

ORGANISATION

Introduction to Organisation

Organisation is a mechanism or structure which helps the activities to be performed effectively. The organisation is established for the purpose of achieving the business objectives.

Organisation can be compared to a human body. The human body consists of hands, feet, eyes, ears, nose, fingers, mouth etc. These parts perform their work independently and at the same time, one part cannot be a substitute to another. The same principles can be identified in the organisation also. The organisation consists of different departments. Each department performs its work independently and cannot be a substitute to another.

Meaning and Definition of Organisation

Organisation is the detailed arrangement of work and working conditions in order to perform the assigned activities in an effective manner. Organisation is the foundation upon which the whole structure of management is built. Organisation is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals.

According to Mc Farland, *“An identified group of people contributing their efforts towards the attainment of goals is called an organisation.”*

According to George R. Terry, *“Organising is the establishing of effective behavioural relationships among persons so that they may work together effectively and gain personal satisfaction in doing selected tasks under given environmental conditions for the purpose of achieving some goal or objective.”*

Functions of Organisation

The functions of the organisation include the following:

- determination of activities
- grouping of activities
- allotment of duties to specified persons
- delegation of authority
- defining relationship
- coordination of various activities

Characteristics of Organisation

The characteristics of the organisation are:

- **Division of labour:** The work is assigned to a person who is specialized in that particular work, this will result in the increase of quality output.
- **Co-ordination:** Different people are assigned different tasks; all the tasks put together leads to the objectives so there is a need of co-ordination to reach the desired goal.
- **Objectives:** The objectives of the organisation should be clearly defined.
- **Authority-responsibility structure:** The position of each executive is defined with regard to the extent of authority and responsibility vested in him/her to discharge the duties.
- **Communication:** The success of the organisation depends upon the effective management system, so every employee working in the organisation should know the techniques and importance of communication.

Advantages of Organisation

- The following are the advantages of organisation:
- Facilitates administration
- Increases management efficiency
- Encourages creativity and initiation
- Facilitates co-ordination
 - Assists growth and diversification
 - Ensures optimum utilisation of material resources and human efforts
 - Facilitates training and development of managerial personnel
 - Places proportionate importance to the various activities of the enterprise

Classification of Organisation

The organisation can be classified on the basis of authority and responsibility assigned to the personnel and the relationship with each other. By this concept, organisation can be broadly divided into two categories namely formal and informal organisation.

Formal Organisation

Formal organisation clearly defines the duties, responsibilities, authority and relationships as prescribed by the top management. The inert-relationship of staff members can be shown in the organisation chart and manuals under formal organisation.

Characteristics of formal organisation

The important characteristics of formal organisation are as given below:

- It is properly planned.
- It is based on delegated authority.
- It is deliberately impersonal.
- It provides division of labour.
- Organisational charts are drawn.
- Unity of command is maintained.
- The responsibility and accountability at all levels of organisation is clearly defined.

Advantages of formal organisation

The following are the advantages of formal organisation:

- The definite boundaries of each worker are clearly fixed resulting in reduced conflict among the workers.
- Overlapping of responsibility is easily avoided and the gaps between the responsibilities of the employees are filled up.
- Buck passing is very difficult under the formal organisation.
- Normally exact standards of performance are established under the formal organisation.
- A sense of security arises from classification of the task.
- There is no chance of favouritism in evaluation and placement of the employee.
- It makes the organisation less dependent on one man.

Disadvantages of formal organisation

The following are the disadvantages of formal organisation:

- In certain cases, the formal organisation may reduce the spirit of initiation.

- Sometimes authority is used for the sake of convenience of the employee without considering the need for using the authority.
- It does not consider the sentiments and values of the employees in the social organisation.
- The formal organisation may reduce the speed of informal communication.
- It creates the problems of coordination.

4.1.1.1 Informal Organisation

Informal organisation is an organisational structure which establishes the relationship on the basis of the likes and dislikes of officers without considering the rules, regulations and procedures. Friendship, mutual understanding and confidence are some of the reasons for existing informal organisation. The informal organisation relationship exists under the formal organisation also. The informal organisation relationship or informal relations give a greater job satisfaction and result in maximum production.

Characteristics of informal organisation

The important characteristics of informal organisation are as given below:

- It arises without any external cause.
- It is social structure formed to meet personal needs.
- It has no place in organisation chart.
- It acts as an agency of social control.
- This organisation can be found on all levels of organisation within the managerial hierarchy.
- The rules and traditions of informal organisation are not written but are commonly followed.
- It develops from habits, conduct, customs and behaviour of social groups.
- It is one of the parts of total organisation.
- There is no structure or definiteness to the informal organisation.

Advantages of informal organisation

The following are the advantages of informal organisation:

- It fills up the gaps and deficiency of the formal organisation.
- Informal organisation gives satisfaction to the workers and maintains the stability of the work.
- It is a useful channel of communication.
- The presence of informal organisation encourages the executives to plan the work correctly and act accordingly.
- It also fills up the gaps among the abilities of the managers.

