

Sixth Semester B.com
Unit 5
Management Development

Introduction

Training and Development is one of the main functions of the human resource management department. Training refers to a systematic setup where employees are instructed and taught matters of technical knowledge related to their jobs. It focuses on teaching employees how to use particular machines or how to do specific tasks to increase efficiency.

Whereas, Development refers to the overall holistic and educational growth and maturity of people in managerial positions. The process of development is in relation to insights, attitudes, adaptability, leadership and human relations.

Definition

Training and Development is a subsystem of an organization which emphasize on the improvement of the performance of individuals and groups. Training is an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of the employees. Good & efficient training of employees helps in their skills & knowledge development, which eventually helps a company improve.

Inputs in Training and Development Programmes

Training and development refers to the imparting of specific skills, abilities and knowledge to an employee. A formal definition of training & development is... it is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge.

1. Education

The purpose of education is to teach theoretical concepts and develop a sense of reasoning and judgement. That any training and development programme must contain an element of education is well understood by HR specialist. Any such programme has university professors as resource persons to enlighten participants about theoretical knowledge of the topic proposed to be discussed. In fact organizations depute or encourage employees to do courses on a part time basis. Chief Executive Officers (CEO's) are known to attend refresher courses conducted by business schools. Education is important for managers and executives than for lower-cadre workers.

2. Development

Another component of a training and development is development which is less skill oriented but stressed on knowledge. Knowledge about business environment, management principles and techniques, human relations, specific industry analysis and the like is useful for better management of the company.

3. Ethics

There is need for imparting greater ethical orientation to a training and development programme. There is no denial of the fact that ethics are largely ignored in businesses. Unethical practices abound in marketing, finance and production function in an organization. They are less seen and talked about in the personnel function. If the production, finance and marketing personnel indulge in unethical practices the fault rests on the HR manager. It is his/her duty to enlighten all the employees in the organization about the need of ethical behavior.

4. Attitudinal Changes

Attitudes represent feeling and beliefs of individuals towards others. Attitude affects motivation, satisfaction and job commitment. Negative attitudes need to be converted into positive attitudes. Changing negative attitudes is difficult because;

- Employees refuse to changes
- They have prior commitments
- And information needed to change attitudes may not be sufficient

Nevertheless, attitude must be changed so that employees feel committed to the organization, are motivated for better performance, and derive satisfaction from their jobs and the work environment

5. Decisions Making and Problem Solving Skills

Decision making skill and problem solving skills focus on method and techniques for making organizational decisions and solving work-related problems. Learning related to decision-making and problem-solving skills seeks to improve trainees' abilities to define structure problems, collect and analysis information, generate alternative solution and make an optimal decision among alternatives. Training of this type is typically provided to potential managers, supervisors and professionals.

Identifying training gaps

A training gap exists when there is a variance between desired/required behavior or performance and actual behavior or performance. This gap can occur on an individual, team or organizational level. This gap can reflect a lack of hard or soft skills, a lack of understanding of job expectations, industry knowledge, cultural norms or other issues. Hard skills are job-specific or functional skills—for example, cloud-based computing skills or knowledge of human resource-related laws and practices. Soft skills are bigger-picture capabilities that range from adaptability, curiosity and empathy to communication and critical thinking.

The training needs assessment process can be broken down into the following 6 steps

1. **Establish clear expectations.** In order to accurately evaluate performance and, therefore, accurately identify any training needs job expectations must be clearly established and understood. Given this, job descriptions should be reviewed periodically to ensure performance requirements are current and include the desired/required performance.
2. **Measure performance.** Measuring performance not only establishes an objective point of reference, it creates an opportunity to discuss the instances of unsatisfactory performance and identify and document any issues and associated training or other actions. what training or other action is warranted. Identification of training needs and an associated training plan should also be incorporated in periodic reviews.
3. **Solicit input on training needs.** The individuals who are doing the work have a particularly relevant perspective on training needs are perhaps the best source of information on short-term training needs. Surveying employees individually or conducting focus groups are a couple of ways of obtaining input. In order to get a complete picture, managers should also be asked for input on individual and team training requirements. Use of 360 degree reviews, where employees—including management—are reviewed by their staff, peers and their manager—may also highlight training gaps. Soliciting input also encourages conversations about and progress on training and development broadly—an expectation of both employers and employees.
4. **Support career development.** Ask employees to rate their satisfaction with training and development opportunities and how existing policies and programs might be improved. Provide resources and support to help employees create self-directed

development plans, in addition to the plans incorporated in their reviews. Identifying career interests and goals is valuable input into the overall organizational development plan.

