.'

As described by Arnold et al (1991) the three components of motivation are:

- 1 *Direction – what a person is trying to do.*
- 2 *Effort – how hard a person is trying.*
- 3 *Persistence – how long a person keeps on trying.*

Well-motivated people engage in positive discretionary behavior – they decide to make an effort. Such people may be self-motivated, and as long as this means they are going in the right direction to attain what they are there to achieve, then this is the best form of motivation. But additional motivation provided by the work itself, the quality of leadership, and various forms of recognition and reward, builds on self-motivation and helps people to make the best use of their abilities and to perform well.

There are two types of motivation and a number of theories explaining how it works, as discussed below.

13.2 Types of motivation

13.2.1 Intrinsic motivation

Intrinsic motivation takes place when individuals feel that their work is important, interesting and challenging and that it provides them with a reasonable degree of autonomy (freedom to act),

¹³ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

opportunities to achieve and advance, and scope to use and develop their skills and abilities. It can be described as

motivation by the work itself. It is not created by external incentives. Deci and Ryan (1985) suggested that intrinsic motivation is based on the need to be competent and self-determining (that is, to have a choice). Michael Sandel (2012: 122) remarked that: 'When people are engaged in an activity they consider intrinsically worthwhile, offering money may weaken their motivation by "crowding out" their intrinsic interest or commitment'.

Intrinsic motivation can be enhanced by job design. Katz (1964) suggested that jobs should in themselves provide sufficient variety, complexity, challenge and skill to engage the abilities of the worker. Hackman and Oldham (1974) in their job characteristics model identified the five core characteristics of jobs that result in intrinsic motivation, namely: skill variety, task identity, task significance, autonomy and feedback. Pink (2009) stated that there are three steps that managers can take to improve motivation:

1 Autonomy – encourage people to set their own schedule and focus on getting work done not how it is done.

2 Mastery – help people to identify the steps they can take to improve and ask them to identify how they will know they are making progress.

3 Purpose – when giving instructions explain the why as well as the how.

13.2.2 Extrinsic motivation

Extrinsic motivation occurs when things are done to or for people in order to motivate them. These include rewards such as incentives, increased pay, praise or promotion; and punishments such as disciplinary action, withholding pay, or criticism.

Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the 'quality of working life' (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in individuals and the work and are not imposed from outside in such forms as incentive pay.

Motivation theory as described below explains the ways in which intrinsic and extrinsic motivation take place.

13.3 Motivation theory

As mentioned by Steers et al (2004: 379) the earliest approaches to understanding human motivation date from the time of the Greek philosophers and focus on the concept of hedonism as a principle driving force in behavior. Individuals were seen as directing their efforts to seeking pleasure and avoiding pain. This principle was later refined and further developed in the works of philosophers such as John Locke and Jeremy Bentham in the 17th and 18th centuries. Motivation theory has moved on from then. It started in the earlier part of the 20th century with the contributions of the exponents of scientific management (instrumentality theory). In the middle years of that century the behavioral scientists entered the field and began to develop the 'content' or 'needs' theory of motivation. The main process theories such as expectancy theory emerged in the in the 1960s and 70s, although the first formulation of the process theory of reinforcement took place in 1911. The three main areas of motivation theory – instrumentality, content and process – are examined below.

13.3.1 Instrumentality theory

Instrumentality theory states in effect that rewards and punishments are the best instruments with which to shape behavior. It assumes that people will be motivated to work if rewards and penalties are tied directly to their performance; thus the awards are contingent upon effective performance. Instrumentality theory has its roots in the scientific management methods of Taylor (1911: 121) who wrote: 'It is impossible, through any long period of time, to get workmen to work much harder than the average men around them unless they are assured a large and a permanent increase in their pay.'

This theory provides a rationale for financial incentives such as performance-related pay, albeit a dubious one. Motivation using this approach has been and still is widely adopted. It may be successful in some circumstances, eg piece work, but – for reasons explained in Chapter 27 – merit or performance pay is flawed.