Disadvantages of informal organisation

The following are the disadvantages of informal organisation:

- It has the nature of upsetting the morality of the workers.
- It acts according to mob psychology.

- It indirectly reduces the efforts of management to promote greater productivity.
- It spreads rumour among the workers regarding the functioning of the organisation unnecessarily.

Difference between formal and informal organisation

Some of the differences between formal and informal organisation are discussed in the table below:

Formal Organisation	Informal Organisation
<ul style="list-style-type: none"> It arises due to delegation of authority. 	<ul style="list-style-type: none"> It arises due to social interaction of people.
<ul style="list-style-type: none"> It gives importance to terms of authority and functions. 	<ul style="list-style-type: none"> It gives importance to people and their relationships.
<ul style="list-style-type: none"> It is created deliberately. 	<ul style="list-style-type: none"> It is spontaneous and natural.
<ul style="list-style-type: none"> It is created for technological purposes. 	<ul style="list-style-type: none"> It arises from man's quest for social satisfaction.
<ul style="list-style-type: none"> Rules, duties and responsibilities of workers are given in writing. 	<ul style="list-style-type: none"> No written rules and duties are followed.
<ul style="list-style-type: none"> It comes from outsiders who are superior in the line of organisation. 	<ul style="list-style-type: none"> It comes from those persons who are objects of its control.
<ul style="list-style-type: none"> Formal authority flows from upwards to downwards. 	<ul style="list-style-type: none"> Informal authority flows from upwards to downwards or horizontally.
<ul style="list-style-type: none"> The formal authority is attached to a position. 	<ul style="list-style-type: none"> The informal authority is attached to a person.
<ul style="list-style-type: none"> It grows to the maximum size. 	<ul style="list-style-type: none"> It tends to remain smaller.
<ul style="list-style-type: none"> It is permanent and stable. 	<ul style="list-style-type: none"> No permanent nature and stability.

Table 4.1 Formal vs. informal organisation

4.1.2 Theories of Organisation

Organisation theory explains the structure, functioning and performance of organisation and the behaviour of individual and groups within it.

The various organisation theories are:

4.1.2.1 Classical theory

The classical theory deals with each and every part of a formal organisation and was given by Frederick W. Taylor. This theory is based on four principles as given below:

- **Division of labour:** The work is assigned to a person according to his/her specialisation and the area of interest which results in maximum production with minimum expenses incurred and minimum capital employed.
- **Scalar and functional processes:** The scalar process deals with the growth of organisation vertically whereas the functional process deals with the growth of the organisation horizontally. The scalar chain defines the success of domination by the superior on the subordinate from top to bottom of organisation.
- **Structure:** Organisational structure is a tool for creating a relationship among the various functions which make up the organisation. The two main issues in the design of the organisation are
 - ⓪ **Specialisation:** which is obtained when a person is asked to do a single work and it results in the increase in productivity
 - ⓪ **Coordination:** is an orderly performance in operations to achieve organisational objectives.
 - ⓪ **Span of control:** It defines the effective supervision of maximum number of employees by the supervisor.

Drawbacks of classical theory:

- based on authoritarian approach
- does not give two way communication
- do not care about human element in an organisation

- neglects the importance of informal groups
- ignores the influence of external factors on individual behaviour

4.1.2.2 Neo-Classical Theory

This theory is developed to fill the gaps in the classical theory. The main contribution of the theory is that it highlights the importance of the committee management and better communication. Contributions made by Neo-Classical theory are as under:

- an individual should be the basis of an organisation
- organisation should be viewed in totality
- individual and organisational goals should be integrated
- employees should be allowed to participate in defining work standards and decision making
- management should recognize the existence of informal organisation

Drawbacks of Neo-Classical Theory

- The theory did not provide the clear guidelines for the actual structuring of jobs and provision for co- ordination
- The companies found little or almost nothing useful in this theory.

4.1.2.3 Modern Theory

This theory was organised in early 1950s. Following aspects are studied in this theory.

- interaction among the individuals in the system
- interaction between an individual and the environment
- studies an individual independently within and outside the system

Essentials of Modern Theory:

- views organisation as a whole
- based on system analysis
- concentrates on both quantitative and behavioural science
- integrating in nature
- based on empirical research

Drawbacks of Modern Theory:

- this theory does not provide solution to the issues raised by the theory itself
- it does not provide any new concept; work on the old management theories

4.1.2.4 Motivation Theory

It is concerned with the study or work motivation of employees of the organisation. The works are performed effectively if proper motivation is given to the employees. The motivation may be in monetary and non-monetary terms. The inner talents

of any person can be identified after giving adequate motivation to employees. Maslow's hierarchy of needs theory and Herzberg's two factor theory are some of the examples of the motivation theory.

4.1.2.5 Decision Theory

This theory was given by Herbert A. Simon. He regarded organisation as a structure of decision makers. The decisions were taken at all levels of the organisation and important decisions like policy decisions are taken at the higher levels of organisation. He suggested that the organisational structure be designed through an examination of the points at which decisions must be made and the persons from whom information is required if decisions should be satisfactory.