5. **Conduct an organizational resource analysis.** Conduct an overall analysis of human resources roles and requirements relative to the organization's strategies and objectives to identify broad (for example, industry-specific) and position or job category-specific (including reskilling/upskilling) training needs and any resource requirements or redundancies. It may also be useful to convene a round-table group(s) to discuss the results of the organizational analysis, validate training needs and identify any additional issues or opportunities.
6. **Establish a coaching and mentoring program.** As discussed in the onboarding section, coaching and mentoring is an organizational best practice that is associated with high-performance. Mentors can support employee personal and career development and be another point of perspective on training gaps.

Importance of Training and Development

For companies to keep improving, it is important for organizations to have continuous training and development programs for their employees. Competition and the business environment keeps changing, and hence it is critical to keep learning and pick up new skills. The importance of training and development is as follows:

- Optimum utilization of Human resources
- Development of skills like time management, leadership, team management etc
- To increase the productivity and enhance employee motivation
- To provide the zeal of team spirit
- For improvement of organization culture
- To improve quality, safety
- To increase profitability
- Improve the morale and corporate image

Need for Training and Development

Training and development of employees is a costly activity as it requires a lot quality inputs from trainers as well as employees. But it is essential that the company revises its goals and efficiencies with the changing environment. Here are a few critical reasons why the company endorses training and development sessions.

- When management thinks that there is a need to improve the performances of employees
- To set up the benchmark of improvement so far in the performance improvement effort
- To train about the specific job responsibility and skills like communication management, team management etc
- To test the new methodology for increasing the productivity

Advantages of training and development

Training and development has a cost attached to it. However, since it is beneficial for companies in the long run, they ensure employees are trained regularly. Some advantages are:

1. Helps employees develop new skills and increases their knowledge.
2. Improves efficiency and productivity of the individuals as well as the teams.
3. Proper training and development can remove bottle-necks in operations.
4. New & improved job positions can be created to make the organization leaner.
5. Keeps employees motivated and refreshes their goals, ambitions and contribution levels.

Disadvantages of training and development

Even though there are several advantages, some drawbacks of training and development are mentioned below:

1. It is an expensive process which includes arranging the correct trainers and engaging employees for non-revenue activities.
2. There is a risk that after the training and development session, the employee can quit the job.

Training and Development Process

Training and development is a continuous process as the skills, knowledge and quality of work needs constant improvement. Since businesses are changing rapidly, it is critical that companies focus on training their employees after constantly monitoring them & developing their overall personality.

Steps for training and development processes are:

1. Determine the need of training and development for individuals or teams
2. Establish specific objectives & goals which need to be achieved
3. Select the methods of training
4. Conduct and implement the programs for employees
5. Evaluate the output and performance post the training and development sessions.
6. Keep monitoring and evaluating the performances and again see if more training is required.

Hence, this concludes the definition of Training and Development along with its overview.

Training process

A training is not a one sort affair; rather it is a step-by-step process that will be completed only after successful completion of given sequential activities.

Identifying Training Needs:

Training need is a difference between standard performance and actual performance. Hence, it tries to bridge the gap between standard performance and actual performance. The gap clearly underlines the need for training of employees. Hence, under this phase, the gap is identified in order to assess the training needs.

Establish Specific Objectives:

After the identification of training needs, the most crucial task is to determine the objectives of training. Hence, the primary purpose of training should focus to bridge the gap between standard performance and actual performance. This can be done through setting training objectives. Thus, basic objective of training is to bring proper match between man and the job.

3. Select Appropriate Methods:

Training methods are desired means of attaining training objectives. After the determination of training needs and specification of objectives, an appropriate training method is to be identified and selected to achieve the stated objectives. There are number of training methods available but their suitability is judged as per the need of organizational training needs.

