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[Author's Note: Kindly note that, the usage of "he/him" in this book to denote employees is to make the reading easier and it is gender neutral.]

MBA(HRM) - III Semester**Paper Code: MBHR 3002****Paper – XII**

Performance Management

Objectives

- To understand the importance of employee performance to achieve the organisational goals
- To identify the process of performance management applications.

Unit-I

Quality Performance Management - Concept - Dimensions - Facilitating Organisations for Performance - Organizational Dynamics and Employee Performance – Job Analysis

Unit - II

WorkPlace and Its Improvement Through 5S - Modern Management Techniques and Management of Employee Performance - Team Building - Concept, Culture, Methods, Effectiveness & Empowerment Problems - Potential and Perspectives.

Unit - III

Organizational Structure and Employee Motivation and Morale - Contemporary Thinking on Employment Practices and Work Schedules - Related Performance Appraisal Systems – Reward Based – Team Based – Competency Based - Leadership Based - Quality Circle - Features - Process.

Unit - IV

Industrial Restructuring - Reward System and Employee Productivity - Performance Counseling – Performance Evaluation

& Monitoring – Methods of Performance Evaluation -Performance Management in Multi National Corporations.

Unit - V

Indian and Western Thoughts - Performance Management in the perspective of Indian Ethos – Ethical Issues and Dilemmas in Performance Management.

References

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UNIT - I

Learning Objectives

After going through this unit, you should be able to understand the following concepts.

- Introduction to Human Resource Management
- Concept of Performance
- Job and Performance
- Performance Management
- Quality Performance Management
- Job Analysis

Unit Structure

Lesson 1.1 – Performance Management

Lesson 1.2 – Performance Management System

Lesson 1.3 – Organisations and Performance Management

Lesson 1.1 - Performance Management

Hello students, welcome to the course “Performance Management”. Performance management is a branch of Human Resource Management. Performance management is an area which is evolving day by day. It is a Global concept, varying in all its dimensions from one part of the world to the other.

As the first step, we are going to brush up a little of what we have learned about HRM in the previous semesters. Let us first see the nature and importance of Human resource Management. It is like an introductory tour on how this subject has evolved and how it has gained so much of importance and talks about. It is not an over-night growth of understanding Human Resource as the assets of an organisation. It is a long journey from acquiring or procuring slaves, extracting and exploiting work from them in pre-historic pyramid days to Labour Welfare, trade unions, Industrial Revolution to participative management, empowerment and employees talked about as assets of company. It is essential to give a look to the basic before building higher. Is it not? So, we begin.

To begin with, we all know the 4m's of organization. Yes. I know you know. But, still let me also spell it out for others who are new to this area. The resources of organization are money, material, machine and Men. In these M's, the last M, that is Men play in all the other three areas. Men have to manage Money, Men have to procure materials, and again Men have to convert the material in to products through machines. And the interesting part is these men, who manages other m's has to be managed again by men. Men and Management.

We call the people who deal with money as Finance dept, people procuring materials as Purchase dept, and the men with machines as Production dept. Now who take care of these men? There enters our role. Human Resource Management. Managing the human side, the 4th M of the organization.

Let me tell you a quote by a CEO of a Software company, “My employees are my most important assets. When they go home in the evening, my net worth drops to zero”. That clearly indicates the importance of Human resource.

Human Resource is the source of knowledge for the organization. It is the source of skill. It is the source of creative abilities. Talents. Growth. Employees keep the organization fresh and alive.

This important resource has to be managed carefully as they are not easily replaceable, like money or machines. Each employee is unique. One of its kinds. If a machine is obsolete or old, you can buy a new one, with the same efficiency or even more. But when an employee goes off, he goes with the experience and knowledge he gained from the organization. We lose something. Even though we can replace sometimes with a good one, still something we lose. There is a funny quote to stress the importance of recruiting and retaining the employees.

“If you offer peanut, you will get only monkeys”.

If you want good performing workers, then you should be ready to pay and try to retain them, as they are the real assets of the organization. This makes the business world focus on this side of management.

You can say it is the buzz word that keeps always the business people alert and vigil that they make sure they are not losing any of their trained, skilled, efficient human assets to any of their competitors. Now they understand that human resource is also valuable like their any other assets they show in balance sheet.

The dimension of the HR department reflects the size of the company. The number of employees in the company determine the number of staff in HR dept. Generally, if the Human resource is huge, then it pulls specialists or separate managers for each of the special function of Human Resource Management. For example, when recruitment becomes a continuous process then recruiters are appointed.

In case new projects need new jobs, then a job analyst is necessary to collect and examine information about jobs and prepare job descriptions.

Then if you need to develop new compensation plans and handle the employee benefit programmes, then you need a Compensation manager. If training and development is a must for your organization then you need a Training coordinator. The list goes on.

What we have to understand from this is the scope of Human Resource Management purely depends on the size of the organization and the concepts of HRM are evolving and relatively new always.

Let me tell you the interesting parts in the development of HRM.

The systematic development of HRM started with Industrial revolution in 19th century. Then it took off as Trade union movement. Then came the Social responsibility era, when Industrialists started adopting more humanistic approach towards workers. And around the beginning of the 20th century, Taylor changed the course by finding out 'one best way of doing things based on time and motion studies, called as scientific management.

We can say the term Human relations started after this and took a shape of Behavioural science management, contrast to Human relations. Human relations concept assumed that happy workers are productive workers. But the Behavioural management era had many individual psychologists who contributed some of the wonderful theories like Maslow's Motivation theory, Hertzberg theory, XY theory, etc.

Thus HRM evolved out of this. When there was large number of workers started working together, they felt a need that there should be someone to take care of recruiting, developing and to look after the welfare of employees. With the evolution of HRM, people were not merely treated as physiological beings but socio-psychological beings as a prime source of organizational effectiveness.

Ok, what we are going to do to keep this resource always flowing and efficient?

In Human Resource Management we will be doing the process of acquiring, training, appraising and compensating employees. Also we will attend to their labour relations, health and safety and fairness concerns.

Let me list out some of the technical termed functions for your understanding.

- Conducting job analysis, that is determining the nature of each employees' job
- Planning needs and recruiting candidates
- Selecting candidates
- Training the selected candidates
- Managing wages and salaries to the employees, what we call as compensating the employees.
- Providing incentives and benefits
- Appraising Performance
- Communicating to and from employees
- Building employee commitment
- Training and development for managers as well as employees.

These are the main functions of HRM.

Some of the important characteristics of HRM are

- Human Resource Management gives focus on the continuous development of the people. It is the expression of the unshakable belief an organization can improve only if the people working over there improves.
- Human Resource Management is a proactive function, it anticipates future needs through HR planning and acts accordingly.
- Human Resource Management takes into account its interfaces with all other parts of the organization.
- Human Resource Management view is ever widening and scope includes all possibilities of improving organization and people.
- Human Resource Management emphasizes on the satisfaction of higher needs for motivating people, such as autonomous work groups, challenging jobs, creativity etc.
- Human Resource Management is based on better performance is a source of satisfaction and high morale.

So, now we move on to our main topic – performance Management. The basic understanding of HRM will now give us the knowledge to appreciate the importance of employee and their performance, and how the performance is vital to the growth of the organisation.

Activity

Imagine you are a HR Manager. Write at least any five thoughts that comes to your mind on 'Performance'

Performance

The first step is to know “performance”. The literary meaning of performance is “an act of staging or presenting a play, concert or other form of entertainment.” Also, performance goes synonymous with “accomplishment” and “Fulfillment”.

As we take the word performance for Business administration, we can define performance as “the accomplishment of a given task with the set standards, precision, quality and completeness”.

Popular industrial psychologist Campbell defines Performance as “behaviour of an individual towards the given task”.

Job and Performance

When we see the meaning of job, it goes as “special task”, “specific work”.

Even though Job and Performance are used in many ways, as two different actions or sometimes both together, like “job is performed”, “job performance has to be evaluated”, it can be considered that when an employee understands and accomplish a given job, he performs, a sort of good job. He improves, involves, fulfills and gets satisfaction when he performs the job, than just doing the job.