Instrumentality theory relies exclusively on a system of external controls and does not recognize a number of other human needs. It also fails to appreciate the fact that the formal control system can

13.3.2 Content theory

The aim of the content or needs theories produced by Maslow, Alderfer, McClelland, Herzberg, and Deci and Ryan was to identify the factors associated with motivation. The theory focuses on the content of motivation in the shape of needs. Its basis is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance a goal is identified that will satisfy the need,

and a behaviour pathway is selected that will lead to the achievement of the goal and the satisfaction of the need. Behaviour is therefore motivated by unsatisfied needs. A content theory model is shown in Figure 13.1. Content theory, as the term implies, indicates the components of motivation but it does not explain how motivation affects performance – a necessary requirement if the concept is to provide guidance on HR policy and practice. This was the role of expectancy theory, as will be discussed later.

13.3.2.1 Maslow's hierarchy of needs

The most famous classification of needs is the one formulated by Maslow (1954). He suggested that there are five major need categories that apply to people in general, starting from the fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfillment, the highest need of all. When a lower need is satisfied the next highest becomes dominant and the individual's attention is turned to satisfying this higher need. The need for self-fulfillment, however, can never be satisfied. 'Man is a wanting animal'; only an unsatisfied need can motivate behavior and the dominant need is the prime motivator of behavior. Psychological development takes place as people move up the hierarchy of needs, but this is not necessarily a straightforward progression. The lower needs still exist, even if temporarily dormant as motivators, and individuals constantly return to previously satisfied needs.

Maslow's needs hierarchy has an intuitive appeal and has been very popular. But it has not been verified by empirical research such as that conducted by Wahba and Bridwell (1979), and it has been criticized for its apparent rigidity – different people may have different priorities and the underpinning assumption that everyone has the same needs is invalid. It is difficult to accept that needs progress steadily up the hierarchy and Maslow himself expressed doubts about the validity of a strictly ordered hierarchy. But he did emphasize that the higher-order needs are more significant.

13.3.2.2 ERG theory (Alderfer)

Alderfer (1972) produced a more convincing and simpler theory, which postulated three primary categories of needs:

1 Existence needs such as hunger and thirst – pay, fringe benefits and working conditions are other types of existence needs.

2 Relatedness needs, which acknowledge that people are not self-contained units but must engage in transactions with their human environment acceptance, understanding, confirmation and influence are elements of the relatedness process.

3 Growth needs, which involve people in finding the opportunities to be what they are most fully and to become what they can. This is the most significant need.

13.3.2.3 McClelland's achievement motivation

An alternative way of classifying needs was developed by McClelland (1961), who based it mainly on studies of managers. He identified three needs of which the need for achievement was the most important:

1 The need for achievement, defined as the need for competitive success measured against a personal standard of excellence.

2 The need for affiliation, defined as the need for warm, friendly, compassionate relationships with others.

3 The need for power, defined as the need to control or influence others.

13.3.2.4 Herzberg's two-factor model

The two-factor model of motivation developed by Herzberg (1957, 1966) was based on an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers who were asked what made them feel exceptionally good or exceptionally bad about their jobs. According to Herzberg, this research established that there were two factors that affected feelings of satisfaction or dissatisfaction. Motivating factors or 'satisfiers' relate to the job content and consist of the need for achievement, the interest of the work, responsibility and opportunities for advancement. These needs are the intrinsic motivators. He summed this up in the phrase 'motivation by the work itself'.

Hygiene factors relate to the job context, including such things as pay and working conditions. 'Hygiene' is used in the medical use of the term, meaning preventative and environmental. In themselves hygiene factors neither satisfy nor motivate and they serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. Pay is not a satisfier but if it is inadequate or inequitable it can cause dissatisfaction. However, its provision does not provide lasting satisfaction.

Herzberg's two-factor theory in effect identifies needs but it has been attacked by, for example, Opsahl and Dunnette (1966). The research method has been criticized because no attempt was made to measure the relationship between satisfaction and performance. It has been claimed that the two-factor nature of the theory is an inevitable result of the questioning method used by the interviewers. It has also been suggested that wide and unwarranted inferences have been drawn from

small and specialized samples and that there is no evidence to suggest that the satisfiers do improve productivity. The underpinning assumption that everyone has the same needs is invalid. Denise Rousseau (2006: 263) in her presidential address to the US Academy of Management summed up these views as follows: 'Herzberg's long discredited two-factor theory is typically included in the motivation section of management textbooks, despite the fact that it was discredited as an artefact of method bias over thirty years ago.'

