

Unit - 2

HUMAN RESOURCE PLANNING

Human resource planning is basically a process of identifying the right person for the right job at the right time and at the right cost. The process involves the estimate of the future manpower needs of an organization and meeting them through the human resources available with it. Human resource planning is the first step in the process of recruitment and selection of employees after a job analysis has been accomplished.

The basic objectives of HR planning are:

- Attracting, developing and retaining an efficient workforce
- Evaluating and rewarding its performance, and
- Inventing and controlling
- HR plans and programs to optimize the HR cost.

However, the immediate purpose of human resource planning is to investigate, forecast, plan, control and match the demand for and the supply of manpower. Broadly, HR planning is affected by two important factors- the HR requirements of an organization and its availability within and outside the business. With regard to HR requirements, the role of HR planning is the estimation of the number and nature of people needed for the accomplishment the goals and strategies of an organization. As regards, the HR availability, the task of human resource planning is to scan the environment in order to identify the availability of people with appropriate characteristics and skills.

Meaning of Human Resource Planning

Human resource planning is a process of identifying and then matching the human resource requirement and availability in order to determine the future HR activities of the organization on the basis of the overall organizational objectives. It is concerned with the flow of people into, through, and out of an organization involving the forecast the need for labor and the supply of labor, then planning the programs necessary to ensure that the organization will have the right mix of employees and skills when and where they are needed.

Significance of Human Resource Planning

Until a few decades ago organizations considered human resource planning neither essential nor inevitable. In fact, it received much less attention in the overall planning of an organization. This is because firms, in those times, had a relatively stable external environment. The presence of factors like manageable competition sluggish progress in technologies, and traditional and

regionally concentrated labor force created an environmental certainty for those organizations. However, in the subsequent period, the external environment has undergone several changes and is thus causing a lot of uncertainty to the organizations. An organization first fixes its strategic goals like achieving competitive advantage, designing expansion programs, enhancing organizational effectiveness and job satisfaction of the employees. Depending upon the selected goals, it develops and executes specific HR plans and program including recruitment and selection, training, compensation, and performance management. On the whole, HR planning is now an effective means of accomplishing the business strategies of the organization. The HR planning is important for the following areas of human resource management:

- Assessing future recruitment requirements
- The available human resources need be optimally utilized.
- Designing training and retraining plans and programs
- Formulating compensation policies
- Taking a decision about management development programs
- Gaining competitive advantage and
- Shaping future plans and strategies

Factors affecting Human Resource Planning

Human resource planning is an energetic and continuous process. This is because organization performs in changeable and unforeseeable environment. HRP needs regular updating to effectively serve the on-going strategies and objectives. The updating is not very simple, since HRP is affected by many factors.

Strategy of Organization: The strategy of the organization influences its Human Resource Planning. Strategy formulation involves the response of an organization to the developments in the external environment. The nature and type of response would indicate the strategy of the organization which gives a fresh direction to an organization.

Culture of the Organization: The organizational culture is the usually held beliefs, attitudes and values that occur within an organization for a comparatively long duration and are shared by its members. Within a culture, sub-cultures on the basis of age, ethnicity, gender, and regional affiliation may also exist. These cultures, sub-cultures give the form to the personality of the members of the organization by impacting their thoughts, emotions, motives, attitudes and behavioral patterns. In fact the organizational culture plays a remarkable role of in the development of business and functional strategies by influencing the values systems and the decision making patterns of an organization

Competitive and Financial Environment: Before the coming of globalization and complex technologies, the external environment of the business remained more stable and definite. Organizations thought little about environmental factors while preparing their HR plans. In fact, the organizational issues and objectives guided primarily HR actions and policies. The organizations of today no longer enjoy the comfort of working in such definite environments. The changes in the nature of technology, competition, financial and labor markets have generated an acute instability and uncertainty in the external environment.

Current Organizational Situation: Outwardly, organizations may seem to have general feature but, in reality, every organization is distinct and dissimilar to others. Organizations differ in terms of capabilities, adaptability, stage of development, managerial styles, order acquisitions, change management process and workforce competencies. Thus, it is necessary for the HR managers to consider the current situation and capabilities of the individual organization while devising HR plans.

Quantity and Skills Levels of Required Human Resources: The number and nature of job vacancies existing in the organization should also be considered while determining the HR plans of the firm. Factors like the need for human resources in terms of the number of personnel required, location of these vacancies in the organizational structure, skills and competency requirements, and the degree of difficulty in getting suitable persons must be considered at the time of devising HR plans

Human Resource Planning Process

The human resource planning process begins with the gathering of information. HR planning requires two types of information: data from the outside environment and data from inside the organization. Data from the outside environment include information on present conditions and foretold changes in the general economy, and the economy of the particular industry, the relevant technology, and the competition. Any of these factors may influence the organization's business plans and thus the requirement for human resources. The second type of information is available in the organization. Inside information contains both short and long-term plans and strategies of the organization, current state of human resources in the organization. Once the information from the outside and inside sources is accumulated, planners can forecast the future demand for employees, supply of labor from internal and external sources. The final step in HR planning is to plan particular programs to make sure that supply will fit demand in the future. The feedback allows for learning from past planning efforts.

For example, if the demand or supply forecasts have not been free from error as desired, forecasting processes can be improved in subsequent years. HR planning is usually initiated and managed by the HR department. However, line managers must take part in the HR planning

process. Strategic HR planning involves top management and HR experts. Usually, an organization mounts a major planning effort once a year, but modifications can be made on the basis of new input throughout the year. Human resource planning is a process through which the company foresees future business and environmental influences and assesses the manpower requirements for future. It makes an effort to provide sufficient manpower required to perform organizational activities. HR planning is a continuous process which begins with identification of HR objectives, goes move through analysis of manpower resources and finishes at appraisal of HR plans.

Following are the major steps involved in human resource planning:

1. Assessing Human Resources: The evaluation of HR begins with the analysis of environment-external and internal, outside environment contains the political, economic, social and technological variables and internal environment consists of objectives, resources and structure to assess the currently available HR inventory. Once the analysis of external and internal forces of the organization is done, HR manager finds out the internal strengths and weakness of the organization on the one hand and opportunities and threats for the organization on the other. It also consist an inventory of the workforce and skills at hand within the organization and a broad job analysis.

2. HR Demand Forecasting: HR demand forecasting is the process of anticipating demand for and supply of human resources in an organization. These forecasts are rooted in information about the past and the present and in assumptions about the future. Some of the most usual premises are that past trends and relationships of variables will remain the same in the future, the productivity follows a specified curve and the business plans of the organization, sales forecasts, and so on will actually happen. Demand forecasting is a process of ascertaining future needs for human resources. It is carried out to fulfill the future personnel requirements of the organization to obtain the desired level of output. Future human resource needs can be estimated with the help of the organization's current human resources and analysis of organizational plans and procedures. It will be essential to conduct an analysis for every significant level and type of personnel every year.

3. Supply Forecasting: Once the demand for labor is predicted, it is essential to anticipate the supply of labor the organization will have available to meet the demand. Supply is another side of human resource assessment concerned with the estimation of supply of manpower given the analysis of prevalent resources and probable availability of future human resources in the organization. It estimates the future sources of human resources on transfer, on enlargement of job and job enrichment, whereas outside sources include recruitment of fresh candidates capable of doing well in the organization. Human resource supply forecasting is the process of anticipating availability of human resources followed after demand for testing of human

resources. For forecasting supply of human resources we need to take into account internal and external sources of supply. Internal supply of human resources is available by way of transfers and promotions of existing employees, retired employees & calling laid-off employees, etc. To keep track of the current internal supply and to predict the future supply, planners need some sort of supply information system. Increasingly employee information is being maintained on computers into two commonly used systems i.e. skills inventories and human resource information system. Sources of external supply of human resource consist of labor force at hand in the market and the pool of labor force available for new recruitment. External supply of human resource depends on some factors including supply and demand of jobs, literacy rate of nation, rate of growth of population, technological development, compensation systems based on education, experience, skill and age. The most prevalent techniques for forecasting of human resource supply from the external source are Succession analysis and Markov analysis.