When we talk about the job of a singer, that is singing, we say “the singer performs”. The emphasis being the job artistically done, accomplished with heart and soul involved in the job, may be because he is passionate towards the singing.

Hence, the employee in an organisation can also perform the same way, like a singer performs, with involvement and quality improving by every day.

Performance Management

ok, now to the next step. What is Performance management?

Srinivas Kandula defines performance management as “process of designing and executing motivational strategies, interventions and drivers with an objective to transform the raw potential of human resource into performance”.

We can say that “Performance Management is a systematic process by an Organisation to improve and evaluate the performance of its employees as individuals as well as groups.”

In broader view, an organisational goal can only be achieved with the people in the organisation aligning their goals to them. The individual's goal often relates to the improvement of skills and knowledge he possess. If the individuals knowledge and skills can be improved through motivation or training or any other methods, the organisational performance increases and easier to attain the goal. The tough task is to make the employee understand the needs of his own self. A successful performance management is

- Where the employee's interests are understood by the employer and renders his helping hand to develop employee's career as well as his performance and
- The employee understanding the requirements of the organisation, cooperating and accepting the helping hand of employer to increase his performance levels and thus also his self.

Performance Management is conducted and understood on two classifications

1. Performance of the employees in the organisation, which we are studying in detail in this course

2. Performance of the organisation, which is often the net result of the total performance of all the employees put together.

Principles of Performance Management

Performance management can bring quality and effectiveness only when certain basic and fundamental principles are followed. These include:

Transparency

The system should be transparent, free from partiality, bias and discrimination among the employees. If not, the base of the system itself will not be strong to build anything above that. For example, work allocation, promotions, transfers, incentives, and bonus – if based on Performance management, then the system should be transparent and gives no room for employees to complaint.

Employee Empowerment

Participative and empowered employees take the responsibility well. They develop the belongingness towards the organisation. Recognizing and rewarding the employees brings them together to work and achieve.

Organisational Values and Culture

A fair treatment and ensuring due satisfaction to the employees, empathy and trust, respect and treating people equally – are all the foundations for the development of the Culture and values of the organisation, which reflects in overall output.

Amicable Workplace

A work environment which attracts the employee rather than expecting the week end to be away from the workplace is the principle. The workplace should be congenial, warm and amicable to the employees. This helps in improving the quality of work life and balancing the work life.

Characteristics of Performance Management

Performance management is a complex concept that encompasses different dimensions of the organisation and the people. Hence, the performance management has some pre requisites that should be included while designing a system.

Organisational Strategies and Goals

The Organisational vision, mission and objectives need to be clearly and precisely laid down and communicated to all the employees to make them realise what the organisation expects from them. The need of imparting the expected performance in a broader view is essential to create a platform for employees to set their personal goals along with the organisational goals.

Planning

A well planned act is half done by itself. Planning in detail the

- Availability of human resources
- Optimum utilization of resources
- Proper placement of employees
- Output needed to meet with the organisational goals
- Output needed from each individual employee
- Training needs
- Motivation and rewards will be the major helping guide to achieve the expected result.

Leadership

The leadership plays an important role in the performance management system. Even though the system will try to put the people in the places of improvement, it comes to a point where the inner will of the employee will be the deciding authority to move on or not to move on.

Leadership is a simple solution, which can influence the followers, the employees, out of sheer respect, love, obedience, gratitude or adoration

– whatever we may name it, which can influence the employee to decide on the positive side. The pull and charisma of the leader is very important to implement a system of performance management.

Standardization of Evaluation Methods

If the evaluation criteria and methods are not standardized, the management cannot say that they use them to hold the employees to a “standard.”

The aspects of performance that are to be measured must be uniform. Varying level of strictness or different methods of evaluation will only lead to lack of trust and faith on the system as well as on the organisation itself.

Cooperation, not Control

The performance managers should understand that the system of performance management is to nurture the growth and potentiality to performance still better and not to control or exercise authority by finding faults. They should be able to convince the employees too, the concept of performance management is to help them do better and not just simply to report their progress or regress.

Validity

Performance management systems should measure the valid tasks.

- The confusion in role clarity
- Assignment of substitutive tasks
- Task assigned on the initiation of employee
- Additional assignments
- hard to hit targets
- Voluntary assignments taken by the employee

All the above should be considered with due weightage and all the above should be carefully handled in cases of non-accomplishment of the tasks.

Trained Managers for Evaluation

No performance management system can succeed if the managers who conduct evaluations are inadequately trained. The managers should understand the sensitivity of the process, should have empathy, should have knowledge about the work process and necessities of the job, and should know the hardships and obstacles in accomplishing the task.

Scope of Performance Management

Employees are the most significant resource of an organisation. Performance management is the mirror that shows the commitment of the human capital to the organisation and to their assigned task. This system creates an opportunity for the top management to reward the excellent performance or reprimand unsatisfactory performance. This powerful system should be a tool to assess the overall performance of the organisation. This system not only show case the individual performance of the organisation, but it is also a tool to measure the developing steps of the organisation as a whole towards its missions.

The scope of the performance management includes the following:

- Providing employees a better understanding of their role and responsibilities
- Increase the confidence of the employees through recognizing their strengths
- Identifying training needs to overcome the weak areas
- Improve the relationships in the working areas
- Improve communication between superior and subordinates
- Improve teams and team spirit
- Improve commitment
- Succession planning through grooming subordinates to future managers
- Providing space for personal reflections
- Providing a platform for personal development
- Providing assistance to achieve personal career goals
- Providing a better work environment and work place

- Providing counseling to make work life balance
- Improving the overall organisational work culture
- Creating qualitative work environment

And the list grows day by day. As proposed by management guru Marshall Goldsmith, organisations need to shift focus from performance 'feedback' to 'feed forward'. The 'feed forward' approach emphasizes proactive and holistic performance management at individual, team and organisational levels.

Significance of Performance Management

Performance Management system is essentially evaluating and understanding the performance of the employees, but also it is an overall holistic process of a cycle of improving the performance of the individual human who has various interests, various potentialities, problems, ego, and thousand other traits. Hence, we can say that, performance management tries to analyze and find the competency of the employees, identify the areas of performance lack, planning with system to encourage and enhance the performance for improvement.

Performance Management plays the vital role of identifying and enhancing the potentials of employees to fulfill the needs and requirements of the jobs assigned to them as well as to move upward themselves in his career ladder.

Performance Management helps the overall organisation's effectiveness and development by

- Effective business environment
- Improved HR activities
- Motivation
- Improved Work Culture
- Sustainable work force
- Optimal utilization and productivity from the work force
- Scope for continuous learning

Quality Performance Management

The way people perceive Performance Management differs. In some organisations, it is treated as just an annual review, some managers think it as a monitoring system to measure the employee's productivity, where as the reality is "the system that helps employees and the organisations to reach their best level and optimum potential".

Traditional Performance management systems have failed miserably in many organizations due to lack of support from the employees side, who think they are underestimated, victimized, discriminated in the name of performance appraisals. The major drawback is that the traditional system focuses on performance appraisals only. It is thought more as

- A ritual at a frequent interval that happens every year
- A staff activity that interrupts the line activities (productivity)
- A process that creates loss of time and cost
- A process that generates unutilized reports
- A process that creates grievances rising on all sides of the employees (a good performing employee thinks he is not properly rewarded and the non-performer thinks he is underestimated or appraised with biased view)
- A process often used as fault finding tool by the superior
- A system that decreases morale in the work place
- A process that creates lack of trust among employees towards the employer
- A Pay negotiating table than mere appraisal. Whereas the original idea was to create a mutual trust and respect between the superior and the subordinate which can foster performance excellence.

And, this is why, the companies have shrunk the idea of 'performance appraisals' to "incentive" decision appraisals, in reality. Hence, the concept has to grow to the other level, from not being mere appraisals, to a quality performance management system, where a continuous process of assessment and assistance to overcome the found flaws in the appraisal, and bridging the gap between the real performance and the desired performance.

In this purview, Performance management has seen many important developments in the recent decades of HRM. The turning point of understanding is in the importance in delivering the job effectively and qualitatively, not only quantitative and completion and that is what we call as quality performance management.