4.1.3 Types of Organisations

4.1.3.1 Line Organisation

Line organisation is the simple and the oldest type of an organisation, where the decision making authority flows from top to bottom. As shown in the Fig 3.1 below:

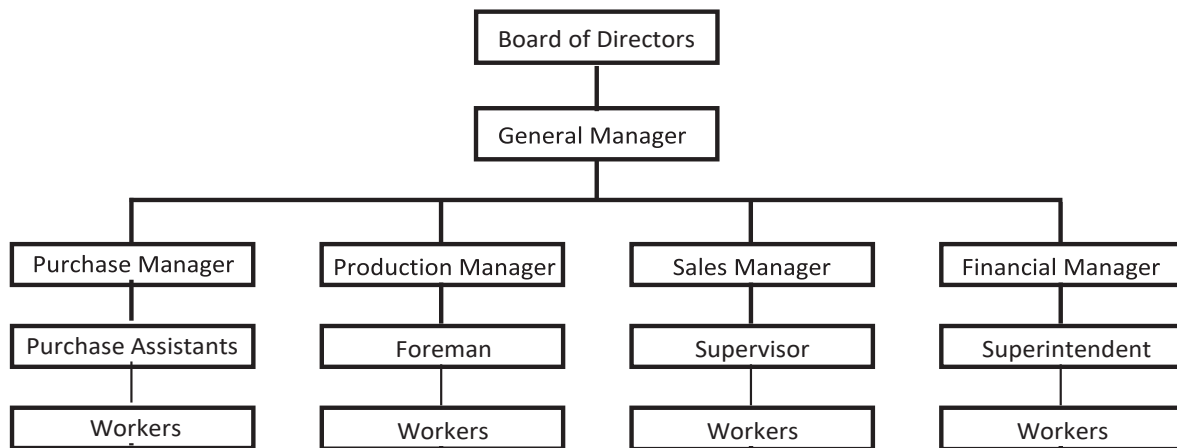


Fig. 4.1 Line organisation

Characteristics of line organisation

- Consists of vertical relationships.
- Authority flows from top to bottom level.
- Departmental heads are given full freedom to control their departments.
- Operation of this system is very easy.
- Each member has direct command over his subordinates.
- The superior takes decisions within the scope of his authority.

Advantages of line organisation

- Simplicity
- Division of authority and control
- Unity of control
- Discipline
- Flexibility
- Direct communication
- Coordination

Disadvantages of line organisation

- Lack of specialisation
- Lack of initiatives
- Dictatorial
- Scope of favouritism
- Instability

4.1.3.2 Functional Organisation

Functional organisation was proposed by F. W. Taylor, to overcome the limitations of line organisation. This type of organisation has various specialists for various functions. The directions of work are decided by functions and not mere authority. The workers under a functional unit are accountable not only to the functional specialist but to the other specialists as well as from whom they receive instructions.

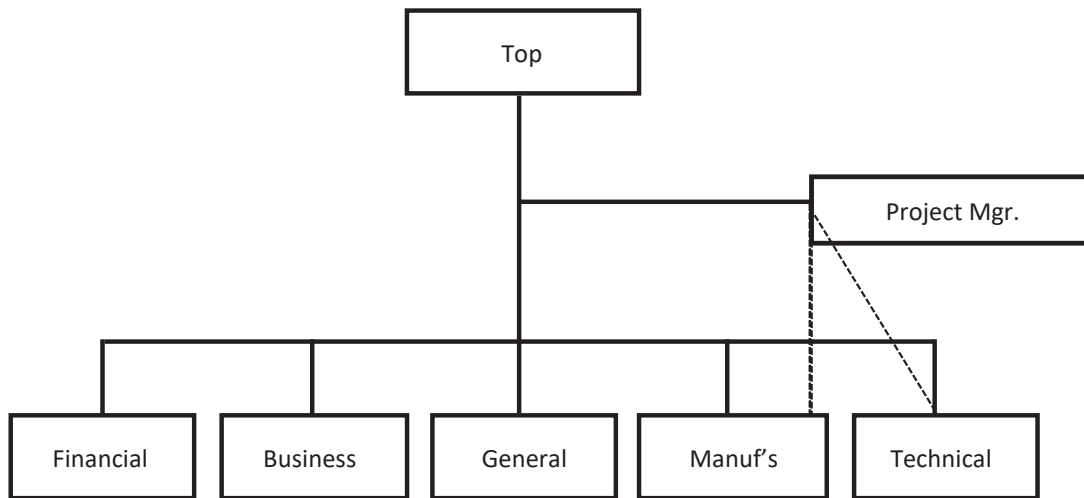


Fig 4.2 Functional organisation Characteristics of functional organisation

- The work is divided according to the specified functions
- Authority is given to the specialist to give orders to a specific function
- Functional authority can give orders throughout the line with reference to specified area
- The decisions are taken in consultation with the functional authority.