4. Matching Demand and Supply: Another step of human resource planning is related with starting the forecast of future demand and supply of HR. The corresponding process refers to bring demand and supply to a position of equilibrium so that shortages and surplus position will be avoided. In case of shortages an organization has to recruit more employees. On the other hand, in the case of over staffing it has to bring down the existing employment. Therefore, this matching process gives knowledge about requirements and sources of HR.

5. Action Plan: The final phase of human resource planning is concerned with finding out the surplus and shortages of human resource. In this phase the HR plan is implemented through the designation of different HR activities. The main activities required to bring into action the HR plan are recruitment, selection, induction, training and development and socialization etc. Finally, the control and evaluation of performance of HR to check there are fit between HR planning and the HR objectives and policies follows. This action plan need be updated with the change in time and conditions.

Problems in human resource planning:

1. People perceive that people are available in abundance in our labour surplus economy.
2. Another problem in human resource planning is that the demand for and supply of human resources is not cent percent accurate. Experience suggests that longer the time horizon for forecasting human resource requirements, greater is the possibility of inaccuracy in estimates of human resource needs.

3. Various types of uncertainties like labour turnover, absenteeism, seasonal employment, market fluctuations and changes in technology render human resource planning ineffective. The reason being these uncertainties, make human resource forecast mere a guess far from reality.

4. Sometimes human resource planning suffers from a conflict between quantitative and qualitative approaches used for it. Some people view human resource planning as a mere numbers game to track the flow of people across the departments and in and out of the organisation. Conversely, others take a qualitative approach focusing on the quality of human resources like career planning development, skill, morale, etc.

5. Generally, human resource personnel are perceived as experts in handling personnel matters. But, they are not experts more than often. Hence, human resource requirements estimated by such people are not realistic ones. The organisational plans based on such estimates are endangered to be flopped.

6. As human resource planning is based on data relating to human resources, the same is not maintained in a proper manner in some of the industrial organisations. Then, in the absence of reliable data, it becomes difficult to develop effective human resource plans.

RECRUITMENT

Meaning and Sources of Recruitment

Whenever there is a vacancy in the organization, generally it is to be filled. To make the candidate available for filling those vacancies, their selection procedure and placement on a proper job comes under the purview of recruitment.

As soon as the available vacancies are known, they are advertised through different media and accordingly the applications are collected for the vacant posts. A group of candidates interested in doing the job and are eligible to do, it is created through recruitment.

It is an operative function of human resource management coming under the managerial function called organizing. In the words of Edwin Flippo, 'recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation'.

In short, it involves attracting and obtaining as many applications as possible from eligible job seekers.

Sources of Recruitment:

The eligible and suitable candidates required for a particular job are available through various sources. These sources can be divided into two categories

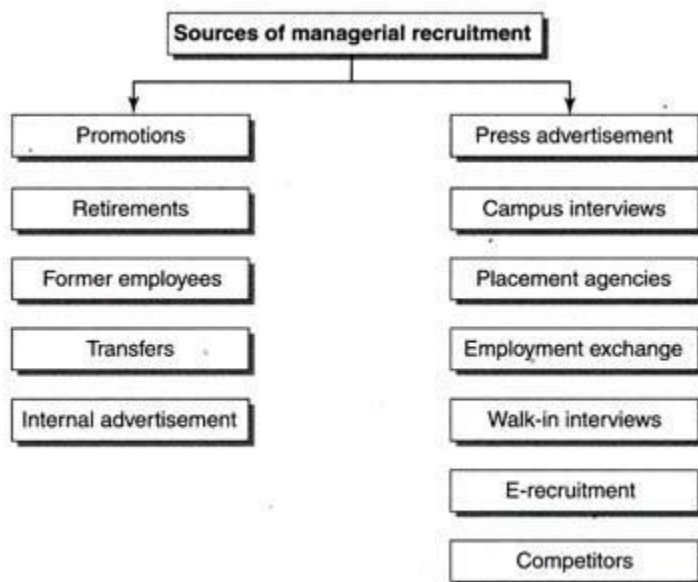


Fig. 5.5 Sources of Recruitment

Internal Sources of Recruitment:

1. Promotions: The promotion policy is followed as a motivational technique for the employees who work hard and show good performance. Promotion results in enhancements in pay,

position, responsibility and authority. The important requirement for implementation of the promotion policy is that the terms, conditions, rules and regulations should be well-defined.

2. Retirements: The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

3. Former employees: Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them.

4. Transfer: Employees may be transferred from one department to another wherever the post becomes vacant.

5. Internal advertisement: The existing employees may be interested in taking up the vacant jobs. As they are working in the company since long time, they know about the specification and description of the vacant job. For their benefit, the advertisement within the company is circulated so that the employees will be intimated.

Benefits of Internal Sources of Recruitment:

1. The existing employees get motivated
2. Cost is saved as there is no need to give advertisements about the vacancy.
3. It builds loyalty among employees towards the organization.
4. Training cost is saved as the employees already know about the nature of job to be performed.
5. It is a reliable and easy process.

Limitations of Internal Sources of Recruitment:

1. Young people with the knowledge of modern technology and innovative ideas do not get the chance.
2. The performance of the existing employees may not be as efficient as before.
3. It brings the morale down of employees who do not get promotion or selected.
4. It may leads to encouragement to favouritism.
5. It may not be always in the good interest of the organization.

External Sources of Recruitment:

1. Press advertisement:

A wide choice for selecting the appropriate candidate for the post is available through this source. It gives publicity to the vacant posts and the details about the job in the form of job description and job specification are made available to public in general.

2. Campus interviews:

It is the best possible method for companies to select students from various educational institutions. It is easy and economical. The company officials personally visit various institutes and select students eligible for a particular post through interviews. Students get a good opportunity to prove themselves and get selected for a good job.

3. Placement agencies:

A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.

4. Employment exchange:

People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.

5. Walk in interviews:

These interviews are declared by companies on the specific day and time and conducted for selection.

6. E-recruitment:

Various sites such as jobs.com, naukri.com, and monster.com are the available electronic sites on which candidates upload their resume and seek the jobs.

7. Competitors:

By offering better terms and conditions of service, the human resource managers try to get the employees working in the competitor's organization.

Benefits of External Sources of Recruitment:

1. New talents get the opportunity.
2. The best selection is possible as a large number of candidates apply for the job.
3. In case of unavailability of suitable candidates within the organization, it is better to select them from outside sources.

Limitations of External Sources of Recruitment:

1. Skilled and ambitious employees may switch the job more frequently.
 2. It gives a sense of insecurity among the existing candidates.
 3. It increases the cost as advertisement is to be given through press and training facilities to be provided for new candidates.
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SELECTION:

Meaning and Steps Involved in Selection Procedure

Finding the interested candidates who have submitted their profiles for a particular job is the process of recruitment, and choosing the best and most suitable candidates among them is the process of selection. It results in elimination of unsuitable candidates. It follows scientific techniques for the appropriate choice of a person for the job.

The recruitment process has a wide coverage as it collects the applications of interested candidates, whereas the selection process narrows down the scope and becomes specific when it selects the suitable candidates.

Stone defines, 'Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job'.

Steps Involved in Selection Procedure:

A scientific and logical selection procedure leads to scientific selection of candidates. The criterion finalized for selecting a candidate for a particular job varies from company to company.