4. Implement Programs:

After the selection of an appropriate method, the actual functioning takes place. Under this step, the prepared plans and programs are implemented to get the desired output. Under it, employees are trained to develop for better performance of organizational activities.

Evaluate Program:

It consists of an evaluation of various aspects of training in order to know whether the training program was effective. In other words, it refers to the training utility in terms of effect of training on employees' performance.

Feedback:

Finally, a feedback mechanism is created in order to identify the weak areas in the training program and improve the same in future. For this purpose, information relating to class room, food, lodging etc., are obtained from participants. The obtained information, then, evaluated, and analyzed in order to mark weak areas of training programs and for future improvements.

Career planning and development

Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

Career planning encourages individuals to explore and gather information, which enables them to synthesize, gain competencies, make decisions, set goals and take action. It is a crucial phase of human resource development that helps the employees in making strategy for work-life balance.

Features of Career Planning and Career Development:

1. It is an ongoing process.
2. It helps individuals develop skills required to fulfill different career roles.
3. It strengthens work-related activities in the organization.
4. It defines life, career, abilities, and interests of the employees.
5. It can also give professional directions, as they relate to career goals.

Objectives of Career Planning:

The major objectives of career planning are as follows:

1. To identify positive characteristics of the employees.
2. To develop awareness about each employee's uniqueness.
3. To respect feelings of other employees.
4. To attract talented employees to the organization.
5. To train employees towards team-building skills.
6. To create healthy ways of dealing with conflicts, emotions, and stress.

Benefits of Career Planning:

1. Career planning ensures a constant supply of promotable employees.
2. It helps in improving the loyalty of employees.
3. Career planning encourages an employee's growth and development.
4. It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.
5. It ensures that senior management knows about the calibre and capacity of the employees who can move upwards.
6. It can always create a team of employees prepared enough to meet any contingency.
7. Career planning reduces labour turnover.
8. Every organization prepares succession planning towards which career planning is the first step.

Performance appraisal

Meaning

Performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. It is defined as "a process of evaluating an employee's performance of a job in terms of its requirements".

Performance appraisal is also considered as a "process of establishing or judging the value, excellence, qualities or status of some object, person or thing". Quite often, such appraisals are labelled as "ratings" where one individual, after comparison with another, is ranked or rated as "excellent, normal or average".

Features of an Effective Appraisal System:

An effective appraisal system should possess the following essential features:

i. Reliability and Validity:

Appraisal system should provide consistent, reliable and valid information and data, which can be used to defend the organization, even in legal challenges. If two appraisers are equally qualified and competent to appraise an employee with the help of the same appraisal technique, their ratings should agree with each other.

Then the technique satisfies the conditions of inter-rater reliability. Appraisals must also satisfy the condition of validity by measuring what they are supposed to measure. For example, if an employee is appraised with the object of promotion, information related to his potentialities to take up higher responsibilities and carry on activities at higher level should be supplied.

ii. Job Relatedness:

The appraisal technique should measure the performance and provide information in job-related activities/areas.

iii. Standardization:

Appraisal forms, procedures, administration of techniques, ratings, etc., should be standardized as appraisal decisions affect all employees of the group.

iv. Practical Viability:

The techniques should be practically viable to administer, possible to implement and economical to undertake continuously.

v. Legal Sanction:

Appraisals must meet the laws of the land. They must comply with provisions of various acts relating to labour.

vi. Training to Appraisers:

Because appraisal is important and sometimes difficult, it would be useful to provide training to appraisers viz., some insights and ideas on rating, documenting appraisals and conducting appraisal interviews. Familiarity with rating errors can improve rater's performance and this may inject the needed confidence in appraisers to look into performance ratings more objectively.

vii. Open Communication:

Most employees want to know how well they are performing the job. A good appraisal system provides the needed feedback on a continual basis. The appraisal interviews should permit both parties to learn about the gaps and prepare themselves for future.

To this end, managers should clearly explain their performance expectations to their subordinates in advance of the appraisals period. Once this is known, it becomes easy for employees to learn about the yardsticks and, if possible, try to improve their performance in future.

viii. Employee Access to Results:

Employees should know the rules of the game. They should receive adequate feedback on their performance. If performance appraisals are meant for improving employee performance, then withholding appraisal result would not serve any purpose. Employees simply cannot perform better without having access to this information.