In spite of these objections, the Herzberg two-factor theory continues to thrive; partly because it is easy to understand and seems to be based on real-life rather than academic abstractions, and partly because it convincingly emphasizes the positive value of the intrinsic motivating factors and highlights the need to consider both financial and non-financial factors when developing reward systems. It is also in accord with a fundamental belief in the dignity of labour and the Protestant ethic that work is good in itself. Herzberg's strength as a proselytizer rather than a researcher meant that he had considerable influence on the job enrichment movement, which sought to design jobs in a way that would maximize the opportunities to obtain intrinsic satisfaction from work and thus improve the quality of working life. Herzberg famously remarked that if you want people to do a good job then give them a good job to do (quoted by Dowling, 1971).

Chapter 14¹⁴

Commitment and Employee engagement

14.1 Introduction

Commitment represents the strength of an individual's identification with, and involvement in, an organization. It is a concept that has played an important part in HRM philosophy. As Guest (1987: 503) suggested, HRM policies are designed to 'maximize organizational integration, employee commitment, flexibility and quality of work'. Beer et al (1984: 20) identified commitment in their concept of HRM as a key dimension because it 'can result not only in more loyalty and better performance for the organization, but also in self-worth, dignity, psychological involvement, and identity for the individual'.

14.2 The meaning of organizational commitment

Commitment refers to attachment and loyalty. It is associated with the feelings of individuals about their organization. Mowday (1998) stated that it is characterized by an emotional attachment to one's organization that results from shared values and interests. The three characteristics of commitment identified by Mowday et al (1982) are:

- 1 A strong desire to remain a member of the organization.
- 2 A strong belief in and acceptance of the values and goals of the organization.
- 3 A readiness to exert considerable effort on behalf of the organization.

Appelbaum et al (2000: 183) rephrased this definition as: 'Organizational commitment is a multidimensional construct that reflects a worker's: identification with the organization (loyalty), attachment to the organization (intention to stay), and willingness to expend effort on the organization's behalf (discretionary effort).' An alternative, although closely related definition of commitment emphasizes the importance of behavior in creating commitment. Three features of behavior are important in binding individuals to their acts: the visibility of the acts, the extent to which the outcomes are irrevocable, and the degree to which the person undertakes the action voluntarily. Commitment, according to Salancik (1977) can be increased and harnessed to obtain support for organizational ends and interests through such ploys as participation in decisions about actions.

¹⁴ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

14.3 The importance of commitment

The importance of commitment was highlighted by Walton (1985a). His theme was that improved performance would result if the organization moved away from the traditional control-oriented approach to workforce management, which relies upon establishing order, exercising control and achieving efficiency. He proposed that this approach should be replaced by a commitment strategy that would enable workers 'to respond best and most creatively not when they are tightly controlled by management, placed in narrowly defined jobs, and treated like an unwelcome necessity, but, instead, when they are given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work' (ibid: 77). He described the commitment-based approach as follows.

Source review

Richard Walton on commitment – Walton (1985a: 79)

Jobs are designed to be broader than before, to combine planning and implementation, and to include efforts to upgrade operations, not just to maintain them. Individual responsibilities are expected to change as conditions change, and teams, not individuals, often are the organizational units accountable for performance. With management hierarchies relatively flat and differences in status minimized, control and lateral coordination depend on shared goals. And expertise rather than formal position determines influence.

Expressed like this, a commitment strategy sounds idealistic ('the American dream' as Guest (1990) put it) but it does not appear to be a crude attempt to manipulate people to accept management's values and goals, as some have suggested. In fact, Walton did not describe it as being instrumental in this manner. His prescription was for a broad HRM approach to the ways in which people are treated, jobs are designed and organizations are managed. He believed that the aim should be to develop 'mutuality', a state that exists when management and employees are interdependent and both benefit from this interdependency. The importance of mutuality and its relationship to commitment was spelt out by Walton (1985b: 64) as follows:

The new HRM model is composed of policies that promote mutuality – mutual goals, mutual influence, mutual respect, mutual rewards, mutual responsibility. The theory is that policies of mutuality will elicit commitment which in turn will yield both better economic performance and greater human development.