Therefore, the selection procedure followed by different organizations, many times, becomes lengthy as it is a question of getting the most suitable candidates for which various tests are to be done and interviews to be taken. The procedure for selection should be systematic so that it does not leave any scope for confusions and doubts about the choice of the selected candidate

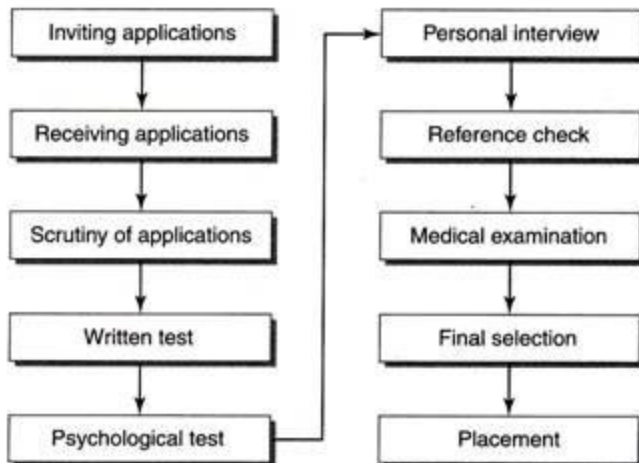


Fig. 5.6 Steps Involved in Selection Procedure

Brief details of the various steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from various areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, attitude and interest of the candidates. This process is useful when the number of applicants is large.

Many times, a second chance is given to candidates to prove themselves by conducting another written test.

5. Psychological tests:

These tests are conducted individually and they help for finding out the individual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

6. Personal interview:

Candidates proving themselves successful through tests are interviewed personally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the candidate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:

This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

TYPES OF SELECTION TESTS

Types of employee selection tests are broadly classified into five types as under:- A. Aptitude Tests B. Achievement Tests C. Situational Tests D. Interest Tests E. Personality Tests.

These are further sub-classified into-

A: Aptitude tests are:- 1. Intelligence Tests 2. Mechanical Aptitude Tests 3. Psychomotor Tests 4. Clerical Aptitude Tests.

B: Achievement tests are:- 1. Job Knowledge Tests 2. Work Sample Tests.

C: Situational tests:- 1. Group Discussion 2. In-Basket 3. Assessment Centres

D: Interest tests

E: Personality tests are:- 1. Objective Tests 2. Projective Tests.

Types of selection tests are broadly classified into five types as under:

1. Aptitude Tests:

These tests aim at measuring if an individual has the capacity or latent ability to learn a given job, in case he is given adequate training.

Different aptitude tests are as under:

(i) Intelligence Tests:

These tests, as evident from their name, measure intelligence quotient of the candidate. In detail, these tests measure capacity for comprehension reasoning, word fluency, verbal comprehension, numbers, memory and space. Other factors are such as digit spans forward and backward information known, comprehension, vocabulary, picture arrangement and object assembly.

Intelligence tests comprise of the following sample learning, ability, the adaptability tests, etc.

(ii) Mechanical Aptitude Tests:

To evaluate the capacities of spatial visualisation, perceptual speed and knowledge of mechanical matter mechanical aptitude tests are held. These tests are useful when selection is to be made of apprentices, skilled, mechanical employees, technicians, etc.

(iii) Psychomotor Tests:

These tests measure abilities like manual dexterity motor ability and mind and coordination of candidates. These tests are of great use to select semi-skilled workers for repetitive operations like packing, watch assembly.

(iv) Clerical Aptitude Tests:

Specific capacities that are involved in office work are measured through this test. This test includes the items like spelling, computation, comprehension, copying, word measuring, etc.

2. Achievement Tests:

These tests are conducted in case, it is claimed by the applicants that they know something as extraordinary, as such these tests are concerned with what one has accomplished. These tests are more useful to measure the value of specific achievement, when an organisation wishes to employ experienced candidates.

These tests are classified into two phases:

(i) Job Knowledge Tests:

It is the test under which a candidate is put under test in the knowledge of a particular job. For example, if a junior lecturer applies for the job of a senior lecturer in commerce, he may be tested in job knowledge, where he is asked questions about Accountancy Principles, Banking Law and Business Management etc.

(ii) Work Sample Tests:

This is the second phase under which a portion of the actual work is given to the candidate, as a test and the candidate is asked to do it. To illustrate, in case a candidate applies for a post of lecturer in Management, he may be asked to deliver a lecture on Management Information System as a work sample test.

3. Situational Tests:

This test makes evaluation of a candidate in a similar real life situation. The candidate is asked either to cope with the situation or solve critical situations of the job.

It can be divided as under:

(i) Group Discussion:

As it is clear from its name that this test is administered through a group discussion approach to solve a problem under which candidates are observed in the areas of initiating, leading, proposing valuable ideas, conciliating skills, oral communicating skills, coordinating and concluding skills.

(ii) In-Basket:

Situational test is administered through in-basket. The candidate, in this test, is supplied with actual letters, telephone and telegraphic message, reports and requirements by various officers of the organisation, adequate information about the job and organisation. The candidate is

asked to take decisions on various items based on the in-basket information regarding requirements in the memoranda.

(iii) Assessment Centres:

Assessment centre provides wide-ranging holistic assessment of each participant as it is a process that makes evaluation of a candidate's potential for management on the basis of three sources viz., multiple assessment technique such as situational tests, standardised methods of making inferences and pooled judgements for multiple assessors to rate each candidate's behaviour.

4. Interest Tests:

Likes and dislikes of candidates in relation to work, job, occupations, hobbies and recreational activities are determined through this test. The objective of this test is to find out whether a candidate is interested or disinterested in the job for which he is a candidate and to find out in which area of the job range/occupation the he is interested in. This test is based on the assumption that there is a high correlation between the interest of a candidate in a job and job success.

5. Personality Tests:

The aim of these tests is to evaluate the whole personality of the candidate such as his emotional reactions and maturity and characteristic mood. They are expressed in such traits like self-confidence, tact, emotional control, optimism, decisiveness, sociability, conformity, objectivity, patience, fear, distrust, initiative, judgment, dominance or submission, impulsiveness, sympathy, integrity, stability and self-confidence.

The personality tests are of two kinds:

- (i) Objective Tests – Objective tests are suitable for group testing and can be scored objectively.
- (ii) Projective Tests – Under this, candidates are asked to project their own interpretation of certain standard stimulus situations, basing on ambiguous pictures, figures etc., under these tests.

TYPES OF INTERVIEWS

An interview may be defined as a systematic and scientific process used in the employee selection which helps to acquire needed information with regard to the candidate's capabilities and his interest, aptitude and knowledge required for the job and also to provide him the requisite information about the concerned organisation through face-to-face communication, thus creating a feeling of trust and confidence in the mind of the prospective candidate.

According to Jucius Michael, "An interview is a face-to-face, oral observational and personal appraisal method". It is used as a means of getting information from the candidate. It also includes giving information that will help the applicant make his mind about the company.

Interviews are of following types:-

1. Preliminary Interview
2. Patterned, Structured or Guided Interview
3. Unstructured or Unguided Interview
4. Depth Interview
5. Stress Interview
6. Group Interview
7. Panel or Board Interview
8. Formal Interview
9. Informal Interview
10. One-to-One Interview
11. Video, Computer and Telephonic Interview
12. Background Information Interview
13. Exit Interview.

Types of Interviews

Interview means a conversation between interviewer and interviewee aimed at assessing the potentialities for a job. It is a two way communication between the candidate and the interviewer. In simple words interviewing means "deliberate active listening with a purpose to draw the other person out, to discover what he really wants to say and to give a chance to express him freely".

Scott and others defined interview as,"An interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons."

An eminent author defines an interview as "a conversation with a purpose" and the purpose may be to "get information", "to give information" and "to make a friend".