Advantages of functional organisation

- Benefit of specialisation
- Efficiency
- Adequate supervision
- Reduce the work load
- Cooperation

Disadvantages of functional organisation

- Complex relationship
- Centralization
- Ineffective coordination
- Increase overhead expenses
- Lack of responsibility

4.1.3.3 Line and Staff Organisation

Line and staff organisation has tried to use the advantages of both the line and the functional type of organisation to overcome their demerits.

Line and staff organisation have line officers as well as the staff officers.

Line officers have the authority to take decisions and implement them to achieve the objectives of the organisation whereas staff officers assist line officers in framing the policies, plans and taking decisions.

Types of staff

- **Personal staff:** A person who assists another person in the performance of a work effectively. They are appointed at top level of organisation.
- **Specialized staff:** These officers render services to the line officers at all levels of the organisation.
- **General staff assistant:** These are the groups of people who provide service to top management in specialized matters.

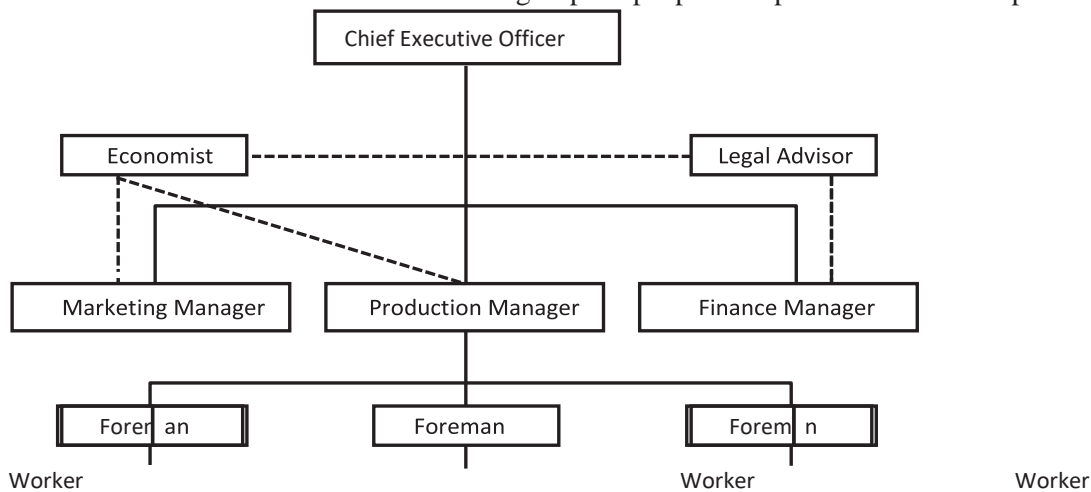


Fig 4.3 Line and staff organisation

Advantages of line and staff organisation

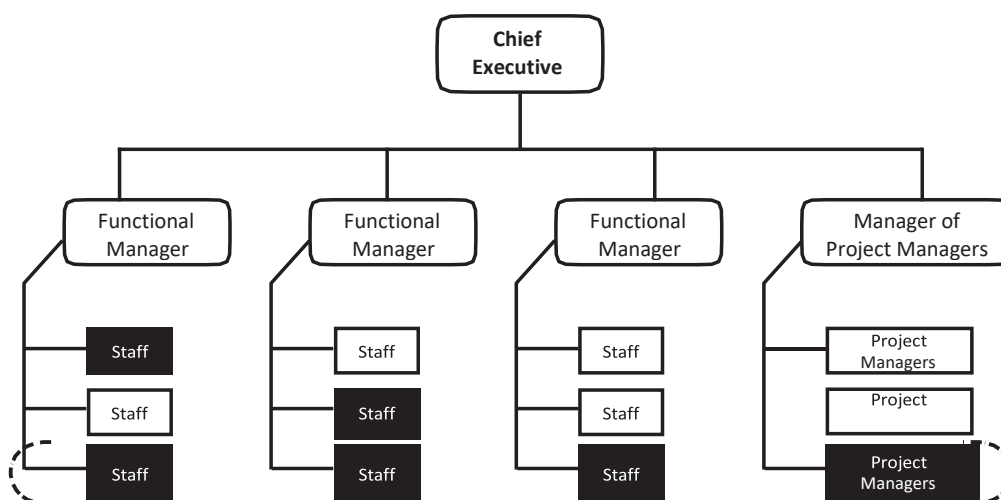
- Promotes efficient working of line officers
- Balanced decisions
- Expert advice
- Benefit of specialisation
- Unity of action

Disadvantages of line and staff organisation

- line and staff conflicts
- in case of communication gap between line and staff officers the degree of cooperation among them decreases
- there is no such authority with the staff officers which can compel line officers to accept their decisions

4.1.3.4 Matrix Organisation

Matrix organisation is defined as “Any organisation that employs a multiple command structure but also relates support



mechanisms and an organisational culture and behaviour pattern.”

Fig. 4.4 Matrix organisation

Characteristics of matrix organisation

- Project manager should report to more than one of the superiors.
- There should be agreement between the managers regarding the authority of utilizing the available resources.
- There should be common willingness among the authority holders to face the conflicts with a view to resolve them.