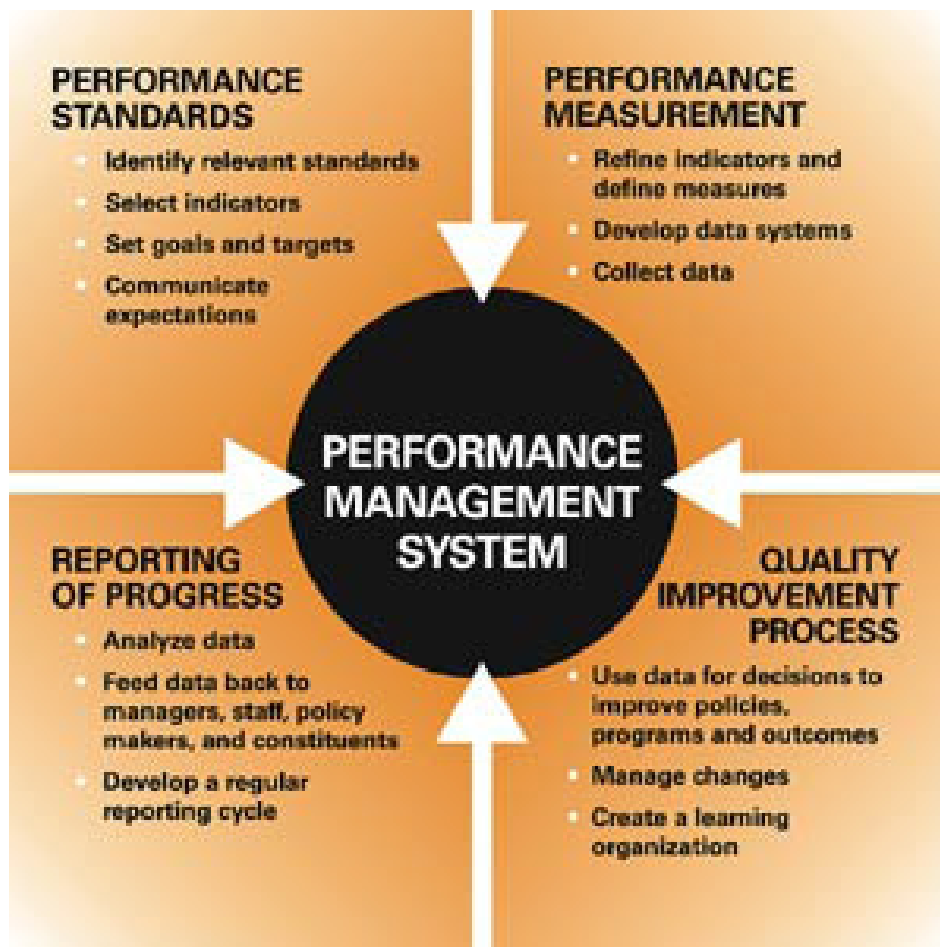
After globalization, we can see that sea changes are flooded in to the markets of the world, leading to talent search to its peak. Movement of knowledge and skilled employees don't seem to have any boundaries. The competitiveness among talents is ever growing. Hence, it is inevitable to plan, act and evaluate the performance to move it higher and raise the bar on every try, for both the organisation and its employees.

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Lesson 1.2 - Performance Management System

The Performance management system is developed mostly according to the needs, size and resource availability in an organisation. Lots of models of Performance Management Systems are developed all over the world. Generally speaking, the basic model of a Performance Management Systems comprises of four major components.

- Setting of performance standards
- Measuring or evaluating the performance
- Quality Improvement process
- Progress monitoring, reporting and rewarding



In other words, we can say, it is a cycle of

- Planning
- Performance
- Reviewing and
- Developing the employee's performance as a continuous process.

Let us see the process in detail.

Performance Planning

Performance planning is the first crucial component of any performance management system. It is a mutual understanding over discussion between the reporting officer and the employee. The employee decides upon the targets and key performance areas which can be performed over the given period. The standards are set on the agreement of both superior and the employee.

Performance Period

During the period of performance, the employee and the superior faces with ups and downs of accomplishing certain tasks, and may not able to complete specific ones. Employee is encouraged and motivated by the superior to finish his task. Performance monitoring is maintained by the superior and the journal of work is maintained by the employee for a better review.

Performance Reviewing and Appraisal

The appraisals are normally performed twice in a year in an organisation in the form of mid reviews and annual reviews which is held in the end of the financial year. In this process, the appraisee first rates himself, called as self appraisal. Usually this comes as form to be filled in with given set of measurable variables. The achievements and obstacles may be filled in by the employee, apart from the regular duties.

As the next step, the employer or the appraiser provides ratings to the appraisee, the one who is appraised.

The entire process of review takes an active turn when both the employee and the superior discuss together the causes for gaps in the performance and how to bridge them effectively.

Feed back and Counseling Session

This is an important phase in the system of performance management. This is where, the entire result of the entire system, whether a success or failure, is determined. Because, we should understand, the purpose of evaluation is not to determine the flaws and errors of the employee. But, to identify them, and help him improve on those areas.

On the other hand, the evaluation may be used to identify the strong areas or key performance areas of the employee, and help him to be an expert, a master in that area.

Hence, this is the stage where the employee gets knowledge about the areas of improvements and also whether he is contributing the expected level of performance or not. When the employee gets a transparent feedback, he feels confident to face with his flaws, as there is no more need to hide them from his superior.

In this stage, the superior has to take all the possible steps to ensure that the employee meets the expected outcomes through personal counseling, mentoring, and training and development programmes.

Rewarding Good Performance

This step is to keep the fire alive. There is an old saying that “once you reach the destination, the motivation to walk disappears”. So, to keep walking, we should fix another destination and move on. Is it not? The same way, when an employee achieves his fixed targets for the period, he feels contented and happy. Next? The same target? ok. He may do, but the enthusiasm would be missing. Hence, demotivation.

To keep him motivated, rewarding helps. When the employee is publicly recognized for his good performance, it directly influences on the self esteem and he will become achievement oriented. Also, the contribution duly recognized by the organisation helps and employee in coping up with any other failures and satisfies his need for affection and affiliation.

Performance Improvement Plans

A fresh set of goals are established for the employee and new time line for accomplishment of the objective is provided. The employee is clearly communicated about the areas in which the employees are expected to improve. Again, this plan is jointly developed by the superior and the employee together. Thus, a fresh cycle of performance period begins.

Performance Management Models

A performance management model is a method of stimulating the employees to adapt themselves to activities that will generate the desired output. It may not be always maximizing the productivity, but to any other desired output like team building, harmonious workplace, violence free environment, socially responsible work group, etc.

The important agenda of performance management model is efficiency. We know that the efficiency of machines can easily be raised by inventing a new technology, buying a new machine or even by overhauling the existing one. But, what we deal with here are humans, which is a lot more complicated. Employees may fall sick, may need rest, vacation, motivation and other innumerable things to raise the level of performance.

A performance management model tries to understand these variables and integrate them into one model. The traditional model creates a timeline and average production as a standard. The group of workers who comes under the category of accomplishing the task is aggregated. Once, the company has a group of performers, it becomes easier to simulate the same model to other groups, who are identified as under producers.

The group of over producers is taken for simulating the average production group. Hence, the bar can be pushed a little higher for each group over a period of time. Using the average as a baseline will effect employees. When people have a clear goal, they will often work to achieve the target. This keeps the employees focused.

The disadvantage of this traditional model is, the under producers when not able to meet the goal, gets frustrated, resentment grows and the group goes down, further lowering the productivity.

Model of Performance Management System

Models of Performance management system are created more often catering to the needs of the organisation. Let us see one model for our understanding.

The model given below is composed of three units, based on the level of influence on the employee performance.