Bingham Moore and Gustad have defined the term interview as under:

"An interview is a conversation directed to definite purpose other than satisfaction in the conversation itself. There is give and take between the interviewer and interviewee and much of the interaction between these two is carried on by gestures, postures, facial expression and other communicative behaviour. Even the words acquire a variety of meanings and values as they are spoken with different reflections and in different context. All of these are means of communication- the spoken words, the gestures, the expressions, the reflections- contribute to the purposeful exchange of meanings which is the interview"

In other words "An interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration".

An interview may be defined as a systematic and scientific process used in the employee selection which helps to acquire needed information with regard to the candidate's capabilities and his interest, aptitude and knowledge required for the job and also to provide him the requisite information about the concerned organisation through face-to-face communication, thus creating a feeling of trust and confidence in the mind of the prospective candidate.

The interview can be classified in the following ways on different basis:

Type # 1. Patterned, Structured or Guided Interview:

This is the most common method of interview. It is a preplanned interview and more carefully designed to have a high degree of accuracy, precision and exactitude. Under this type of interview a list of questions to be asked by the interviewer is prepared in advance on the basis of job specification, and to secure information from the candidate.

The questions would be asked in a particular order with very little deviation, ideal and standard answers to the set questions are also determined in advance. Therefore there is no scope for bias on the part of the interviewer. An adequate opportunity is given to the candidate to express his ideas and viewpoints.

The main purpose of this type of interview is fact-finding and not awarding a judgment. It measures personality, motivation and interest of the candidate, because this information cannot be secured from elsewhere. This type of interview is useful in selection of semi-skilled employees. It is also called as directed or standardised interview. It assists in proper evaluation of the personality, attitude and motivation of the candidate. It guards against faulty conclusion, due to bias.

Type # 2. Unstructured or Unguided Interview:

It is an unstructured and non-planned interview. Therefore it is called as “non-directed interview” also. It is designed to let the interviewee speak his mind freely. The idea is to give candidate complete freedom to sell himself without the encumbrances of the interviewer’s questions. It is not directed by pre-determined list of questions.

It is very flexible in nature, candidate feels very comfortable and free. Full freedom is given to him to discuss and express his points of view and ideas. The basic objectives of this type of interview are to find out the feeling, desire or problems of the candidate.

The interviewers look for trait of character and nature of his (candidate’s) aspiration and his strength and weakness, manifest or potential. For conducting such type of interview, interviewer must be highly skilled and competent. This type of interview is more often used in situation other than hiring such a counselling, processing of grievances and exit interviews.

Type # 3. Depth Interview:

The object of this interview is to examine intensively the candidates’ background and thinking and to go into considerable details on particular subject of an important nature and of social interest of the candidate. It is semi structured in nature and questions are used in key areas, which have been studied in advance by the interviewer.

The typical subjects are discussed in such type of interview. The interviewer, as well, provides instructional information about his organisation, the nature of work, pay, opportunities for advancement and demands likely to be made on the employee. The capability of performance

of the candidate in the specific area of work can be well-judged by asking relevant questions by the specialist interviewers.

Type # 4. Stress Interview:

Under this type of interview the strain is put on the candidate deliberately. It is designed to test the candidate and his conduct and behaviour by putting him under conditions of stress and strain, Usually the interviewer in such a stress circumstances asks questions rapidly, criticizes the interviewee's answers, interrupts him frequently, too many questions are asked at a time by many interviewers, makes negative remarks, tries to put him in an awkward situation, and carefully watches the interviewee's emotional stability and balance.

The purpose of the interview is to find out how the candidate behaves in a stress situation and see whether he loses his temper, gets confused or frightened. This type of interview does not necessarily reveal how a candidate will behave in real stressful life situations involved on job.

Type # 5. Group Interview:

It is also called as Discussion Interview. In this type of interview, groups rather than individuals are interviewed. A group of candidates (interviewees) is given certain problem and is asked to come to specific decision within a given time. The interviewer sits over there and watches the interviewees.

The candidates enter into group discussion. The interviewer observes as to who has assumed leadership and the process by which leadership is exercised and how it is accepted by the other members of the group. Group interview is generally conducted in a situation where leadership ability is to be observed.

Group interview is resorted to for selecting management personnel. The object of this interview is, to see how well individuals perform on the particular task or in a particular situation. It is designed to save time, labour and cost and to see how the candidates react to and against each other.

Type # 6. Panel or Board Interview:

In panel or board interview, candidate is screened by a group of interviewers who are specialists in their respective fields. This type of interview is just opposite to "Group Interview." A candidate is interviewed by a number of interviewers, and the questions are asked by them in serial or in random order.

The interviewee is required to answer and to have dialogue with many interviewers at a time. This may cause pressure on the candidate. This is not a good practice. This type of interview pools the collective judgement and wisdom of the panel of interviewers in the assessment of the candidate. The members of panel of board jointly evaluate the performance of the candidate.

Type # 7. Formal Interview:

Formal interview may be held in the employment department by the employment officer in a more formal atmosphere with the help of pre-planned questions and schedule, with predetermined procedures and practices. It may also be called as “planned Interview”.

Type # 8. Informal Interview:

It is an oral interview that may take place anywhere. Usually when staff is required urgently on some specific job, this type of interview is conducted. Informal interview is not at all pre-planned and scheduled. Informally the questions are asked to the candidates.

Type # 9. Exit Interview:

The exit interview is generally conducted at the time when an employee is leaving the business organisation. The objective behind this interview is to know the opinion, view and feelings of the outgoing employee regarding his job and organisation, and later on to develop/improve such policies in the light of deficiency so discovered.

Types of Interviews in HRM - Different Types of Interviews Depending on the Purpose of the Organisation

According to Jucious Michael, “An interview is a face to face oral observational and personal appraisal method.”

According to Scott and others, “An interview is a purposeful exchange of ideas, answering of questions and communication between two or more persons.”

Thus, interview is a tool of selection by which an effort is made to collect complete information about a candidate, his knowledge, personality, interest, communication skills, etc. However, interview can be used for other purposes also such as for making discipline, problem solving, appraisal and counselling.

Interview is a face to face contact between interviewer and interviewee where interviewee is allowed to speak freely so that interviewers can draw useful information about person through his thoughts and speaking. This useful information is regarding his education, experience, training, family background, communication skills etc.

Types of Interview:

Various kinds of interviews are conducted depending on the purpose of the organisation. Different interviews are different due to attitude of interviewer, questions asked, structure of interview, etc.

Interviews are of following types:

1. Preliminary Interview:

This interview is conducted as the first step of selection process. Its purpose is to eliminate totally unsuitable candidates in the very beginning of selection process.

2. Patterned or Structured Interview:

This is most common interview. In this, every aspect of questionnaire is decided in advance such as questions to be asked, sequence of questions, time to be allotted to it, etc. At the time of interview, there is no or little deviation in this planning. The scores of candidates are compared with a standard score to determine the selection.

3. Non Directive Interview:

This is also known as free or unorganised interview. This interview is unstructured and unplanned. In this interview, interviewee is allowed to express himself; he is free to talk about the subject selected by interviewer. Candidate is encouraged to tell about himself, his likes, dislikes, choices, family background, upbringing, expectations, etc.

The purpose of this interview is to check the inner qualities of a person.

4. Depth or Action Interview:

This interview studies the interviewee deeply, his beliefs, values, home life, experience, aptitude, hobbies, interests, etc. The idea of this interview is to get a complete picture about the interviewee.

5. Group Discussion Interview:

Groups are interviewed in this interview, not the individuals. A situation is given to the teams for group discussion without telling the traits which would be tested.

Interviewer locates those in the interview. Team which take the lead in the group discussion, who speak well, who clarify issues, who have the knowledge and who summarise.

Through this analysis, the interviewer can form the opinion about group members and base his selection decision on the assumption that candidates will perform in the same way in the organisation as they did in group discussion.