But a review by Guest (1991) of the mainly North American literature, reinforced by the limited UK research available, led him to the conclusion that: 'High organizational commitment is associated with lower labour turnover and absence, but there is no clear link to performance.' Swailes (2002: 164) confirmed that: 'Despite the best efforts of researchers... the evidence for a strong positive link between commitment and performance remains patchy.'

It is probably unwise to expect too much from commitment as a means of making a direct and immediate impact on performance. It is not the same as motivation. It is possible to be dissatisfied with a particular feature of a job while retaining a fairly high level of commitment to the organization as a whole. But it is reasonable to believe that strong commitment to work may result in conscientious and self-directed application to do the job, regular attendance, the need for less supervision and a high level of discretionary effort. Commitment to the organization will certainly be related to the intention to stay there.

14.4 Commitment and engagement

The notion of commitment as described above appears to be very similar if not identical to that of organizational engagement that, as defined in Chapter 15, focuses on attachment to, or identification with, the organization as a whole. Are there any differences?

Some commentators have asserted that commitment is a distinct although closely linked entity. As cited by Buchanan (2004: 19), the US Corporate Executive Board divides engagement into two aspects of commitment: 1) rational commitment, which occurs when a job serves employees' financial, developmental or professional self-interest; and 2) emotional commitment, which arises when workers value, enjoy and believe in what they do and has four times the power to affect performance as its more pragmatic counterpart. The Corporate Executive Board (2004: 1) indicated that engagement is 'the extent to which employees commit to someone or something in their organization, how hard they work, and how long they stay as a result of that commitment'. Wellins and Concelman (2005: 1) suggested that 'to be engaged is to be actively committed'. And Macey and Schneider (2008: 8–9) observed that:

Organizational commitment is an important facet of the state of engagement when it is conceptualized as positive attachment to the larger organizational entity and measured as a willingness

to exert energy in support of the organization, to feel pride as an organizational member, and to have personal identification with the organization.

Clearly organizational engagement and commitment are closely associated, and commitment was included by the Institute for Employment Studies in its model (see Chapter 15) as an element of engagement. Appelbaum et al (2000: 183) noted that: "The willingness to exert extra effort is the aspect of organizational commitment that has been shown to be most closely related to an employee's job performance." Robinson et al (2004: 7) suggested that the closest relationship of commitment to engagement was 'affective commitment, ie the satisfaction people get from their jobs and their colleagues and their willingness to go beyond the call of duty for the sake of the organization'. Salanova et al (2005) saw commitment as part of engagement but not equivalent to it.

The analysis of the concept of commitment as undertaken in this chapter is based on a considerable body of work exploring its nature and significance, and therefore helps to illuminate the somewhat elusive notion of engagement as discussed in Chapter 15. But there are problems with commitment, as discussed below.

14.5 Critical evaluation of the concept of commitment

A number of commentators have raised questions about the concept of commitment. These relate to three main problem areas: 1) the imprecise nature of the term, 2) its unitary frame of reference, and 3) commitment as an inhibitor of flexibility.

14.5.1 The imprecise nature of the term

Guest (1987: 513) raised the question of what commitment really means as follows:

The case for seeking high commitment among employees seems plausible but the burgeoning research on the topic has identified a number of problems. One of these concerns the definition of the concept. The first issue is commitment to what? Most writers are interested in commitment to the organization, but others have examined career commitment and job commitment. Once the general concept of commitment is utilized, then union commitment, workgroup commitment and family commitment should also be considered. The possibility of multiple and perhaps competing commitments creates a more complex set of issues.

14.5.2 Unitary frame of reference

The concept of commitment, especially as put forward by Walton (1985a), can be criticized as being simplistic, even misguided, in adopting a unitary frame of reference that assumes that organizations consist of people with shared interests. It has been suggested by people such as Cyert and March (1963), Mangham (1979) and Mintzberg (1983) that an organization is really a coalition of interest groups where political processes are an inevitable part of everyday life.

Legge (1989: 38) also raised this question in her discussion of strong culture as a key requirement of HRM, which she criticized because it implies 'a shared set of managerially sanctioned values... that assumes an identification of employee and employer interests'. As Coopey and Hartley (1991: 21) put it: 'Commitment is not an all-or-nothing affair (though many managers might like it to be) but a question of multiple or competing commitments for the individual.' A pluralist perspective recognizes the legitimacy of different interests and is more realistic.