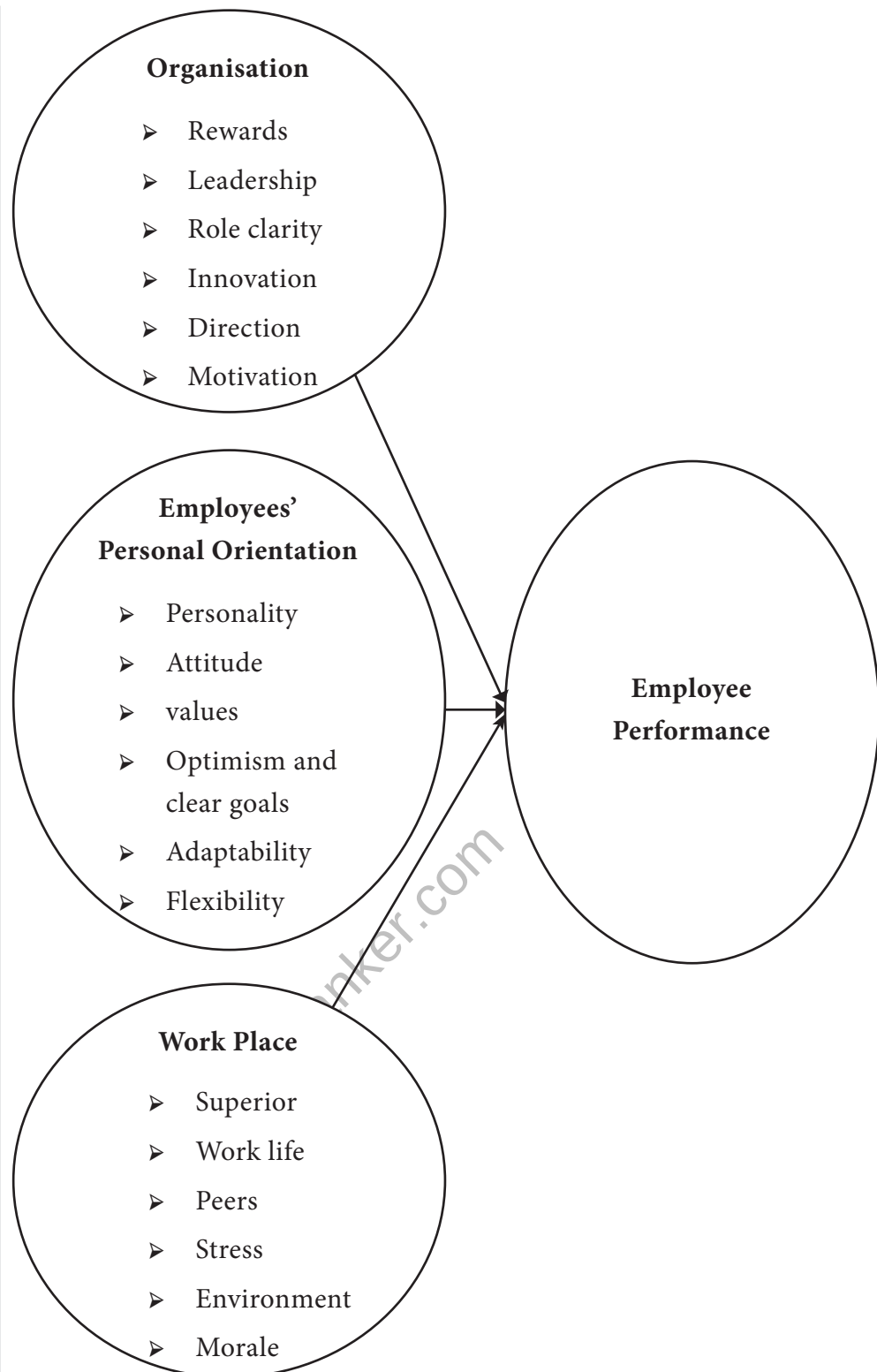
- Primary influence - Organisation (Most influential)
- Secondary influence – Personality, attitude and behaviour (Second Level)
- Tertiary influence - Work place (third level)

Let us see one by one in detail

1. Organisation - Primary Influence

The influential factors in an organisation are as follows:

- Organisational structure
- Employee Motivation
- Work place and its implications like, work place privacy, workplace violence and harassments, workplace harmony and cleanliness
- Management techniques and methods
- Teams
- Monitoring and control systems
- Effective leadership
- Performance evaluation systems
- Reward System
- Performance Counseling
- Organizational culture and work climate



2. Personal Orientation

The factor that comprises the personality of an employee obviously effects the performance of the employee. The five factor model is used by many researchers of industrial psychology to categorize the dimensions of personality. They are

- Emotional Stability
- Agreeableness
- Conscience
- Openness to experience
- Extraversion/ introversion

Apart from these, there are many other factors, what we commonly use in our business terms like,

- Attitudes
- Beliefs
- Values
- Knowledge and skills are also important factors that determine the employee's performance.

John Campbell defines eight behavioural dimensions of Performance. They are

1. **Job-specific task proficiency** -how well an employee can do his job
2. **Non-job-specific task proficiency** – how well an employee can do other jobs, related to his job, in the organisation
3. **Communication** – how well an employee can communicate, both written and oral
4. **Demonstrating effort** – How well an employee can be committed and persistent at his job
5. **Maintaining personal discipline** – how well an employee can avoid negative behaviour
6. **Facilitating team and peer performance** – how well an employee supports his team and peers
7. **Supervision** – How well an employee influences his subordinates
8. **Management and administration** – How well and employee performs others management functions such as organising, controlling etc.

Taking a good view of understanding in this side of the employee by both, employee himself and the employer will help in identifying the blockages in better performance. Making a note of these behavioural

standards in the performance evaluations will create quantum leaps of better relationship between the appraisee and the appraiser. Usually, Performance Counseling method is used to stimulate and rectify the problem areas in this sector. We will be having a better view of performance counseling in the forth coming units.

3. Work Place and its Influence

Workplace is where the employee performs his job. The work place has a lot of implication over the performance of the employee. The major factors are

- Relationship of Superior and the subordinate
- Relationship among the peers and team mates
- Work life balance
- Quality of work life
- Quality of work place
- Workplace privacy
- Workplace violence and harassments
- Workplace harmony
- Workplace stress
- Morale level
- Workplace environment

We would see these in detail in the forth coming units.

Activity: Make a model of Performance Management system for your personal activities during weekends.

Lesson 1.3 - Organisations and Performance Management

Facilitating Organisations

Dear learners, we have seen the importance of the employee's performance in many dimensions. We have stressed all the way that, the behaviour of the employee has to change to perform. And, we have also seen that the organisation has to pave a way, clear the path and assist him to do so. How to do that? The organisation should be facilitating to improve the levels. Let us see, what are the key points, an organization should do to make this possible.

1. Key Result Areas

Also called as key performance index, Key result area is the primary responsibility of an individual employee. It is the core area of his job, for which he is answerable and accountable. If the KRA is clearly outlined without any ambiguity, the employees focus will be sharp and smooth.

2. Goals

The individual contributions are collectively the big result. But, the goals set are often top-down process, and a little share in deciding the goals of the organisation, or his division, or his individual job goal, is even a question mark for the low level employees, who are the real players in the field. Hence, the morale and motivation can be triggered positively if the employees are given a say while deciding goals for their divisions or departments. As, they too are responsible for the goals set, they take it as their task to accomplish it.

3. Holistic Approach

Key result areas, individual goals, organisation goals, department goals – may be all these are diverse, but it is the responsibility of the Top management and the performance manager to have a holistic approach and see to that they don't collide with each other, but sail smoothly side by side.

4. Being Specific

The organisation should ensure that the promises and platforms created for development are for real. For example, an announcement of incentives to innovations and a following appraisal report condemning the time spent on research wing rather than the work floor will not yield good result. If the organisation needs innovative ideas from the employees, then the time budget and flexibility should follow, so that the employees without ambiguity can do their work.

5. Leadership and Ownership

The most important facilitation the organisation should do is – taking the ownership and responsibility of the performance management process. The Governance as well as the top management should have the time and courage to ask questions like

- “is the vision and mission are real, and for to be achieved?”,
- “do we really respect and empathize our employees?”,
- “are the benefits for employees really helping?”,
- “do we really reward employees who demonstrates organisational values?”,
- “can we reward best efforts also equally to best performance?”,
- “do we really reach till the last level of employee, are the communication channels working without clogs?”.