6. Panel or Board Interview:

When one person is interviewed by several persons at the same time, it is called as panel interview. Interviewers may ask questions turn wise or randomly or as the situation demands. Generally, all candidates are asked same questions so that answers can be compared. Panel interviews are also known as committee interviews.

7. Stress Interview:

This interview is conducted to test how a person performs under stress. Stress is created at the time of interview by the interviewer. To create stress, interviewer asks rapid questions,

criticises the answers of interviewee, annoys him, disturbs him, argues with him and puts him in awkward situation.

The result of interview tells about the performance of candidate whether he remains calm or loses temper or gets confused.

Judicial use of stress interview may be helpful for interviewer in selection.

Types of Interviews in HRM - 4 Important Types: Group Interview, Panel Interview, One-to-One Interview and Video, Computer and Telephonic Interview

The interview, along with the application blank, has proved to be an almost universal selection tool. However, the value of the interview to selection has been the subject of considerable debate, with most of the evidence stacking up against the interview as an effective predictive tool. Research has shown that the reliability and validity of interviews as an effective selection are generally low.

Interviews can follow the under-mentioned scenarios:

1. The Group Interview
2. The Panel Interview
3. One-on-one interview
4. Video, Computer and Telephonic Interview

1. The Group Interview:

In the group interview, a number of candidates are interviewed at once. The candidates are allowed to discuss job-related matters among themselves while one or more observers evaluate their performance. This type of interview is usually thought most suitable for the selection of executives.

2. The Panel Interview:

In the panel interviews, one candidate appears before a panel or two or more interviewers. One of the panelists acts as a chairperson, but each of the members participates in the questioning and discussion. The panel interview allows the interviewers to coordinate their efforts and follow up on each other's questions.

3. One-to-One Interview:

In one-on-one interview, the candidate meets privately with a single interviewer. Generally, a candidate will pass through a series of such interviews, first with a member of the HR department, then the manager in whose department there is a job opening, and finally with the manager's superior.

4. Video, Computer and Telephonic Interview:

In the age of information technology, organizations are also conducting interviews with the assistance of video, computer and telephone.

Types of Interviews in HRM – 6 Main Types: Unstructured Interview, Structured Interview, Stress Interview, Depth Interview, Panel Interview and Group Interview

There are a number of types of interview techniques available but the choice of technique depends on the nature and importance of the position to be filled within an organization.

Broadly, interview types that are generally used are fall in six categories:

Type # 1. Unstructured Interview:

It is also called Non-Directive interview in which there is no specific format. The interviewer asks questions as they come in mind. Generally, the candidate is encouraged to express himself on a variety of subjects. The positive point of this approach is the freedom the interviewer has to adopt both to changing situations and a variety of candidates but the negative point is that in the maintenance of job relatedness and obtaining comparable data on various applicants.

Type # 2. Structured Interview:

It is also called Directive interview in which the interviewer uses a predetermined approach. In this approach the set of questions are job related and would be asked in a particular order from all candidates so that the comparison among candidates can be made more easily. This approach improves the reliability of the interview process.

Sometimes the candidates want to discuss something else then he is swiftly guided back to the prepared questions. The problem associated with this type of interview is that the whole process is mechanical and restricts the freedom of interviewers.

Type # 3. Stress Interview:

In this type of interview, the interviewers try to assess whether a candidate would be able to cope with stress on the job or not. The purpose is to find out how a candidate behaves in a stress situation whether he loses his temper and gets confused. The method used to induce stress, range from frequent interruptions, criticism of candidate's opinion and to keeping silent for an extended period of time.

It is a high risk approach, therefore, the stress inducing must be done carefully by skilled and trained interviewers and discontinued after sometime so that the candidate gets a chance to recover from the stress.

Type # 4. Depth Interview:

The purpose of this approach is to get total or detail information of the candidate in order to develop a comprehensive profile based on in depth understanding of his personality. It is best suited for executive positions rather than blue or white collar workers. The idea behind this approach is to get true picture of candidate by intensively examining his background and thinking so that a correct evaluation and decision may be made. This approach is time consuming.

Type # 5. Panel Interview:

In this type of approach, a candidate is interviewed by a number of interviewers in different disciplines. Questions may be asked in turn. This type of interview is done usually for supervisor and managerial positions. This approach helps to co-ordinate the collective judgement and wisdom of members of the panel. The negative side of this approach is that the candidate feel more stressed than other approaches.

Type # 6. Group Interview:

In this type of approach, groups rather than individuals are interviewed. A topic of discussion is assigned to the group of applicants and their performance is evaluated by the observers. The basic objective of this approach is to, observe how well individuals perform on a particular task or in a particular situation in a limited time period.

Types of Interviews in HRM – Different Forms of Interview Depending on the Purpose of Interview Programme of an Enterprise

According to Jucius Michael, “An interview is a face-to-face, oral observational and personal appraisal method”. It is used as a means of getting information from the candidate. It also includes giving information that will help the applicant make his mind about the company.

Interviewing the candidates is an important aspect of selection procedure. The final selection of an applicant is partly based on the performance of the candidate in different tests and partly on his performance in the final interview. In the interview, the candidate has to appear before the interviewer or a group of interviewers. The candidates overall is judged in the interview. The interview may last for ten to twenty minutes or even more. Various questions are asked from the candidate in order to judge his ability, knowledge, capacity and so on.

Interviewing technique is used in all companies and in the case of all categories of staff to be recruited.

Importance of Interviewing:

For the selection of right type of people, employment interview is very important.

The advantage of employment interview is as follow:

1. The employer can assess the personality traits of the candidate as there is a face-to face contact between the employer and the candidate.
2. The candidate can seek more information about the employer and the job. This creates better understanding in the mind of the candidate.
3. Candidate's communication skills, his way of thinking can be judged in the interview.
4. Interview is very important where the candidate has not to go through employment tests. The information contained in the application form can be checked during the interview.
5. Many companies do not follow the elaborate selection procedure as it is costly and time consuming. They can rely on interview if it is properly planned and administered.

Depending on the purpose, the interview programme of an enterprise may take any one or

PLACEMENT

When once the candidate reports for duty, the organization has to place him initially in that job for which he is selected. Immediately the candidate will be trained in various related jobs during the period of probation of training. The organization decides the final placement after the initial training is over on the basis of candidate's aptitude and performance during the training period. Probation period generally ranges from six months and two years. If the performance is not satisfactory, the organization may extend the probation or ask the candidate to quit the job. If the employee's performance during the probation period is satisfactory, his services will be regularized and he will be placed permanently on a job.

Placement is "the determination of the job to which an accepted candidate is to assign and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands (job requirements), it is matching of what he imposes (in strain and working conditions) and what he offers in the form of pay roll, companionship with others, promotional possibilities etc. it is not easy to match all factors to the new employees who is still unknown to many. So the new employee is place as a probationer until the trial period is over.

INDUCTION

Introducing the new employee who is designated as a probationer to the job, job location, surroundings, organization, organizational surroundings, various employees is the final step of the employment process. Some of the companies do not lay emphasis on this function as they view that this function will be automatically performed by the colleagues of the new employees. This process gains more significance as the rate of turnover is high among new employees compared to that among senior employees. This is mainly because of the problem of adjustment and adaptability to the new surroundings and environment. Further, absence of information, lack of knowledge about the new environment, cultural gap, behavioural variations, different levels of technology, variations in the requirements of the job and the organization also disturb the new employee. Further induction is essential as the newcomer may also feel insecure, shy, nervousness and disturbing. This situation leads to instability and turnover. Hence, induction plays vital role in acquainting the new employee to the new environment, company rules and regulations.