Permitting employees to review the results of their appraisal allows them to detect any errors that may have been made. If they disagree with the evaluation, they can even challenge the same through formal channels.

ix. Due Process:

It follows then that formal procedures should be developed to enable employees who disagree with appraisal results (which are considered to be inaccurate or unfair). They must have the means for pursuing their grievances and having them addressed objectively.

Performance appraisal should be used primarily to develop employees as valuable resources. Only then it would show promising results. When management uses it as a whip or fails to understand its limitations, it fails. The key is not which form or which method is used.

Performance Appraisal – Objectives

Following are the objectives of performance appraisal:

(1) To Provide Basis for Promotion:

The primary objective of performance appraisal is to provide basis for promotion of the employees concerned. One knows about the level of skill of an employee by such an appraisal. If on the basis of his performance appraisal an employee is found competent, he can be considered for promotion.

(2) To Provide Basis for Transfer:

On the basis of information gathered from performance appraisal, an employee is transferred from one department to the other.

(3) To Provide Basis for Training:

Weaknesses of the employees are known with the help of their performance appraisal report. It is then decided what type of training must be imparted to an employee to improve his performance.

(4) To Help in Assigning Best Suited Work:

Employees are allotted work in future on the basis of performance appraisal. Each employee is assigned that job for which he is most suited. In this way, all employees are appointed to the post they are fit for.

(5) To Help in Motivation:

Employees too come to know of their shortcomings and they endeavour to remove them. All employees try to excel each other in job performance. Thus, performance appraisal becomes a great source of motivation.

(6) To Help in Determining the Wage and Salary:

It helps in determining the rate of remuneration of different employees. Besides, it serves as an index of the capability of all employees in the organisation and their wages are determined accordingly.

(7) To Help in Personnel Research:

Results of performance appraisal are used for research. For instance, if performance appraisal reports of most of the employees are negative, it can be concluded that selection process of the organisation is defective. Similarly, knowledge of the type of training can be acquired by means of research.

(8) To Help in Managerial Decisions:

Performance appraisal has important role in managerial decisions.

Process of Performance appraisal

Performance appraisal has been considered as a most significant and indispensable tool for an organisation, for the information it provides is highly useful in making decisions regarding various personal aspects such as promotions and merit increases.

Performance measures also link information gathering and decision-making processes which provide a basis for judging the effectiveness of personnel subdivisions such as recruiting, selection, training and compensation.

Accurate information plays a vital role in the organisation as a whole. They help pinpoint weak areas in the primary systems (e.g., marketing, finance and production). It is easier for managers to see which employees need training or counseling, because jobs are grouped by categories (e.g., production foreman, sales manager, financial analyst).

These categories can be broken into smaller and smaller groups, if necessary. If valid performance data are available, timely, accurate, objective, standardised and relevant, management can maintain consistent promotion and compensation policies throughout the total system.

McGregor says- Formal performance appraisal plans are designed to meet three needs, one of the organisation and the other two of the individual, namely.

1. They provide systematic judgements to back up salary increases, transfers, demotions or terminations.

2. They are means of telling a subordinate how he is doing, and suggesting needed changes in his behaviour attitudes, skills, or job knowledge. They let him know “where he stands” with the boss.
3. They are used as a base for coaching and counseling the individual by the superior.

Approaches of performance appraisal

Although potential uses of the performance appraisal system are many, very few organizations seem to make effective utilization of the system. There is great degree of variation in the approaches, design and use of performance appraisal system and also in the formats.

In general, there are three approaches to performance appraisal practices/ procedures:

1. A Casual Approach:

This is an unsystematic use and often haphazard appraisal system which was frequently used in the beginning and which has subsequently given place to more formal methods. It has been largely based on seniority or quantitative standards of output for rank and file employees.

2. A Traditional Approach:

This approach is highly systematic and takes into account the measurement of employee characteristics and/or employee contribution (or both). In this system all employees are rated in the same manner utilizing the same approach so that the rating of separate personnel can be compared.