Questions may look silly, but the answers will give a clear picture of the leadership and ownership responsibility and commitment of the top management.

6. Commitment

When we talk for centuries that the employees should be committed and loyal to the organizations, it is now time to go vice versa. The employee's performance and the organisation's commitment towards the employees are directly related. When the companies can show genuinely their commitment to their employees by continuously improving their standards of overall Organisational performance and management, the

employees feel that the company really cares for them, and they do matter to the organization. More than anything else, this facilitates performance.

Job Analysis

Dear learners, before concluding this unit, we have to go through a brief refreshment of our previous semester topic – Job analysis – for a better understanding and an appreciative view of the course performance management.

Job analysis is the systematic study of jobs to identify the work activities and responsibilities related to a particular job. Job analysis process collects information on the needs of job, the work behaviour necessary to complete the job and identifies the qualities and qualification a person should have to perform that job.

When job analysis is done, the Manager may have two outcomes now:

Job Description

It is an organisational statement of the job contents as duties and responsibilities. The preparation of job description is very important, because any misleading facts or ambiguous description may lead to poor performance and also appraisal. The description usually contains,

- Title/ Designation of job
- The nature of duties and operations to be performed in that job.
- The nature of authority- responsibility relationships.
- Necessary qualifications those are required for job.
- Relationship of that job with other jobs
- The provision of physical and working condition or the work environment required in performance of that job.

Job Specification

Job Specification is the statement of eligibility conditions for an employee to fit into that job. Job specification is the translation of job description into Human qualifications to perform that job. It usually contains

- Job title and designation
- Educational qualifications for that title
- Physical and other related attributes
- Physique and mental health
- Special attributes and abilities
- Maturity and dependability

Role of Job Analysis in Performance Management

A job well started, is half done and also ends well. Placing a person in an organisation is like planting a sapling. If wrongly placed the tree may not grow well and bear fruits. Hence, it becomes vital to identify the right place for a person.

This will be successful only if the employer knows about the place as well as the person. The job, however important or unimportant it may be, it certainly has its impact in the overall performance of the organisation. If the job is well understood beforehand, it becomes easier to place the right person and bring in the desired output.

Job Analysis Matrix

<u>What the Worker Does</u> Duties Tasks Responsibilities	<u>How the Worker Does it</u> Methods Tools Techniques
<u>Why the Worker Does It</u> Products Services	<u>Worker Qualifications</u> Skills Knowledge Abilities Physical Demands

Summary

So, we are standing at the conclusion of unit I. The purpose of this unit is to introduce the concepts of HRM, Performance and Job. We have seen the principles, characteristics, scope and significance of performance Management. Further, we have seen the new concept “quality performance management” also. For your better understanding we have gone through the system of Performance management and a sample model. The important attributes an organisation should have to facilitate the employee performance is given next. Job analysis, an important part in deciding the future of the performance of that job is explained briefly. Hope, you had an interesting unit.

Self Assessment Questions

1. What is Performance management?
2. Explain the process of performance Management
3. Is Performance management a continuous process? justify
4. Explain in detail the organization's role in facilitating employees performance.

CASE STUDY : Introduction

The curious and interesting part of this course is, we are not far from our real lives. As distant learners, most of you might be employed. In that case, you may felt in many areas of this unit as close to real time situations often we meet with.

Hence, as a part of our curriculum, understanding and analyzing case studies throws better light than the theory part. Here is the case study. Read with concentration, mark the important points while reading and think for a while. Analyze, argue and assert the situation with a perception of HRM concepts. Go on.

CASE STUDY

Senthil is working as Senior Executive in Finance Department. He had dreams of breaking big into the world of literature, but unfortunately his accounting skills and Graduation in accountancy attracted more jobs than his language skills (B.com was his father's choice of study for him. Not his choice. Obviously his choice was to pursue English literature. Like wrong placements in HRM, wrong placements in education also happens).

One day in a 'Reach programme' (an internal meeting, designed and headed by the CEO of the company to meet all the employees till middle management level to discuss on the problems and policies) Senthil initiated an idea of bringing out a news letter for the organisation. CEO was immensely happy with the initiative and immediately sanctioned Senthil the facilities to do so. As it was the first of its kind in the organisation, Senthil found it time consuming and tough going with the regular work he has to do. His peers were not that helpful as they belong to Finance Department, people of numbers and not words.

Somehow, he worked day and night and brought out draft with a layout he designed. CEO called for a meeting to decide on release of the news letter. An issue raised on "who should be named as editor?". "senthil?"

Finance Manager, who was irritated with the delayed pending works of Senthil because of his new assignment argued that a senior level executive cannot be the editor of a new letter with authenticated news of the organisation as it may reduce the importance of the newsletter. CEO accepted this and hence, general manager's name was decided as editor.

As the meeting continued, slowly the role of Senthil was totally forgotten and general manger took the responsibility and credit, as he is now in-charge of the letter. As the last level subordinate among the members in the meeting, Senthil doesn't even had a chance to say a single word.

At the end of the meeting, CEO was planning to thank senthil for this effort, but unfortunately an urgent phone call from his supplier abroad made him close the meeting and forget the small 'thanks', due for senthil.

Senthil came out of the conference hall exhausted, disappointed and so many other feelings he didn't want to identify. He has not consciously expected anything in return, as he has purely took this effort to satiate his literature thirst, but still he felt hollow inside.

Finance manager added fuel to his fire by commenting "ok, as now it's over, finish all the pending work of yours by tomorrow".

Senthil decided that, he will not take up any voluntary assignments in future or voice out any innovative ideas in meetings, till he is with this organization.

Thinking Arena

1. What is your opinion on senthil's decision?
2. Does Senthil is eligible for appreciation or reward?
3. What is wrong with the organization's performance management principles?

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UNIT - II

Learning Objectives

You are supposed to understand the following after you go through this unit

- Implications of Work place in Performance Management
- Work place privacy
- Work place Violence
- Workplace Stress
- Workplace Harmony
- Workplace Ethics
- Work place improvement through 5S Concept and its relevance to employee Performance
- Modern Techniques of Performance Management
- Team Building –Concepts, culture and performance

Unit Structure

Lesson 2.1 - Work Place and its Dimensions

Lesson 2.1 - Workplace improvement Through 5 S Concept

Lesson 2.3 - Modern Management Techniques in Performance Management

Lesson 2.4 - Team Building

Lesson 2.1 - Work Place and Dimensions

Introduction

Dear learner, in this lesson we are going to discuss on an interesting and important concept called “Work Place”. A work place is generally defined as “a place where work is done”. Work place has various forms, design, lay out. Work place may be for production, packing, book keeping, managing, storing etc. You may now think why we have to know about work place. Good question. Think on these lines. A work place is similar to that of a living place. The place we live is important to us in many ways. It should be clean for some, should be spacious for some and should be peaceful for some and so on. Why we get attached to the place we live in, because it influences our behaviour. A clean, calm, ventilated, cool and bright setting of home gives us happiness. On the other hand, a dirty and problematic home may result in depression and demotivation. The same way, the work place has its implications in the productivity of the employees working over there. A cleaner, friendlier work place will certainly help to improve the quality of work life of the employees and also will result in increased productivity.

There are a few important concepts related to work place, which we are going to see in detail below. These concepts are for understanding the various issues of workplace all over the world and the importance of a better work place for better performance.

Let us first see Work place Privacy.

Work Place Privacy

Going by the dictionary Work place Privacy can be defined as “Freedom for employees from unauthorized intrusion from the employers’ or the general right of the Individual to be let alone”. In other words, “Work place privacy is a quality or state of not being under observation and freedom from unauthorized intrusion”. Privacy at home or at our

place is of course different from the one at our work place. Work place is common to many other people and obviously owned and controlled by other people. But still, there is a level of privacy the employees has to maintain, in order to perform their job in an effective manner. Even though privacy is generally accepted as a basic right, whether it is for the personal information or the place of work, the question is where to draw the line.

The level of information sought by the employer and the level of information used by the employer are all under the vague umbrella of work place privacy.