Generally, the new comer expect opportunities for advancement, social status and prestige, responsibility, opportunities use special aptitude and educational background, challenges and adventure, opportunity to be creative and original and lucrative salary. But jobs with low initial challenge, inadequate feedback, inadequate performance appraisal result in reality shock. Induction is necessary to reduce reality shock.

“Induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settledown quickly, happily and start work.”

Lecture, handbook, film, group seminar are used to impart the information to new employees about the environment of the job and the organization in order to make the new employee acquaint himself about:

1. About the company

- History, growth, organization and management, products, market, customers etc
- Basic conditions of employment – hours of work, shifts, holidays, retirement benefits
- Pay, allowances, deductions
- Leave rules
- Disciplinary procedure
- Career path, promotion
- T & D facilities
- Social benefits and welfare measures
- Various employees – other designations

2. About the department

- Details of the job or work
- Machine, equipment on which he has to work
- Process of production
- Place of job
- His position in the structure of the organization
- Assignments, working hours
- Quality to be maintained etc

3. About the superiors, subordinates etc

- Introduction of superior to whom he has to report.
- Introduction to other superiors with whom his work is indirectly related.
- Introduction of his subordinates with whom he has to work.
- Introduction of subordinates who has to report him
- Introduction to his colleagues.

Objectives of Induction:

- Putting the new employee at ease
- Create interest in his job and company

- Providing basic information about the working environment
 - Indicating the standards of performance and expected behavior of him
 - Informing him about the training facilities
 - Creating feeling of social security
-

PROMOTION

A promotion is an increase in rank accompanied by a raise in pay, benefits, and responsibility. Most people see promotions in a positive manner, as it indicates that the person being promoted has achieved success, is valuable, and useful. In several workplaces, people actively work for getting the promotion and its benefits accompanied with it. Usually, an employee is rewarded with a promotion when he or she has performed exemplary work, has an aptitude for work and shows more responsibility for a position.

Promotion indicates that the employee has acquired potential for development and long employment with the company. Promotion may include supervision and responsibility, as the promoted employee becomes responsible for administrative assistance. Most employees look to their supervisors for guidance and follow examples of appropriate workplace behavior. Promotion is further advancement of an employee to a better job, greater responsibility, prestige or status, greater skills and increased pay or salary. It is an upward reassignment of a person in an organization, accompanied by enhanced responsibilities, status and usually with more income. Thus, the promotion is indicative of:

- Reassignment to higher job to an employee,
- There will be delegation of more responsibility and authority.
- Promotion is accompanied with higher pay.
- Depending upon the organizational needs and employee performance
- Promotion may be temporary or permanent

Objectives of Promotion

Organizations promote the employees in order to accomplish the following objectives:-

- To better use the employee's skills, knowledge at the suitable level in the organization resulting in greater effectiveness and employee satisfaction.
- In order to encourage employees to acquire the skills and knowledge etc. required for jobs of higher level.
- To develop competent internal source of employees prepared to take up jobs at higher level in the changing scenario.
- To promote self development of the employees and make them look their turn of promotions. To encourage a feeling of content with the existing conditions of the company and develop a sense of belongingness.
- To promote interest in training, development programmers and in team development areas.
- To build organizational commitment and loyalty.
- To reward committed, loyal and performing employees.

Types of Promotion

A promotion consist an increase in status, responsibilities and pay. In certain cases, merely the pay increases, while the other elements remain the same. In other cases, the only status increases without a corresponding increase in pay or responsibilities. Depending on which elements increase and which remain same, promotions may be divided into the following kinds:

1) **Horizontal Promotion**:- Horizontal promotion involves an increase in responsibilities and pay with a change in designation. However, the job classification remains the same. For example, a lower division clerk is promoted as an upper division clerk. This type of promotion is known as upgrading of an employee.

2) **Vertical Promotion**:- Vertical promotion furnishes greater responsibility, prestige and pay with a change in the nature of the job. For example a canteen employee is promoted to an unskilled job. The concerned employee here transgresses the job classification.

3) **Dry Promotions**:- Dry promotions are given in lieu of increases in remuneration.

Bases of Promotion

There are different bases of promotion. Commonly, they may be combined into two or more basis of promotion. The well practiced bases of promotion are seniority or merit or a combination thereof. The 'favor' is the other type of basis of promotion used in all types of organizations under different shades. Managers should understand effectiveness of each basis of promotion.

1. Merit as a basis of promotion:- Merit indicates an individual employee's skills, knowledge, creative ability, efficiency and aptitude as measured in terms of educational, training and past employment record.

The merit based promotion has the following plus points.

- The higher order resources of an employee can be effectively utilized at a higher level resulting in maximum utilization of human resources in the organization
- Organizational efficiency and effectiveness can be enhanced by motivating competent employees to exert all their capabilities for the achievement of organizational goals.
- Promotion functions as golden hand-cuffs concerning employee turnover, The employees are motivated continuously to update their skills and knowledge for their all-round development

Despite these advantages the merit systems suffer from some **demerit**. They are:

- It is very difficult to make an accurate assessment of the merit of an employee. Often trade union leaders distrust the management's integrity in judging merit.
- The methods of merit measurement are often subjective and biased.
- Merit represents mostly the past achievement, efficiency and is not indicative of the future success.
- The purpose of promotion may not be achieved if merit is taken as only criteria for promotion.

2. Senior as a basis of promotion Seniority of an employee is a relative length of service in the same job and organization. The seniority is considered as a basis of promotion as there is a positive correlation between the length of service and the extent of knowledge and the skills acquired by an employee in an organization. This is also based on the custom that the employee who enters first in the job should be allowed first chance in all benefit and privileges.

Seniority as a basis of promotion has the following benefits:

- Seniority is relatively easy to measure. The greater the length of service the higher is the seniority.
- Trade unions fully support to this system.
- Employees and the trade union as well as the government trust the management's action as there is no scope for favor and discrimination.
- Seniority provides a sense of assurance of getting promotion to every employee and of it determines their turn of promotion.
- Senior employees have a sense of satisfaction to this system as it respects the older employees.
- It reduces the grievances and conflicts concerning promotion.

In spite of these merits, this system also suffers from certain limitations. They are:

- The system based on seniority assumes that the employees learn more relative to their length of service. However, this assumption is not valid as this assumption has adverse effect. Employees tend to learn up to a certain age and beyond that stage the learning ability of the cognitive process diminishes.
- It de-motivates the young and more competent employees resulting in employee turnover particularly among the young force.
- It kills the zeal and interest to develop and innovate as everybody will be promoted with or without improvement and advancement.

- Organizational effectiveness may get diminished through the deceleration of the human resource effectiveness as the human resource consists of mostly old people lacking in dynamism.
- Judging the seniority is not simple as it looks. In practice it is difficult to determine seniority on different criterion as company seniority, division seniority or length of service in different organization.

Thus the two main basic of promotion enjoy certain advantages and at the same time suffer from certain limitations. Hence, a combination of both of them may be considered as an effective basis of promotion.

3. Seniority-cum-merit Mostly management prefers merit as the basis of promotion as it is more inclined to enriching its human resources. But trade unions are usually in favor of seniority as the sole basis for promotion as they want to protect the interests of most of their members.
 - Hence a combination of both merit and seniority can serve as the basis for promotion convincing the management for organizational effectiveness and employees and trade union for honoring the length of service. A justified balance between seniority and merit is achieved. There are different ways in acquiring the balance between two bases.
4. Minimum length of service and merit:- This method requires that all those employees who complete the specified minimum service, say five years, are eligible for promotion and then merit is considered the sole criteria for the election of the employee for promotion from the eligible candidates. Most of the commercial banks in India have been observing this method for promotion from clerk's position to officer.
5. Minimum merit and seniority:- In this method, minimum score of merit is necessary for the acceptable performance is determined and all the candidates securing minimum score are considered eligible candidates. Candidates are selected for promotion on the basis of their seniority only from the eligible candidates.