Advantages of matrix organisation

- achievement of objectives
- best utilisation of resources
- appropriate structure
- flexibility
- motivation

Disadvantages of matrix organisation

- complex relationship
- struggle for power
- excessive emphasis on group decision-making
- arising conflict resolution
- heterogeneous

4.1.4 Organisation Charts and Manuals

Organisation charts are prepared for the purpose of describing the organisation structure. These are the devices showing the organisational relationships and activities within an organisation. An organisation chart is diagrammatic representation of the framework or structure of an organisation. There are four types of organisation charts as given below:

- vertical chart
- horizontal chart
- circular chart
- master and supplementary charts

Organisation manual is a document prepared in an organisation to furnish information on a particular organisation. It is a small book which contains the information regarding the organisation structure, duties and responsibilities of each position, job, description, salaries, prevailing relationships among members including organisation procedures and methods.

4.1.4.2 Contents of Organisation Charts

The following are the contents of the organisation chart:

- basic organisation structure and flow of authority
- authority and responsibilities of various executives
- the relationship between the line and staff officers
- names of components of organisation
- positions of the various office personnel
- number of persons working in an organisation
- the present and proposed organisation structure

- ways of promotion
- the requirements of management development
- salary particulars

4.1.4.3 Contents of Organisation Manual

The following are the contents of the organisational manual:

- full name and address of the organisation
- telephone number of the organisation
- address of the branch office, if any
- address of the showrooms, if any
- name and address of the top executive personnel
- a brief explanation regarding the organisation structure
- important sections or departments of the organisation
- duties and responsibilities of the executives
- information regarding the unity of command
- rules and regulations regarding leave, promotion, transfer and the like
- procedures followed in accounting, costing etc
- important decisions taken by the management date-wise
- specimen forms used in the office
- company organisational charts

Formation of Department

It is a process by which similar activities of the business are grouped into units for the purpose of facilitating smooth administration at all levels.

Reasons for forming departments

- specialisation of work
- simplification of managerial task
- limitation on the number of subordinates that can be directly controlled by superiors

Process of forming departments (departmentalisation)

Departmentalisation is done through the following process:

- identification of work
- analysis of details of each work
- description of the function of the organisation
- entrusting the functions to the separate person who has specialized in the respective field and providing him with suitable staff
- fixing the scope of authority and responsibility of the departmental heads

Basic patterns of departmentalisation

- functions
- product/service
- customers
- process
- time
- numbers
- marketing channels
- regions/territory

4.5 Span of Management

Span of management refers to the number of subordinates that a manager can efficiently manage. Number of subordinates directly reporting to a manager is known as span. Span of management is important for

- determining the complexity of an individual manager's job and
- determining shape and structure of the organisation

Fewer the number of subordinates reporting to a manager larger the number of managers required.

Factors affecting the span of management:

- capacity of manager
- capacity of subordinates
- nature of work
- delegation of authority
- fixation of responsibility
- methods of communication
- degree of planning
- level of management

Recruitment

Recruitment is the process of finding right candidates and inducing them to apply for the job in an organisation. Success of any recruitment depends upon the procedure followed by the company while recruiting the members. Recruitment is the discovery of the staff members for the present and future jobs in an organisation.

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

5.2.1 Sources of Recruitment

The source of recruitment is based on the policy followed by the company and are classified as:

5.2.1.1 Internal Source

If the job is filled up out of the present employees of the company then it is said to be the internal source of the company.

The internal sources of recruitment are:

- Transfer
- Promotion

Whenever a job falls vacant in an organisation, it can be filled up by giving a promotion to the present employees of the company, it depends upon the promotion policy of the company. In certain cases, a same cadre staff member is deputed to the job by the company this is called transfer. This is also based on the transfer policy followed by the company.

Advantages of internal sources of recruitment

- It increases the morale among the staff members of the company.
- Training and recruitment expenses are reduced to some extent.
- Giving promotion keeps the employee happy.
- It attracts efficient staff members.
- Internal promotion helps the staff members to derive job satisfaction.
- A person who has got a promotion inspires the staff members to acquire a thorough knowledge of his/her job.
- It ensures the continuity of job to the staff members and stability of the organisation.

Disadvantages of internal sources of recruitment

- When the higher post is filled internally the company will not be able to get fresh and original ideas from the staff members
- The outsiders do not get the opportunity to showcase their talent
- Employees may get promoted in spite of not being the deserving candidate.
- If the promotion is a guarantee to the internal staff members after the expiry of a specific period, the concerned staff member does not care to work efficiently.

5.2.1.2 External source

When the vacancy in an organisation gets filled up from the suitable candidates available outside the organisation then it is said to be the external source.