3. A Behavioural Approach:

This approach is based on the behavioural value of fundamental trust in the goodness, capability and responsibility of human beings. It lays emphasis on providing mutual goal setting and appraising of progress made by both the appraiser and the appraisee.

A systematic appraisal process is considered to be superior to a casual, intuitive and at times haphazard evaluation. The fundamental value of systematic performance appraisal is that it provides information of great assistance in making and enforcing administrative decisions about such matters as promotions, pay increases, lay off and transfers.

It provides this information in advance of the time when it may be needed, thereby avoiding spot judgement when a decision may be made. Moreover, the systematic approach provides the information in a form that permits the making of comparisons'. Records established by the systematic rating of personnel are of great value in backing up decisions that have been challenged.

Another value of systematic appraisal lies in the fact that it serves to stimulate and guide employee development through a comparison of actual performance with the approved pattern. Not only appraisees but also appraisers benefit with better skills in judging and helping personnel through systematic approach.

Ethics in performance appraisal

Ethics of performance appraisal is such an important factor that if it is ignored there arise several problems and organizational morale issues. Thereby the basic purpose of evaluation gets defeated.

Marion S. Kellog spells out Ten Commandments of keeping the appraisals ethical:

1. Don't appraise without knowing why the appraisal is required.
2. Appraise on the basis of representative information.
3. Appraise on the basis of sufficient information.
4. Appraise on the basis of relevant information.
5. Be honest in your assessment of all the facts you obtain.
6. Don't write one thing and say another.
7. In offering an appraisal, make it plain that this is only your personal opinion of the facts as you see them.
8. Pass appraisal information along only to those who have good reason to know it.
9. Don't imply the existence of an appraisal that hasn't been made.
10. Don't accept another's appraisal without knowing the basis on which it was made.

Models of performance management

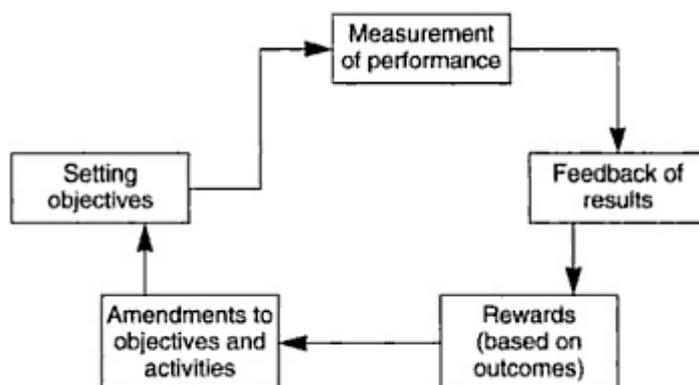
Increasing complexities in functions of business have lead to the emergence of new and comprehensive concepts in business management. Performance management is a concept in the field of human resource management. "It is a continuous process of

identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization” (Aguinis, 2009).

Performance management is many times mistaken as performance appraisal but the latter is just a part of the former.

There is no single universally accepted model of performance management. Various experts have explained the concept in their own ways. Mabey has prescribed the model in the form of ‘performance management cycle’. This cycle has 5 elements which suggest how performance management system should be implemented in an organization. The elements of performance management system cycle includes:

1. Setting of objectives.
2. Measuring the performance.
3. Feedback of performance results.
4. Reward system based on performance outcomes



Salaman says there are two theories underlying the concept:

1. The goal setting theory.

2. Expectancy theory.

1. **Goal setting theory** had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. This is because the employees keep following their goals. If these goals are not achieved, they either improve their performance or modify the goals and make them more realistic. In case the performance improves it will result in achievement of the performance management system aims (Salaman et al, 2005).

2. Expectancy theory had been proposed by Victor Vroom in 1964. This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman et al, 2005).

Six modern performance appraisal methods

With the right performance appraisal method, organizations can enhance employee performance within the organization. A good employee performance review method can make the whole experience effective and rewarding. Now that the drawbacks of traditional methods are clear.

Here's a close look at the six most-used modern performance methods:

1. Management by Objectives (MBO)

Management by objectives (MBO) is the appraisal method where managers and employees together identify, plan, organize, and communicate goals. After setting clear goals, managers and subordinates periodically discuss the progress made to control and debate on the feasibility.