Benefits of Promotion

Promotion adds not only more responsibilities to an employee but also boost employee motivation and morale resulting in high productivity and the company are able to retain its valuable employees. There are several benefits of promoting employees regularly for their performance.

1.Recognizes & Improves employee performance, ambition, and hard work: One of the most important benefits of employee promotion is that it assists to recognize and acknowledge the performance and hard work of employees. They begin to feel valued. When an employee's contribution is valued, he/she is motivated t to work harder and attempt to make his/her performance better. A promotion elevates the ambition of employees and buck up their passion for accomplishing their personal goals as well as the objectives of the organization.

Boosts 2.motivation & increases loyalty of employees: An employee who gets promoted begins to feel inspired and motivated to continue doing the good work leading to better productivity and performance. Moreover, a promotion also creates and develops loyalty among the existing employees as they feel a sense of belonging to the organization.

3.Encourages retention: When the management identifies the right talent and the timely promotion is given, the deserving and skilled employees abandon the idea of leaving the organization. This brings improvement in the retention efforts of the company. By retaining top level workers and employees, organization better manages the need for hiring new talent and then grooming them all over again, saving a lot of time and money.

4.Develops competitive spirit at the workplace: A well establish system of promotion develops competitive spirit in the organization. As the better team person gets promoted, the other team members get charged and motivated to perform better, and this develops a healthy competitive spirit at the workplace since it promises good performances all around and an overall improved productivity.

5.Grooms leaders for the future: When the management develops and installs a system to promote employees for their hard work, they are recognizing talent and identifying future leaders. This requires grooming employees for the future position.

When to promote employees

It is a challenge for an organization to decide whether or not an employee is prepared for promotion. All employees may not be ready for an appraisal or a promotion because of shortfall in their length of service, the required achievements, needed skills and experience at the given position may not have been accomplished.

A promotion is an important decision since it involves change in rank, addition in duties and responsibilities. The promotion decision must be taken after careful assessment and evaluation of an employee's skills, performance and several other aspects as:

Performance — one of the most important aspects for evaluating when is the right time to promote an employee is to assess or evaluate his/her performance over a given period of time.

Length of service (seniority) Length of service entails knowing when the employee is ready for promotion or not. The number of years one has served also determines the time of promotion.

Merit and ability – The merit and the ability of the employee, is also a great instrument to measure the entire worthiness of the employee's promotion.

Educational/technical qualifications – The educational and technical qualifications also measure and determine the time of promotion of an employee.

Assessment of potential – The potential one has determines the performance in the future or at a new position should also be evaluated prior to deciding about promotions.

Spacing of the promotion and career span of the individual – Another aspect that must be deliberated when considering the promotion for an employee is the time since the last promotion was given.

Training – The amount of training an employee has received or the level to which he/she has also been developed performs as a deciding factor.

Problems with promotion

Though promotions benefit the employee and the organization, it generates certain problems of disappointment of the candidates and refusal of promotions etc.

1.Promotion disappointment some employees:- Employees who are not promoted will get disappointed when their colleagues with similar qualifications and experience are promoted either due to favor or lack of well designed promotion policy. Employees may develop negative attitude and reduce their performance and create hurdles in organizational and individual development.

2.Some employee refuse promotion:- Generally, employees accept promotion but due several incidents and reasons employees refuse promotions. Such reasons may include promotion coupled with transfer to an upward place, promotion that level where the employee feels incompetent to carry out the job, delegation of undesired responsibilities, and when trade union leaders feel that promotion can cause damage to their position in trade union. Some other associated problems with the promotion may be the refusal of superiors to relieve an employee promoted due to his indispensability in the present job or the promotion can cause inequality in different departments, regions and categories of jobs. However, career counseling by the superiors and formulation of a systematic promotion policy can reduce the promotion problems. **Promotion Policy**

Every organization has to clearly specify its promotion policy based on its corporate policy. The characteristics of a well designed promotion policy are: Policy is applied uniformly to all employees irrespective of the caste, creed and level. It is fair and impartial giving no room for nepotism or favor etc. Provide equal opportunities of promotion to all categories of jobs of an organization Ensures open policy that every eligible employee is considered for promotion. Contains clear norms and criteria for judging merit, length of service and potentiality etc Entrust an appropriate authority with the task of making final decision Incorporates promotional counseling, motivation, guidance and follow-up action concerning opportunity for promotion, requirements of the job and acquisition of the required skills, knowledge etc.

Reinforcing the future opportunities in the mind of rejected candidates, Provides for challenging the managements' decision and action by employee or union within the provisions of promotion policy

Promotion practices in Indian organizations

In India, organizations in public and private sectors, have formulated elaborate promotion policies. Promotions are made on the basis of merit, potential and seniority. Internal promotions are also given on the basis of performance, commitment and loyalty. In the private sector organizations, the promotions are generally not based upon very clear cut role. Efficiency is the main consideration, unless it is a family enterprise where relationship with the proprietors or patronage might play a significant part. But even there only a limited number of posts would be filled up on the basis of relationship or by way of patronage. Even in such firms where employees are concerned there is generally a well-defined promotion policy and nepotism is avoided as far as possible, where the employees are well-organized. In public sector organizations, elaborate rules exist for regulating the seniority of employees at different level. A seniority wise list is prepared and promotions are made out of list. However, very often political pressures intervene in the process and the rules are violated and a person standing much lower in the list is given priority over the senior-most men. In a developing country like India, with rapid technological advances and need for training and development it is not always possible to promote the older workers who can neither be adequately trained nor are willing to be exposed to new concepts, ideas and methods of work. As for the higher level promotions, only in large organizations can a policy of promotions from within be practicable, but even such promotion cannot be confined entirely to the existing personnel of the organization, unless management development and career planning are an integral part of the company's promotion policy.

reviewed periodically based on the experiences and findings of the attitude and morale surveys.

Transfer

Organisations resort to another type of mobility of employees in order to place the right employee in the right job. This type of mobility is restricted to movement of an employee from one job to another in the same level of organisational hierarchy is termed as transfer.

Transfer is defined as "a lateral shift causing movement of individuals from one position to another usually without involving any marked change in duties, responsibilities, skills needed or compensation."¹⁰

Transfer is also defined as, "...the moving of an employee from one job to another. It may involve a promotion, demotion or no change in job status other than moving from one job to another."¹¹ However, transfer is viewed as change in assignment in which employee moves from one job to another in the same level of hierarchy requiring similar skill involving approximately same level of responsibility, same status and same level of pay. Thus promotion is upward reassignment of a job, demotion is a downward job reassignment whereas transfer is a lateral or horizontal job reassignment.

Purposes of Transfer: Organisations resort to transfers with a view to attain the following purposes:

- (i) *To meet the organisational requirements:* Organisations may have to resort to transfer of employees due to changes in technology, change in volume of production, production schedule, product line, quality of products, change in the job pattern caused by change in organisational structure, fluctuations in the market conditions like demand fluctuations, introduction of new lines and/or dropping of existing lines. All these changes demand the shift in job assignments with a view to place the right man in the right job;
- (ii) *To satisfy the employee needs:* Employees do need transfer in order to satisfy their desire to work under a friendly superior, in a department/region where opportunities for advancement are bright, in or near their native place or place of interest, doing a job where the work itself is challenging etc.;
- (iii) To utilise employee's skill, knowledge etc. where they are more suitable or badly needed;
- (iv) To improve employee's background by placing him in different jobs of various departments, units, regions etc. This develops the employee and enables him to accept any job without any hesitation;
- (v) To correct inter-personal conflicts;
- (vi) To adjust the workforce of one section/plant in other section/plant during layoff or closure or adverse business conditions or technological change;
- (vii) To give the relief to the employees who are overburdened or doing complicated or risky work for long period;
- (viii) To punish the employees who violate the disciplinary rules;

- (ix) To help the employees whose working hours or place of work is inconvenient to them,
- (x) To minimise fraud, bribe etc., which result due to permanent stay and contact of an employee with customers, dealers, suppliers etc.