The major issues of work place privacy and its violations are as follows:

- Electronic surveillance and Video Monitoring of employees at work place
- Monitoring of emails (including personal emails) of the employees through the office server system
- Tapping of phone calls of employees during office hours
- Credit check on employees
- Seeking personal information of employees

The above said issues are ongoing debates and yet unresolved in many countries. In USA, invasion of privacy is considered to be a major infringement of individual rights. In India, the MNCs and industries with western ties like BPOs, KPOs and Software companies are the major users of softwares to monitor the employees. The popular softwares like “specter soft” and “VPI empower suite” are available in the market which are specially designed to monitor the desktops and phone calls of employees in the organisation.

On the other side of the coin, employers justify the surveillance or monitoring by stating the following reasons:

- Monitoring employees helps identifying genuine and honest employees
- Surveillance improves productivity
- It helps in keeping a check on thefts in the organisation –may it be

materialistic or knowledge base or data base

- When employees know that they are under observation, they try to act cordial and amicable to co-workers and conflicts are reduced
- Cuts out the misuse of internet facilities
- Keeps check on Industrial espionage
- Cuts our computer slack time
- Keeps the misuse of company resources at bay

Even though critically commented, there are situations where we cannot say altogether that monitoring the employees is wrong. As in the present scenario, where technology rules and day- by- day new softwares are invented to do millions of things from your desk top, the concern over the sustainability and reputation of the organisation becomes vital. The employees, particularly those who have negative thoughts about the organisation, may misuse the organisations possessions or name to damage them. For instance, let us imagine a scenario.

An employee who is in cash transactions of a financial company may use the company email id to create a rumour about funds manipulation in the company. There may be investigations later, may be the culprit gets punishment, but the damage done will be irrevocable. Once the goodwill and the reputation of the financial company gone, it's gone forever. If there is a surveillance system to monitor the emails, this problem would have been stopped before happening.

It can be explained through a real time document of Davis & Company, on the year 2000 "The employer is the custodian of the griever's character or the conduct. However, his conduct is a concern to the employer if it adversely impacts on the legitimate business interests of the employer".

Apart from the data base security concerns, the work time wasted in internet surfing is also a major issue in work place monitoring. An article from IIM, Bangalore mentions that approximately 8 lakh rupees is calculated to be wasted on cyber slack time by a software engineer in India. If we imagine the total wastage for the software industry in India, we should be certainly on the side of employer and will start justifying ourselves for work place monitoring.

Activity

Read the following survey report excerpt:

A 2007 survey by the American Management Association and the ePolicy Institute found that two-thirds of employers monitor their employees' web site visits in order to prevent inappropriate surfing. And 65% use software to block connections to web sites deemed off limits for employees. This is a 27% increase since 2001 when the survey was first conducted. Employers are concerned about employees visiting adult sites with sexual content, as well as games, social networking, entertainment, shopping and auctions, sports, and external blogs. Of the 43% of companies that monitor e-mail, nearly three-fourths use technology to automatically monitor e-mail. And 28% of employers have fired workers for e-mail misuse.

Close to half of employers track content, keystrokes, and time spent at the keyboard. And 12% monitor blogs to see what is being written about the company. Another 10% monitor social networking sites.

Almost half of the companies use video monitoring to counter theft, violence and sabotage. Of those, only 7% state they use video surveillance to track employees' on-the-job performance. Most employers notify employees of anti-theft video surveillance (78%) and performance-related video monitoring (89%).

Source: [http:// www. press.amanet.org](http://www.press.amanet.org)

1. How would you react if your employer notify through a circular that your desktop, email and phone calls will be monitored at your work place?
2. If you are an employer, with a report saying that your employees are using the internet facility for surfing and personal emailing, what would be the action on your part to increase efficient work time?
3. When an employer justifies workplace monitoring by curbing thefts and violence at workplace, what is wrong in it? Where can it go wrong?

You may now think “so, violations in work place privacy are allowed then?” The answer is NO. It is just that, monitoring systems are necessary to keep the performance of employees at the expected levels and standards. It becomes questionable only when it crosses the line. The problem is, most of the time that line is invisible and most often, employees doesn’t bother or doesn’t know about this line. This workplace privacy issues will be well sorted out when, both employer and employee understand their responsibilities and try to keep up their performance to their competency level. It is important in present day context that, employees should know their rights in the workplace regarding privacy along with their sense of sincerity and responsibility, if possible a little dedication, towards their work.

Work Place Stress

Work place can be stressful at times. Whatever may be the industry, institution, organised sector or unorganized sector – the presence of stress is inevitable. Some stress are good and gives motivation. Stress makes us stronger. But, when it crosses the limit, it creates bad effects.

Stress is a very commonly used term in our world now. Not only you and me, we can see that even school children say casually that they are stressed of their project works or home works. Whether we understand the term correctly or not is an interesting question of course. But one way or the other, we understand the implications and symptoms of the concept of stress. Like, we identify the frequent outbursts, frustration, headaches, anger – all these or any of these or any other things other than these – without any justifiable, identifiable, obvious reason, may be symptoms of stress.

Work place gives employees a lot of scope to develop stress. They are called as stressors – Think of these things:

- Employees work in confined places – most often cabins, rooms.
- Employees work with people around – on top as superiors, bottom as subordinates, and peers all around – forced on us and often not very amicable and friendly, sometimes the worse – with hatred and enmity

- Employees work with targets ahead – targets of different kinds like targets based on time, quality, production, knowledge, skill etc
- Employees work on challenges, over load of work, sometimes under load. Over responsibility, over authority or under power – any of these, which ever not properly balanced, make us feel stressed
- Employees often have to forget home in office and office at home, which most often they are not able to.
- Monotonous, soul less routines of procedures of work, causing thoughts about the irrelativeness in one's own passion and job
- Low levels of Job satisfaction

These are just samples of how a human mind can start on feeling depressed. Let us first see, what the academic world thinks of stress. Here comes the definition:

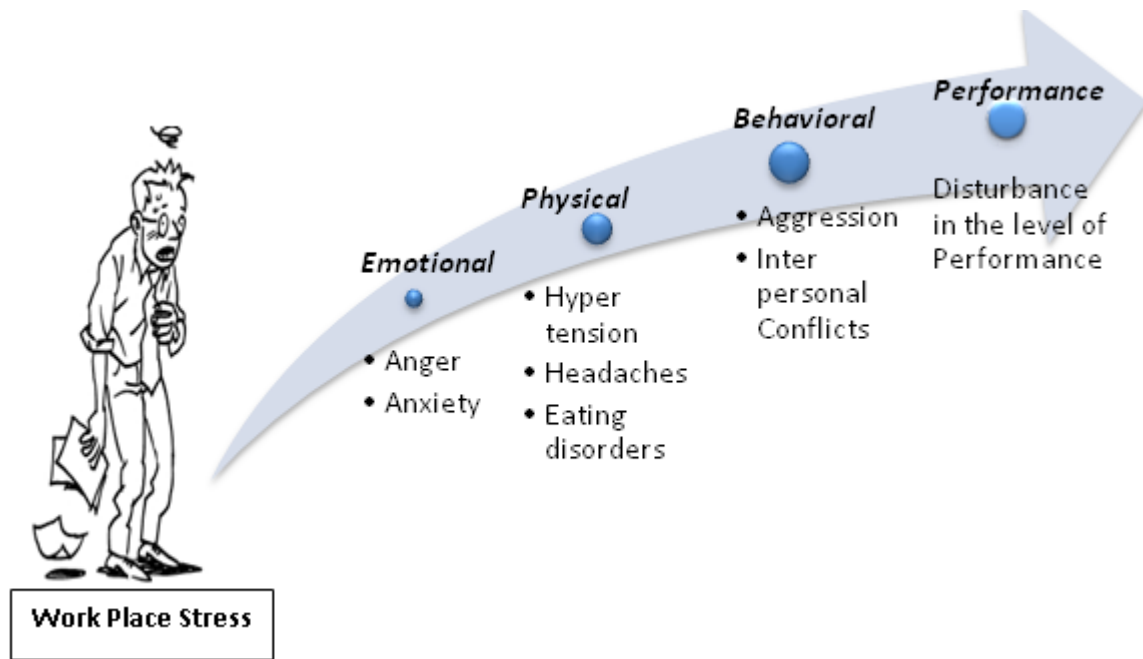
Work place stress can be defined as “a person's physiological and psychological response to external stimuli that demands reaction from the person's physical or psychological system and create imbalance in the activities of the person.”