This process usually lays more stress on tangible work or career-oriented goals. So, intangible aspects like interpersonal skills, job commitment, etc. are often brushed under the rug. This method is slightly expensive and time-intensive.

2. 360-Degree Feedback

Once-in-a-year performance appraisals are lackadaisical and don't work. Workers need ongoing communication with team leaders and managers. A continuous process, like 360-degree feedback, can help employees stay motivated. This is one of the most widely used appraisal methods.

In 360-degree feedback, every employee in an organization appraises his/her managers, peers, customers, suppliers, and also does a self-evaluation. This method ensures effective performance analysis and Total Employee Involved (TEI). If not handled properly, this method can also suffer from the subjectivity of the appraiser.

3. Assessment Centre Method

The assessment centre method tests employees in a social-related situation. This concept was introduced way back in 1930 by the German Army but it has been polished and tailored to fit today's environment. Employees are asked to take part in situation exercises like in-basket exercises, work groups, simulations, and role-playing exercises that ensure success in a role.

While it gives an insight of the employee's personality (ethics, tolerance, problem-solving skill, introversion/extroversion, adaptability, etc.), it can also breed unhealthy competition among the workers and bears adverse effects on low performers.

4. Behaviorally Anchored Rating Scale (BARS)

Behaviorally anchored rating scales (BARS) bring out both the qualitative and quantitative benefits in a performance appraisal process. BARS compares employee performance with specific behavioral examples that are anchored to numerical ratings.

This performance appraisal method is said to be better than the traditional methods. BARS provides clear standards, improved feedback, accurate performance analysis, and consistent evaluation. However, when done manually it suffers from the usual distortions that are inherent in most review methodologies.

5. Psychological Appraisals

Psychological appraisals come in handy to determine the hidden potential of employees. This method focuses on analyzing an employee's future performance rather than their past work.

Qualified psychologists conduct a variety of tests (in-depth interviews, psychological tests, discussions, and more) to identify an employee's emotional, intellectual, and other related traits. However, it is a rather slow and complex process and the quality of results is highly dependent on the psychologist who administers the procedure.

6. Human-Resource (Cost) Accounting Method

Human resource (cost) accounting method analyses an employee's performance through the monetary benefits he/she yields to the company. It is obtained by comparing the cost of retaining an employee (cost to company) and the monetary benefits (contributions) an organization has ascertained from that specific employee.

When an employee's performance is evaluated based on cost accounting methods, factors like unit-wise average service value, quality, overhead cost, interpersonal relationships, and more are taken into account. Its high-dependency on the cost and benefit analysis and the memory power of the reviewer is the drawback of human resources accounting method.

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complete picture, managers should also be asked for input on individual and team training requirements. Use of 360 degree reviews, where employees—including management—are reviewed by their staff, peers and their manager—may also highlight training gaps. Soliciting input also encourages conversations about and progress on training and development broadly—an expectation of both employers and employees.

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Challenges and Issues in HRM

Human resource management (HRM) is adopted by many companies because of its benefits. But at the same time, various challenges and issues may emerge in front of managers of human resource department while performing their duties.

Any capable HR manager would work on these issues and challenges to prevent the organizational activities from being obstructed. But they must first identify these issues. Such issues and challenges are described here.

In doing so, HR professionals will face the following challenging tasks:

1. Managing Workforce Diversity:

An important challenge that human resource managers face involves workforce diversity, i.e., the increasing heterogeneity of organisations with the inclusion of employees from different groups such as women, physically disabled persons, retired defence personnel, backward classes, ethnic groups, etc.

Whereas globalisation focuses on differences between personnel from different countries, workforce diversity addresses differences among people within the same country.

For instance, more and more women have been joining the organisations in India and women executives have also been occupying important positions at the middle and top levels in the organisations. This in itself is a challenge for organisations as, traditionally, the Indian society has been male dominated.

Workforce diversity has significant implications for the management. The managers will be required to shift their approach from treating each group of workers alike to recognizing differences among them and following such policies so as to encourage creativity, improve productivity, reduce labour turnover and avoid any sort of discrimination.