It could be argued that values concerned with performance, quality, service, equal opportunity and innovation are not necessarily wrong because they are managerial values. But pursuing a value such as innovation could work against the interests of employees by, for example, resulting in redundancies. And flexibility may sound a good idea but, beyond the rhetoric, as Sisson (1994: 5) observed, the reality may mean that management can do what it wants. It would be quite reasonable for any employee encouraged to behave in accordance with a value supported by management to ask, 'What's in it for me?' It can also be argued that the imposition from above of management's values on employees without their having any part to play in discussing and agreeing them is a form of coercion.

14.5.3 Commitment and flexibility

It was pointed out by Coopey and Hartley (1991: 22) that: 'The problem for a unitarist notion of organizational commitment is that it fosters a conformist approach which not only fails to reflect organizational reality, but can be narrowing and limiting for the organization.' They argued that if employees are expected and encouraged to commit themselves tightly to a single set of values and goals they will not be able to cope with the ambiguities and uncertainties that are endemic in organizational life in times of change. Conformity to 'imposed' values will inhibit creative problem solving, and high commitment to present courses of action will increase both resistance to change and the stress that invariably occurs when change takes place.

If commitment is related to tightly defined plans, this will become a real problem. To avoid it, the emphasis should be on overall strategic directions. These would be communicated to employees with

the proviso that changing circumstances will require their amendment. In the meantime, however, everyone can at least be informed in general terms where the organization is heading and, more specifically, the part they are expected to play in helping the organization to get there and, if they can be involved in the decision-making processes on matters that affect them (including management's values for performance, quality and customer service), so much the better.

Values need not necessarily be restrictive. They can be defined in ways that allow for freedom of choice within broad guidelines. In fact, the values themselves can refer to such processes as flexibility, innovation and responsiveness to change. Thus, far from inhibiting creative problem solving, they can encourage it. But they will not do so if they are imposed from above. Employees need to have a say in defining the values they are expected to support.

14.6 Factors affecting commitment

Kochan and Dyer (1993) indicated that the factors affecting the level of commitment in what they called 'mutual commitment firms' were as follows:

- Strategic level: supportive business strategies, top management value commitment and effective voice for HR in strategy making and governance.
- Functional (human resource policy) level: staffing based on employment stabilization, investment in training and development and contingent compensation that reinforces cooperation, participation and contribution.
- Workplace level: selection based on high standards, broad task design and teamwork, employee involvement in problem solving and a climate of cooperation and trust.

The research conducted by Purcell et al (2003) identified the following key policy and practice factors that influence levels of commitment:

- received training last year;
- satisfied with career opportunities;
- satisfied with the performance appraisal system;
- think managers are good in people management (leadership);
- find their work challenging;
- think their firm helps them achieve a work-life balance;
- satisfied with communication or company performance.

14.7 Developing a commitment strategy

A commitment strategy can be based on the high– commitment model incorporating policies and practices in areas of HR such as job design, learning and development, career planning, performance management, reward management, participation, communication and employee well–being. HR should play a major part in developing a high–commitment organization. The 10 steps it can take are:

1 Advise on methods of communicating the values and aims of management and the achievements of the organization so that employees are more likely to identify with the organization as one they are proud to work for.

2 Emphasize to management that commitment is a two–way process; employees cannot be expected to be committed to the organization unless management demonstrates that it is committed to them and recognizes their contribution as stakeholders.

3 Impress on management the need to develop a climate of trust by being honest with people, treating them fairly, justly and consistently, keeping its word, and showing willingness to listen to the comments and suggestions made by employees during processes of consultation and participation.

4 Develop a positive psychological contract (the set of reciprocal but unwritten expectations that exist between individual employees and their employers) by treating people as stakeholders, relying on consensus and cooperation rather than control and coercion, and focusing on the provision of opportunities for learning, development and career progression.

5 Advise on the establishment of partnership agreements with trade unions that emphasize unity of purpose, common approaches to working together and the importance of giving employees a voice in matters that concern them.

6 Recommend and take part in the achievement of single status for all employees (often included in a partnership agreement) so that there is no longer an 'us and them' culture.