Types of Transfers: Transfers can be classified into the following types:

- (a) Production transfer : transfers caused due to changes in production.
- (b) Replacement transfer : transfers caused due to initiation or replacement of a longstanding employee in the same job.
- (c) Rotation transfer : transfers initiated to increase the versatility of employees.
- (d) Shift transfer : transfer of an employee from one shift to another.
- (e) Remedial transfer : transfers initiated to correct the wrong placements.
- (f) Penal transfer : transfers initiated as a punishment for indisciplinary action of employees.

Reasons for Transfer: Transfers are basically of three categories, viz., employee-initiated transfer, company initiated transfer and public initiated transfers.

(1) Employee Initiated Transfer

These transfers are also known as personal transfers. These transfers are primarily in the interest of the employee and according to his convenience and desire. Further, these transfers can be classified into temporary and permanent transfers.

(a) *Temporary Transfers:* The reasons for employee initiated temporary transfers are:

- (i) due to ill health or involvement of employees in accidents,
- (ii) due to family problems like taking care of old parents,
- (iii) due to other adhoc problems like pursuing higher education,

(b) *Permanent Transfers:* There are several reasons for employee initiated permanent transfers. Employees prefer transfers:

- (i) due to chronic ill health or permanent disablement caused by accident,
- (ii) due to family problems like taking care of domestic affairs in his native place,
- (iii) with a view to correct his wrong placement. Employee may not be interested with the work or working conditions or environment of his present job and

by other means like developing that superior in interpersonal skills etc. rather than transferring the subordinates,

- (vi) with a view to search for challenging and creative jobs,¹²
- (vii) with a view to search for job with opportunities for advancement to a higher level job, opportunities for financial gains etc.

(2) Company Initiated Transfers

Transfers are also at the initiative of the company. They can be classified into temporary and permanent.

(a) *Temporary Transfers*: Reasons for the company initiated temporary transfers are:

- (i) due to temporary absenteeism of employees,
- (ii) due to fluctuations in quality of production and thereby in work load,
- (iii) due to short vacations.

(b) *Permanent Transfers*: Reasons for the company initiated permanent transfers are:

- (i) change in the quality of production, lines of activity, technology, organisational structure as discussed earlier,
- (ii) to improve the versatility of employees,
- (iii) to improve the employee job satisfaction,
- (iv) to minimise bribe or corruption.

(3) Public Initiated Transfers

Public also initiate the transfers generally through the politicians/government for the following reasons:

- (i) If an employee's behaviour in the society is against the social norms or if he indulges in any social evils.
- (ii) If the functioning of an employee is against the public interest.

The major drawback of public initiated transfers is the politicalisation of the issue. Some employees may be transferred frequently because of political victimisation and company initiated transfers of some employees may be stopped due to political favouritism. This drawback is more severe in government departments and public sector units.

Benefits of Transfer: Transfers benefit both the employees and the organisation. Transfers reduce employees' monotony, boredom etc. and increase employees' job satisfaction. Further they improve employees' skills, knowledge etc. They correct erroneous placement and interpersonal conflicts. Thus, they improve employees' morale. Further they prepare the employee to meet the organisational exigencies and meets the fluctuations in business and organisational requirements. Thus, they enhance human resource contribution to organisational effectiveness.

Problems of Transfer: Despite these benefits some problems are associated with transfers. They are:

- (ii) transfers from one place to another cause much inconvenience and cost to the employee and his family members relating to housing, education to children etc.,
- (iii) transfer from one place to another result in loss of mandays,
- (iv) company initiated transfers result in reduction in employee contribution,
- (v) discriminatory transfers affect employee morale, job satisfaction, commitment and contribution.

However, these problems can be minimised through formulating a systematic transfer policy.

Transfer Policy: Organisations should clearly specify their policy regarding transfers. Otherwise superiors may transfer their subordinates arbitrarily if they do not like them. It causes frustration among employees. Similarly, subordinates may also request for transfer even for the petty issues. Most of the people may ask for transfer to riskless and easy jobs and places. As such organisation may find it difficult to manage the transfer policy. Systematic transfer policy should contain the following items:

- (i) Specification of circumstances under which an employee will be transferred in the case of company initiated transfer.
- (ii) Specification of superior who is authorised and responsible to initiate a transfer.
- (iii) Jobs from and to which transfers will be made based on the job specification description and classification etc.
- (iv) The region or unit of the organisation within which transfers will be administered.
- (v) Reasons which will be considered for personal transfers, their order of priority etc.
- (vi) Reasons for mutual transfer of employees.
- (vii) Norms to decide priority when two or more employees request for transfer like priority of reason, seniority.
- (viii) Specification of basis for transfer like job analysis, merit, length of service.
- (ix) Specification of pay, allowances, benefits etc. that are to be allowed to the employee in the new job.
- (x) Other facilities to be extended to the transferee like special leave during the period of transfer, special allowance for packaging luggage, transportation etc.

Generally, line managers administer the transfers and personnel managers assist the line managers in this respect.

Demotions: The remaining type of internal mobility is demotion. It is the opposite of promotion. Demotion is the reassignment of a lower level job to an employee with delegation of responsibilities and authority required to perform that lower level job and normally with lower level pay. Organisations use demotions less frequently as it affects employee career prospects and morale.

Need for Demotions: Demotions are necessary for the following reasons:

(i) *Unsuitability of the Employee to Higher Level Jobs:* Employees are promoted based on the seniority and past performance. But, some of the employees promoted on those bases may not meet the job requirements of the higher level job. In most cases employees are promoted to the level of their incompetency. Some employees selected for higher level jobs may prove to be incompetent in doing that job. Such employees may be demoted to the lower level jobs where their skill, knowledge and aptitude suit to the job requirements.

(ii) *Adverse Business Conditions:* Generally adverse business conditions force the organisation to reduce quality of production, withdrawal of some lines of products, closure of certain departments or plants. In addition, organisations resort to economy drives. Consequently organisations minimise the number of employees. Junior employees will be retrenched and senior employees will be demoted under such conditions.

(iii) New technology and new methods of operation demand new and higher level skills. If the existing employees do not develop themselves to meet those new requirements, organisations demote them to the lower level jobs where they are suitable. For example, teachers handling 10th class were demoted to the level of 8th class teachers when the syllabi were revised and the teachers were found misfit even after training in one school in Andhra Pradesh.

(iv) Employees are demoted on disciplinary grounds. This is one of the extreme steps and as such organisations rarely use this measure.

Though the demotion seems to be simple it adversely effects the employee morale, job satisfaction etc., as it reduces employee status not only in the organisation but also in the society in addition to reduction in responsibility, authority and pay. Hence, there should be a systematic demotion policy.

Demotion Policy: Organisations should clearly specify the demotion policy. Otherwise the superiors demote the employees according to their whims and fancies. Systematic demotion policy should contain following items:

- (i) Specification of circumstances under which an employee will be demoted, like reduction in operations, indisciplinary cases.
- (ii) Specification of a superior who is authorised and responsible to initiate a demotion.
- (iii) Jobs from and to which, demotions will be made and specifications of lines or ladders of demotion.
- (iv) Specification of basis for demotion like length of service, merit or both.
- (v) It should provide for open policy rather than a closed policy.
- (vi) It should contain clear cut norms for judging merit and length of service.
- (vii) Specification of provisions regarding placing the demoted employees in their original places if the normal conditions are restored.
- (viii) Specification of nature of demotion, i.e., whether it is permanent or temporary if it is as a disciplinary action. It should also specify the guidelines for determining the seniority of such demoted employee.