When workforce diversity is managed properly, there would be better communication, better human relations and congenial work culture in the organisation.

2. Meeting Aspirations of Employees:

There has been a rise in the proportion of employees in today's industries who belong to the younger generations whose aspirations are different from those of the earlier generations. Today's workers are more careers oriented and are clear about the lifestyle they want to lead. Considerable changes have been noted in the career orientation of the employees.

They are becoming more aware of their higher level needs and this awareness would intensify further among the future employees. The managers would be required to evolve appropriate techniques to satisfy the higher level needs of the employees and develop suitable plans for their career advancement.

3. Empowerment of Employees:

There has been a general change in the profile of workforce in industrial and other organisations. The organisations in future will get better qualified and career oriented young employees. The proportion of professional and technical employees will also increase as compared to the blue collared employees.

They will seek greater degree of participation in goal setting and decision-making and also demands greater avenues of self-fulfilment. To respond to these demands, organisations will

have to be redesigned or restructured to empower the employees so that they have sufficient autonomy or freedom to take decisions while performing their jobs.

Empowerment involves giving the employees more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed teams. In future, organisations will follow team structures which will pave the way for empowerment of lower levels.

Empowerment would be all the more necessary to speed up the process of decision-making, make use of environmental opportunities and to serve the customers and society better.

4. Management of Human Relations:

Management of human relations in the future will be more complicated than it is today. "Many of the new generation of employees will be more difficult to motivate than their predecessors. This will in part be the result of a change in value system coupled with rising educational levels. Greater skepticism concerning large organisations and less reverence for authority figures will be more common. Unquestioning acceptance of rules and regulations will be less likely."

Since workforce in future will comprise better educated and self-conscious workers, they will ask for the higher degree of participation and avenues for self-fulfilment. Moreover, the proportion of professional and technical employees will increase in relation to blue-collar workers. The ratios of female employees in the total workforce will also rise. Integration of women within managerial ranks might itself be a problem.

Money will no longer be the sole motivating force for majority of the workers. Non-financial incentives will also play an important role in motivating the workforce. In short, human resources will be treated as assets which will appear in the Balance Sheets of business organisations in future.

5. Dynamic Personnel Policies and Programs:

The Human Resource Manager of tomorrow will not only look after personnel functions, but will also be involved in human resource policies and programs for the entire organisation. Similarly, human resource management is not merely going to be an exclusive job of the HR Manager, but every executive in the organisation would be made responsible for the effective management of people in his unit.

Thus, management of human resource will receive greater attention of all managers from top to bottom. The human resource manager would play a key role in the formulation of personnel policies, programs, plans and strategies of the organisation. Every HR program will

have to be properly planned and directed by the human resource manager in consultation with the line and functional managers.

6. Building Responsive Organisation:

The Human Resource Manager will have to contribute tremendously to the building up of responsive organisation. Creating adaptive customer-oriented organisation would require soliciting employees' commitment and self-control and encouraging empowerment of employees.

Instead of imposing himself as the traditional boss, the future manager will have to think of himself as a 'team-leader', 'internal consultant' and 'change facilitator'.

7. Creating Dynamic Work-Culture:

The human resource manager will have to mobilise a new work ethic so as to assist the top management in setting up and enforcing quality standards. Greater efforts will be needed to achieve group cohesiveness because workers will have transient commitment to groups.

As changing work ethic requires increasing emphasis on individuals, jobs will have to be redesigned to provide challenge to the employees. Flexible starting and quitting times for employees [flexitime] may become necessary. Further, focus will shift from extrinsic to intrinsic motivation of employees.

8. Building Core Competence and Creating Competitive Advantage:

The human resource manager has a great role to play in developing core competence by the firms. A core competence is a unique and unimitable strength of an organisation which may be in the form of human resources, marketing capability, or technological capability. If the business is organised on the basis of core competence, it is likely to generate competitive advantage.

9. Outsourcing HRM Functions:

These days, many organisations are outsourcing routine HRM functions so as to focus on strategic HR issues that affect corporate performance and shareholder value. The HRM functions which are of routine type and can be safely outsourced include recruitment, selection, compensation, job evaluation, training, etc. Outsourcing of such functions would enable the management pay greater attention to core business activities.