The reason we have to look upon stress as a serious issue related to employee performance is, that, stress changes employee behaviour. It has been identified that stress causes the following behavioural changes:

- Difficult to focus
- Losing sense of humour
- Losing temper
- Over eating/ under eating
- Excessive smoking/ drinking

It seems that, the overall belief is “Work place stress is the curse of this century on human kind”. Look at this interesting quote:

“Stress is when you wake up screaming and you realize you haven't fallen asleep yet”



If you look at the above illustration, you can see that stress starts up as a change in emotions.

Anger, anxiety, frustration, irritation- all are very common symptoms. Slowly when gets accumulated it turns its self towards the physical side and create disorders like obesity, hyper tension, headaches, heart burns and the list is a long one. After this stage, behavioural changes start appearing and conflicts between relationships, peers and sometimes with the person himself. As for as our scope of performance management, we are worried about the performance of the employee. So, what is the result of accumulated stress on the performance - the result is decreased performance.

Types of Stress

Even though the new age psychologists comes out with quite an impressive collection of technical terms for different types of stress like Time stress, Anticipatory stress, Situational stress, Encounter stress, acute distress, chronic distress etc, let us confine ourselves with the basic approach – the three important stress types are

1. Eustress (Good stress)
2. Neustress (neutral stress)
3. Distress (Bad stress)

Eustress

Eustress is a positive form of stress. Let us think on situations when we will feel tensed with happiness, thrill of enjoyment, spiraling expectation for a joyful event. Consider the following:

- An inspirational speech you listened to,
- A motivational appreciation from the Boss,
- Unexpected Promotion with a hike in salary,
- The person you love accepting the marriage proposal,
- Dinner with a role model celebrity

All these fall under the category of good stress. Eustress situations gives you stress, anxiety and increased levels of adrenalin but you will enjoy the feel of stress and will not be harmed by it – physically or mentally.

Neustress

Neustress is neither good nor bad. It is neutral stress. It will not have any effect on our system. But the problem is, when accumulated, it may fall into either of good stress category or bad stress category. For example, news of a film stars marriage postponed in a neighbouring country would not give us any reaction. But, if it is because of a disaster in the same area like flood or earthquake, it slightly shakes us. If the earth quake area is where our relatives live, now it starts to stress us. Hence, a Neustress doesn't have any impact by itself, unless carried over or accumulated and can fall into either side of the wall.

Distress

Distress is the most common type of stress, having negative implications. Distress takes a toll on the body too, that is where it becomes a bad one. Physical health is troubled by the distress, as it gives a cumulative effect and easily multiplies with whatever comes your way with a face of problem. Usually distress is divided into two called

- Acute stress and
- Chronic stress.

Acute stress appears and disappears over a short period of time and can be intense, while chronic stress may not appear to be intense but lingers for a much longer period of time. Whatever be the name we give, distress certainly is a hindrance to the performance level of the employee.

I hope you have understood that there is a positive correlation between the stress level and the performance level. Hence, next topic for discussion is how to keep the performance levels as desired by us and our employer. Let us see some of the measures the employee and the employer has to take to control the stressors in the organisation.

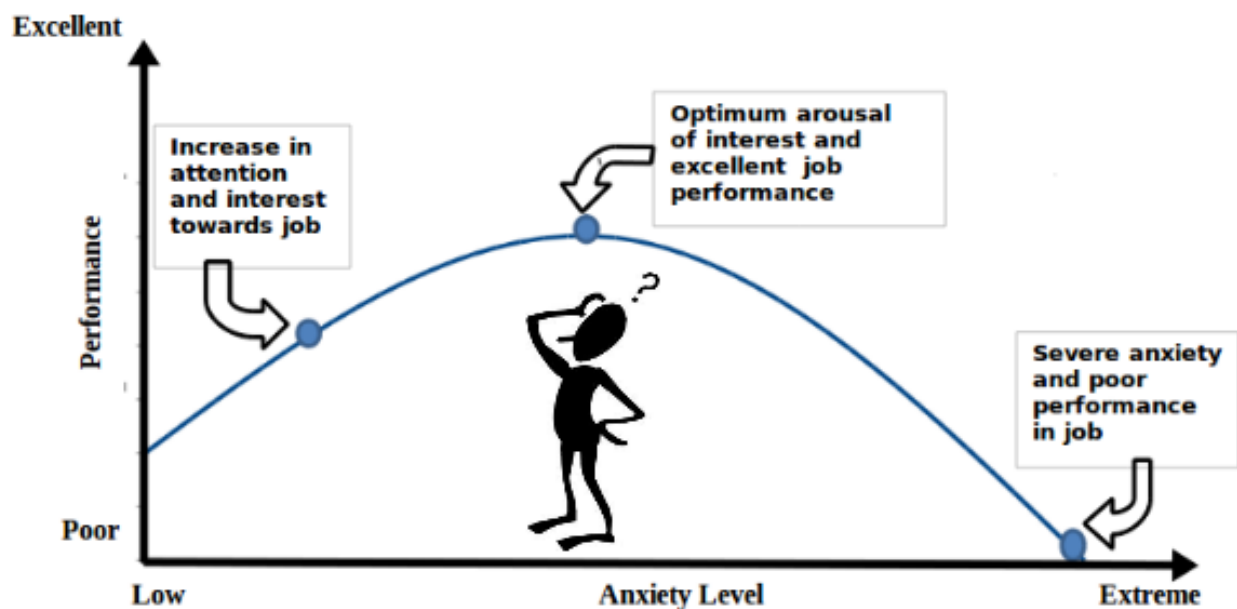
Measures to improve Performance and Decrease Stress

- **Environment:** Creating a positive environment with a friendly atmosphere and freedom of work space will result in reducing the work place stress
- **Realistic targets:** Targets that are practically possible to attain is a real attack on the common stressor.
- **Leadership:** Effective and empathetic leadership is a key to curtail the stressors
- **Work life balance:** When the employer takes initiative to bring out a qualitative work life for his employees, the scope of stress will be gone forever in the organisation
- **Culture:** The organisational culture, when entwined with the welfare of the employees, many factors that creates stress can be cut.
- **Stress Management:** Employer can introduce small stress management Programmes to create an awareness of stress and its effects. Stress management techniques such as meditation, yoga, laughter therapy, counseling, paid vacations, outings, get-togethers – can be introduced as a regular practice in the organizations to keep up the well being of the employees. Identified as the high stress industry – Software development industry had implemented many successful stress management programmes as employee welfare measurements.

Ok, now let us move on to another symptom of workplace behaviour which causes disturbance in performance of the employees. It is called s work place anxiety.

Work Place Anxiety

Anxiety at work place is an unavoidable phenomenon in the ever growing globe of corporate world. The Symptoms of anxiety range from obsessive worry and racing thoughts to fears of appearing nervous and avoidant behavior. Those who suffer may go to incredible lengths. The line between normal anxiety and abnormal anxiety is very fragile one. The symptoms of fear, nervousness while facing people and feeling awkward at some situations are anxieties of normal type. It poses a threat of stress only when anxiety starts controlling the employees. Employees, especially those at the managerial level when consumed by worry and anxiety may face a plunge in productivity, career de-railing and risk of mental health.



The figure shows the linear relationship of anxiety and performance. When an employee is not having any anxiety, which means he is not having any interest towards the job and feeling bored. When there is no push from within the person, the performance will be very low, without any involvement and attachment. He is in a demotivated condition.