7 Encourage management to declare a policy of employment security and ensure that steps are taken to avoid involuntary redundancies.

8 Develop performance management processes that provide for the alignment of organizational and individual objectives.

9 Advise on means of increasing employee identification with the company through rewards related to organizational performance (profit sharing or gainsharing) or employee share ownership schemes.

10 Enhance employee job engagement, ie identification of employees with the job they are doing, through job design processes that aim to create higher levels of job satisfaction (job enrichment).

Collect and Rearrange By Marndarath

Chapter 15¹⁵

Employee relations

15.1 Introduction

Employee relations are concerned with managing the employment relationship and the psychological contract. They consist of the approaches and methods adopted by employers to deal with employees either collectively through their trade unions or individually. This includes providing employees with a voice and developing communications between them and management.

Employee relations cover a wider spectrum of the employment relationship than industrial relations, which are essentially about what goes on between management and trade union representatives and officials, involving collective agreements, collective bargaining and disputes resolution. This wider definition recognizes the move away from collectivism towards individualism in the ways in which employees relate to their employers.

15.2 Strategic employee relations

Strategic employee relations is concerned with the formulation and implementation of plans designed to meet the needs of the business for harmonious and productive relationships and the needs of employees to be treated justly and well. These plans will be based on the organization's policies on how it should relate to employees and their unions. Against the background of definitions of the process and basis of employee relations, this chapter examines in turn employee relations policies and strategies, the development of a satisfactory employee relations climate and what happens when organizations work with or without unions.

15.3 The process of employee relations

Employee relations are concerned with managing and maintaining the employment relationship, taking into account the implications of the notion of the psychological contract (these concepts are discussed in the next two chapters). This means dealing with employees either collectively through their trade unions or individually; handling employment practices, terms and conditions of employment and

¹⁵ Armstrong, M. (2014). Armstrong's handbook of human resource management practice (11th ed.). London: Kogan Page.

issues arising from employment; and providing employees with a voice and communicating with employees.

15.4 The basis of employee relations

Employee relations are basically about how managements and employees live together and what can be done to make that work. There are two views about the relationship. The unitary viewpoint is the belief that management and employees share the same concerns and it is therefore in both their interests to cooperate. This was expressed by Walton (1985: 64) as the principle of mutuality. A similar belief is expressed in the idea of social partnership, which states that as stakeholders, the parties involved in employee relations should aim to work together to the greater good of all. Partnership agreements, as described in Chapter 32, try to put this idea into practice.

In contrast, the pluralist viewpoint is that the interests of employees will not necessarily coincide with their employers and that the unitary view is naive, unrealistic and against the interests of employees. People of this persuasion don't believe that partnership agreements can work.

The basis of employee relations can be described somewhat simplistically in terms of the pay-work bargain the agreement made between employers and employees whereby the former undertakes to pay for the work done by the latter. According to

this notion, many employers simply want employees who will do what they are told without costing too much. They want engagement and commitment on their own terms. But employees want a 'fair day's pay for a fair day's work' and a say in their terms and conditions of employment and the way in which their work is organized. They want security of employment, good working conditions, a healthy and safe working environment and the scope to raise and resolve grievances. Conflicts of interest can arise between employers and employees on these issues, and where there are unions these conflicts are resolved by the various industrial relations procedures described in Chapter 32. Because of this, employee relations need to be managed by reference to understood and communicated policies and strategies.

15.5 Employee relations policies

Employee relations policies express the philosophy of the organization on what sort of relationships are wanted between management and employees and, where necessary, their unions, and how the pay-work bargain should be managed. A social partnership policy will aim to develop and maintain a positive, productive, cooperative and trusting climate of employee relations.

Approaches

There are four approaches to employee relations:

1 Adversarial: the organization decides what it wants to do, and employees are expected to fit in. Employees only exercise power by refusing to cooperate.

2 Traditional: a reasonably good day-to-day working relationship but management proposes and the workforce reacts through its elected representatives, if there are any; if not, employees just accept the situation or walk.

3 Partnership: the organization involves employees in the drawing up and execution of organization policies, but retains the right to manage.

4 Power sharing: employees are involved in both day-to-day and strategic decision-making.