The external sources of recruitment are:

- Advertisement
- Recommendations

- Gate applicants
- Personnel consultant
- Educational institutions
- Employment exchange
- Waiting list
- Unsolicited applicants
- Jobbers and contractors
- Field trips
- Leasing

Advantages of external sources of recruitment

- New outlook
- Get to choose from large number of applicants
- Candidates have wider range of experience

Disadvantages of external sources of recruitment

- Expensive
- Lack of cooperation from the existing staff members
- Time consuming
- Grudging of old employees
- Difficult to convince the trade union
- Danger of non-adjustment of newly recruited employees

5.3 Selection

Selection is a method used in an organisation to select a suitable person who has required educational qualifications, skills, abilities and personality. Selection procedure starts with the end of recruitment. Selection is a process adopted by an organisation to select adequate number of persons who are fit for the job.

5.3.1 Process of Selection

The selection procedure has the following stages:

- **Receiving and screening of applications:** Prospective employees are requested to submit the application in a given format.
- **Initial interview:** It is a preliminary interview, which is to evaluate whether the candidate is suitable for the job
- **Blank application:** A specific format is followed by an organisation for this selection process and it varies with the nature of job. It is used to get the relevant information regarding the qualifications and the skills from the candidates pertaining to the job.
 - The advantages of using blank application are that it acts as an urgent test device, shy candidates who face difficulty in facing the employer are in favour of this application, it aids to build trust among applicants, it forms a basis for final interview and it aids in preparing waiting list.
- **Test:** The test is conducted by the organisation for the purpose of knowing more about the applicants to be selected or rejected.

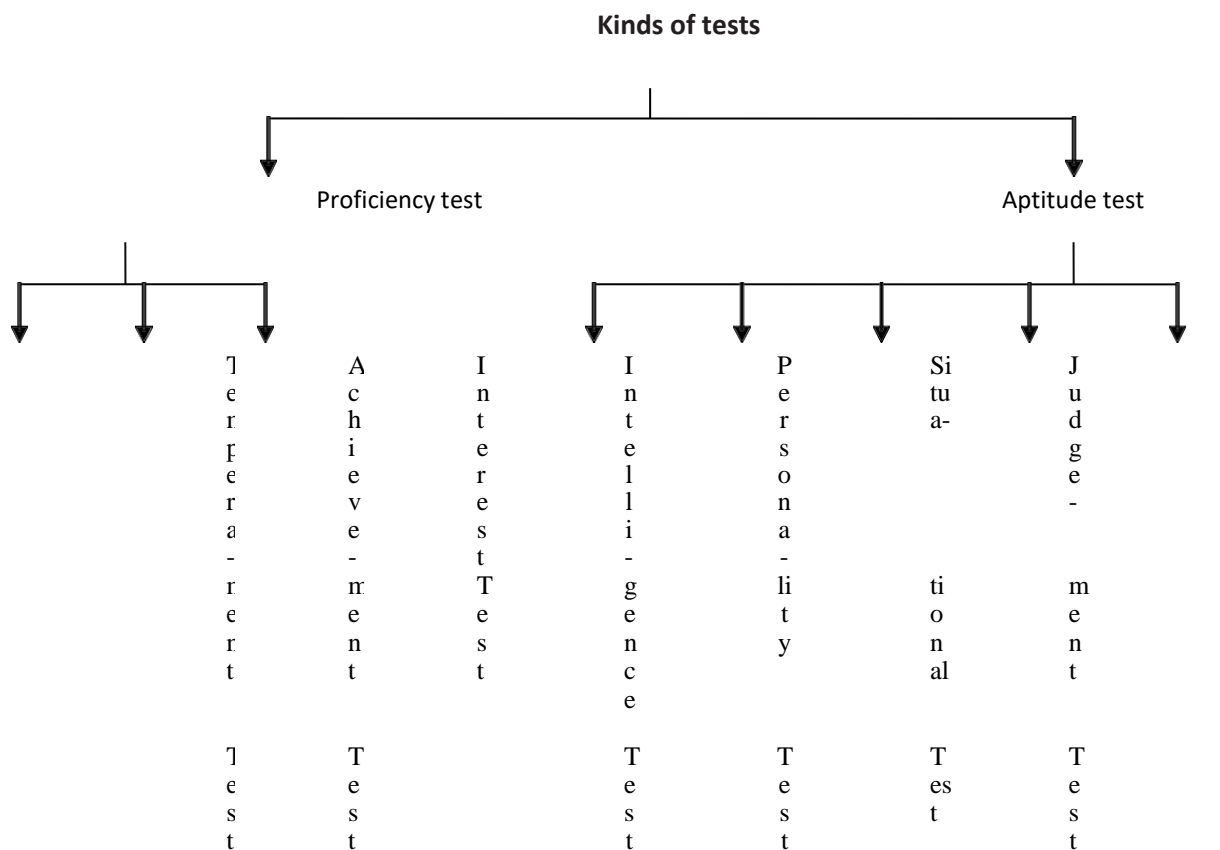


Fig. 5.1 Kinds of tests

- **Checking references:** The applicants are requested to furnish references through which the prospective employer can collect information about the applicant regarding his/her character, conduct, capability and so on from the referee.
- **Interview:** The candidates which are through to the test are called for final interview where the employer evaluates the candidate regarding the personality, smartness, intelligence, attitude, etc.
- **Final selection:** Finally, a suitable applicant is selected on the basis of performance in the test and interview. Only the required number of applicants is selected by the management.
- **Medical examination:** This is carried out for the purpose of assessing physical fitness of the prospective employee. Some applicants may be educationally qualified for the job but physically unfit for the job. There is no need for medical examination in certain jobs and so many organisations do not follow the process of medical examination. The certificate received from doctor is attached to the joining report of the new employee.
- **Placement:** The applicants are placed on a probation basis only after completing all the formalities. The probation period may vary from one job to another according to the nature of the job. The new employees are observed keenly over the probation period and are regularised on the completion of the probation period successfully.
- **Orientation:** This refers to providing the information regarding the organisation briefly to new employees to acquire knowledge of the organisation functioning without any delay.

5.3.2 Kinds of Interview

There are number of kinds of interviews conducted by the management which are as given below:

- Direct interview
- Indirect interview
- Patterned interview
- Stress interview
- Systematic in-depth interview
- Board or panel interview

- Group interview

5.3.3 Process of Interview

The following process is adopted for an interview:

- Review of background information
- Preparation of questions
- Putting the applicant at ease
- Drawing out the best applicant
- Concluding the interview

5.4 Performance Appraisal

Performance appraisal is the systematic evaluation of the performance of an employee by an expert or his/her immediate superior. Appraisal results in the comparison of more than one person in several directions with others. The purpose of appraising an employee is for the promotion of the employee. The time and venue of the appraisal should be known to both the employer and the employee.

According to Edwin B. Flippo, *“Performance appraisal is a systematic, periodic and so far a humanly possible, impartial rating of an employee’s excellence in matters pertaining to his/her present job and to his/her potentialities for a better job.”*

5.4.1 Importance of Performance Appraisal

The use of performance appraisal as a tool has following importance:

- It helps the management to take decision about the salary increase of an employee.
- Continuous evaluation of an employee helps in improving the quality of an employee in job performance.
- Minimises the communication gap between the employer and employee and improves the relationship between them.
- Training needs of an employee can be identified through this process.
- Promotion is given to an employee on the basis of performance appraisal.
- The job satisfaction which increases the morale is achieved through performance appraisal.
- It is used to transfer a person who is misfit for a job to the right placement.
- The decision for discharging an employee from the job is also taken on the basis of performance appraisal.
- The grievances of an employee are eliminated through performance appraisal.

5.4.2 Limitations of Performance Appraisal

The following are some limitations of performance appraisal:

- The performance appraisal methods are unreliable.
- If an employee is well known to an employer, the performance appraisal may not be correct.
- The inability of supervision to appraise an employee does not bring out the accurate performance appraisal.
- Some qualities of an employee cannot be easily appraised through any performance appraisal method.
- Uniform standards are not followed by the supervisors in performance appraisal.

5.4.3 Various Methods Used for Performance Appraisal

The various methods used for performance appraisal are as follows:

Ranking method: Ranking methods compare one employee to another, results in ordering of employees in relation to one another. Rankings often result in overall assessments of employees, rather than in specific judgments about a number of job components. Straight ranking requires an evaluator to order a group of employees from best to worst overall or from most effective to least effective in terms of a certain criterion. For example, in a group of ten members all the members in the working group are ranked as on the basis of performance as best performance, worst performer and so on.

Paired comparison method: Paired comparison analysis is a good way of weighing up the relative importance of the employees. All the employees to be compared are listed. Each employee is than compared against each of the other employee. The results are tallied and the employee with the highest score is the best employee.

Forced distribution method: This is a ranking technique where raters are required to allocate a certain percentage of rates to certain categories (For example: Excellent, good, better, worse) or percentiles (example: top 10 percent, bottom 20 percent and so on). Both the number of categories and percentage of employees to be allotted to each category are a function of performance appraisal design and format. The workers of outstanding merit may be placed

at top 10 percent of the scale; the rest may be placed as 20 % good, 40 % outstanding, 20 % fair and 10 % fair.

Grading: This is similar to the assessment review. The manager is given a list of categories to be assessed. This is done by selecting a grade which matches the employee's performance. This system may ask for a simple form of grading such as:

- Excellent
- Very Good
- Satisfactory
- Poor
- Very poor

Check list: In this system, a large number of statements that describe a specific job are given. Each statement has a weight or scale value attached to it. While rating an employee the supervisor checks all those statements that most closely describe the behaviour of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

Forced Choice method: A series of groups of statements are prepared which are classified as positive or negative. These statements describe the characteristics of an employee. The rater has to select one of the statements either out of positive and negative. Final rating is done on the basis of these statements.

Critical incident method: As per this method the manager prepares lists of statements of very effective and ineffective behaviour of an employee. These critical incidents or events represent the outstanding or poor behaviour of employees or the job. The manager maintains logs of each employee, whereby She/He periodically records critical incidents of the workers behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker's performance.

5.5 Training and Development

The efficient functioning of an organisation depends upon the efficiency of personnel working in that organisation. The capability of an employee is evaluated through the performance appraisal techniques. On the basis of the performance, the need of training and development is decided by the management.

The terms training and development are used synonymously but they have different meanings. Training is a program that facilitates an employee to perform the job effectively through acquiring increased knowledge and skills whereas development includes not only the acquiring of knowledge and skills for the present job but also includes increasing capabilities for future managerial positions.

According to Edwin B. Flippo, *"While training is the act of increasing the knowledge and skills of an employee for doing a particular job, the management development includes the process by which managers and executives acquire not only skills and competence in their present job, but also capacities for future managerial tasks of increasing difficulty and scope."*

Features of effective training and development programme are:

- Continuous process
- Effective utilisation of existing knowledge and skills
- Expanding the present knowledge and skills for future requirements
- Helping the employee to find his present position and preparing him to accept greater responsibilities

Importance for training and development arises on account of the following reasons:

- Non-availability of trained personnel
- Suitability for the job
- Getting knowledge by latest methods

Characteristics of good training and development programme:

- Individual differences
- Relating to job requirements
- Determination of training needs
- Result-oriented training
- Incentives
- Support of management

5.5.1 Types of Training

Training methods can be devised according to the mental calibre of personnel and the need to achieve the organisational objectives. The type of training is classified in two sections namely On-The-Job training and Off-the-Job training which are further divided into categories given below.

On-the-job training

- On specific job
- Rotation of position
- Special projects
- Apprenticeship

Off-the-job training

- Special courses and lectures
- Conference
- Case study
- Role playing
- Management games
- Brain-storming

5.6 Job Analysis and Evaluation

Job Analysis is a process to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job.

Job analysis deals with the contents and characteristics of each job. It points out:

- The duties and responsibility involved in each job
- The degree of skills necessary to perform each job
- It discloses the conditions under which each job is performed and the elements of risk involved in them
- It helps the management to fix the qualification required for each job along with the methods or techniques to perform each job

Job evaluation is a systematic process which measures the relative importance and value of each job on the basis of skills, duties, responsibilities and so on. The very purpose of job evaluation is to fix wage rates according to the job done.

A person who meets the minimum requirement of a job is recruited by the management. Job evaluation identifies the minimum and maximum requirement of each job.

The advantages of job analysis and job evaluation are:

- Job analysis facilitates the selection and placement of right personnel in each job.
- Management can provide adequate training to the needy employees.
- Reasonable wage rate is fixed with the help of job analysis.
- It helps in merit rating.

- It helps the superiors to take timely decisions like promotion, transfer, selection, disciplinary action etc.
- Industrial disputes may be put to an end with the help of job analysis.
- It helps in reducing labour turnover, absenteeism and removing inequalities in pay fixation.
- Ranking of jobs is very easy.
- Management can prepare proper incentive schemes.
- Job evaluation helps the management in the selection, placement and training of employees.

The disadvantages of job analysis and job evaluation are:

- It studies the job but not the individual doing the job.
- Uniformity in pay adversely affects the workers who are above average.
- It is very difficult to convert all the factors in terms of money for job evaluation.
- Points awarded for each characteristic of a job are purely subjective.
- It ignores the labour market condition which is also responsible for wage rate fixation.
- Job evaluation and job analysis may not be understood by the workers. So, the workers may suspect the intention of the management.

5.6.1 Procedure of Job Analysis

Job analysis is done by the management at least once in two years or three years. The following procedure is adopted to analyse each job:

- All the job holders are requested to fill up the questionnaire supplied by the management.
- The job holders are requested to keep a diary which contains the important particulars relating to the performance.
- A direct interview with the job holders is held by the management which brings out the possibilities and difficulties in the performance of a job.
- A separate person is appointed to observe the behaviour of job holders during the performance of a job.
- Finally, a detailed report is prepared by the management. It may be treated as a job analysis.

5.6.2 Procedure of Job Evaluation

The following is the procedure of job evaluation:

- A detailed study of the job-consider education, skill, training, experience and intelligence.
- Identification of physical and mental efforts necessary and the degree of responsibility.
- A job description.
- Consider the characteristics of a job in terms of points, experience and training.
- Job analysis.
- Comparison of one job with another.
- Determine the number of points to be given for each characteristic of a job.
- Add the points for each job.
- Rank the jobs on the basis of its points.
- Expression of the value of job in terms of money according to the points obtained.

5.6.3 Methods for Job Evaluation

Ranking method: Under this method the jobs are graded on the basis of their responsibility and the difficulty to perform them. Each job is valued in terms of other jobs as well in monetary terms.

Classification method: This is also termed the grading method. Initially grades are defined as common to various jobs. Then the management finds out the various requirements for each job. Then, the jobs are graded on the basis

of the requirement of each job.

Factor point scoring: The management can identify the common factors of each job. Then, points are allotted to each such factor according to its relative importance. Finally, the wage rate is fixed on the basis of total points obtained by each job.