When anxiety piles up, his interest is aroused and hence, he starts enjoying his work. His performance boosts up and at one point, the employee reaches the optimum level of his performance. Unfortunately, if the anxiety at this level fails to cease down, the employee finds himself

in a crisis. He doesn't find a way to cope up the developing anxiety, as his competency level is used at maximum and he is exhausted. At this stage, the performance slowly dives downwards and in due time, if not attended with correct remedy to decrease the anxiety level, reaches the bottom line of performance. What do we mean by remedy here? Proper communication between the subordinate and the superior, accomplishing the competency deficits to achieve the goal, timely assistance by the team, counseling if necessary, a little motivation etc. when the organisation steps in through superior to help the employee cope up with his anxiety, that's what the remedy is.

Feeling of uncertainty and powerlessness is the reason behind the work place anxiety. The Managers should understand this to help his employees overcome and have a control of this symptom. Psychologists suggests following tips to control the anxiety in the work place:

- Loving the job or doing the job we love to do! Satisfaction in job and being passionate about the work outcome is an important self esteem booster.
- Having trust on trustable peers. After all we are all social animals and we need human company during stressful work hours.
- Creating own self identity and not hesitating to be creative, because it stimulates the stress busters in a natural way
- Creating awareness and knowing the symptoms of anxiety and stress and make it out in a positive way. Eustress is really a good friend.
- Improving time management skills and having work and workplace organised.
- Relaxing and loosening up as often as possible during work hours. It is not that hard as we think. Relaxing needs hardly 2 minutes like walking a small bit through the office corridor, closing the eyes for a few seconds, taking a deep breath, etc
- Trying to accept and embrace the changes and challenges as they come. Too much of resistance takes the toll on mental as well as physical health.

Work Place Violence

The term “Work Place Violence” is often misleading and we think only about the incidents in history like the riot happened in Maruthi Plant in Manesar. But, the reality is more painful. It is more an issue than just what merely affects the performance of the employees. Work place violence not only has the negative impact over the employee performance, but sometimes destructs the life of employee, physical health or mental health. In an organization, work place violence may be in any form of

- Intimidation
- Harassment
- Bullying
- Physical abuse
- Verbal attacks
- Minor injuries
- Unwelcome teasing
- Harmful or malicious gossip
- Verbal or written threats and
- Intentional property damage

It also includes

- Damages caused by animals in the workplace
- Hazardous chemicals
- Laboratory experiments
- Hazardous machine operations
- Work in terrorized zones
- Work in dangerous and unhealthy climates etc

When we talk about violence, we think of heavy physical damage and pain. But, hurting of mind and soul is almost equal or even worse than hurting the body. The popular *Thirukural in Tamil* has a hymn of two lines “*Theeyinal sutta pun ullarum, aarathey naavinal sutta vadu*” meaning “the scar of fire will heal sooner than the scar created by the tongue (words)”.

Work place violence usually involves

1. Employee and the employer
2. Employee and co-worker
3. Employee and customer/ client
4. Employee and outsider

Employee and the Employer

The acts of violence like verbal abuse, throwing the table weight or files, hitting/slapping in the workplace is the commonly visible in many places. It is not necessarily the victim is always the employee –most often the victim may be the manager or the superior. The recent incident of riot and violence in Yanam, an enclave of Pondicherry union territory given in the activity box below will make you understand the seriousness of this issue.

Activity

Read the excerpt of news given below:

The Hindu, dated: 27th January, 2012

In a major outbreak of industrial violence following the death of a trade union leader, a top official of a ceramic company in Yanam, a small enclave of Puducherry in Andhra Pradesh, was killed by workers at his residence here on Friday.

The workers went on the rampage after their leader M.S. Murali Mohan was killed in police action outside the factory. A group went to the house of president (Operations) of Regency Ceramics Limited K. C. Chandrasekhar and attacked him, resulting in serious head injuries.

Trouble had been brewing in the factory since January 2, with more than 800 contract workers staging protests daily demanding that the services of senior workers be regularised and wages revised.

Mr. Mohan, leading these protests, went to the factory at 6 a.m. on Friday and tried to obstruct workers going for the morning shift. Police personnel attacked him with batons, resulting in chest injuries. He collapsed and was rushed to hospital, where he died.

As news of his death spread, workers started destroying the company's assets. Dividing themselves into groups, they first targeted buses being run for students of the Regency Institute of Technology, dousing them with petrol and setting them ablaze. Another group went to Mr. Chandrasekhar's house and attacked him. He was shifted to a corporate hospital at Kakinada in Andhra Pradesh, where he died.

1. Write your opinion on work place violence

2. Is the safety level of Top official poorer than that of the lower level employees?

3. Can you recollect any work place violence incident in India which is hard to forget?

In global scenario, the Corporates are taking steps to curb out these inhuman practices. Let us take a look at the "United States Bureau of Labour Statistics" fact sheets. From 2006 to 2010, an average of 551 workers per year was killed as a result of work-related homicides. A preliminary total of 4,609 fatal work injuries were recorded in the United States in 2011. The table below is "Fatal workplace shootings" that happened in the year 2008 and 2010.

Year	2008	2010
Total fatal injuries	421	405
The major percentage is from the industries below:		
➤ Retail trade	24%	27%
➤ Leisure and Hospitality	17%	15%
➤ Government	14%	17%
➤ Other industries and services like Transportation, Construction, Agriculture, manufacturing and Financial Activities share the remaining.		

A Campaign poster created by CAWV, the Coalition Against Workplace Violence, based on Canada and an interesting fact from the same.



One in three employees (29%) reports experiencing verbal threats, ridicule or harassment. Intimidation and verbal threats, however, could lead to physical harm, and thousands of employees go to work in fear, as the poll shows.

As a step to curb the work place violence, all over the world, Governments are also taking steps to ensure safety at the work place. As on today, Indian Government is also on the path of imposing a check on sexual harassment of women at workplace.

The Rajya Sabha on Tuesday, 26th February 2013, expressing concern at the increase in sexual offences against women, approved the amended Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Bill that seeks to provide protection to women in unorganised and organised sectors, including the private sector. The Bill covers sexual harassment of domestic help and agriculture workers also. The Bill, which has already been passed by the Lok Sabha was approved unanimously in the Rajya Sabha.

Source: The Hindu, dated 27th February, 2013

This topic is given with a lot of fact sheets instead of theory and concepts. It is to know that what we talk about is not only in Books or in some other geographical location, but around us. The rates of convictions are too high in western countries when compared to India. But still, it is an area the Business world is keenly watching for new practices and methods to keep the violence issues on check. Some factors worth considering are

- The organisational culture and value system can avoid such unfortunate happenings to an extent
- It is the duty of the management to address the grievances of the workers at an earlier stage. The unattended grievances accumulate and convert itself to mob violence and hooliganism
- If necessary, even an external agency may be sourced to understand and solve the problem.
- To avoid the third party (external people) violence on the employees, like a customer attacking a Counter sales man, the employer should have a vigil arranged in the work places where such incidents are expected.
- Installation of alarms, bright and effective lighting in the work place, installation of surveillance equipments to monitor the activity, controlled access to the work place and other modern techniques can be used to prevent violence.
- Moreover, creating awareness amongst the employees on the rights of their privacy and safety will be the best and foremost solution to prevent the unfortunate happenings.

To conclude, I remember a quote of Albert Einstein, it goes like this “The world is a dangerous place, not because of those who do evil, but because of those who look on and do nothing” (and makes the evil exist).”

Work Place Harmony

The next topic is a step on the positive side. A harmonious work place. The dictionary meaning of Harmony is “the quality of forming a pleasing and consistent; the state of being in agreement or concord” and harmonious means “free from disagreement or dissent”.

Work place harmony is employees creating a unique wave of work flow together. As the literal meaning of harmony says, it is like creating a beautiful sweet music together, harmonious environment free from arguments and disagreements.



Dear learners, I have a question for you. Have you ever had a chance to watch the singing choir group, or a music orchestra playing symphonies or a group of young men climbing on top of one another to reach for the jackpot or a group of tribes entwining each other's hands, dancing in a big row without messing up? That is harmonious.

It would look beautiful to see the performance of the above said examples as

- A team work,
- The leader or conductor setting things in motion without losing his cool,
- All members performing with perfect synchronization without confusion or tension,
- Not interfering in others area of work,
- Enjoying the performance they do,
- Feeling pride of what they are.

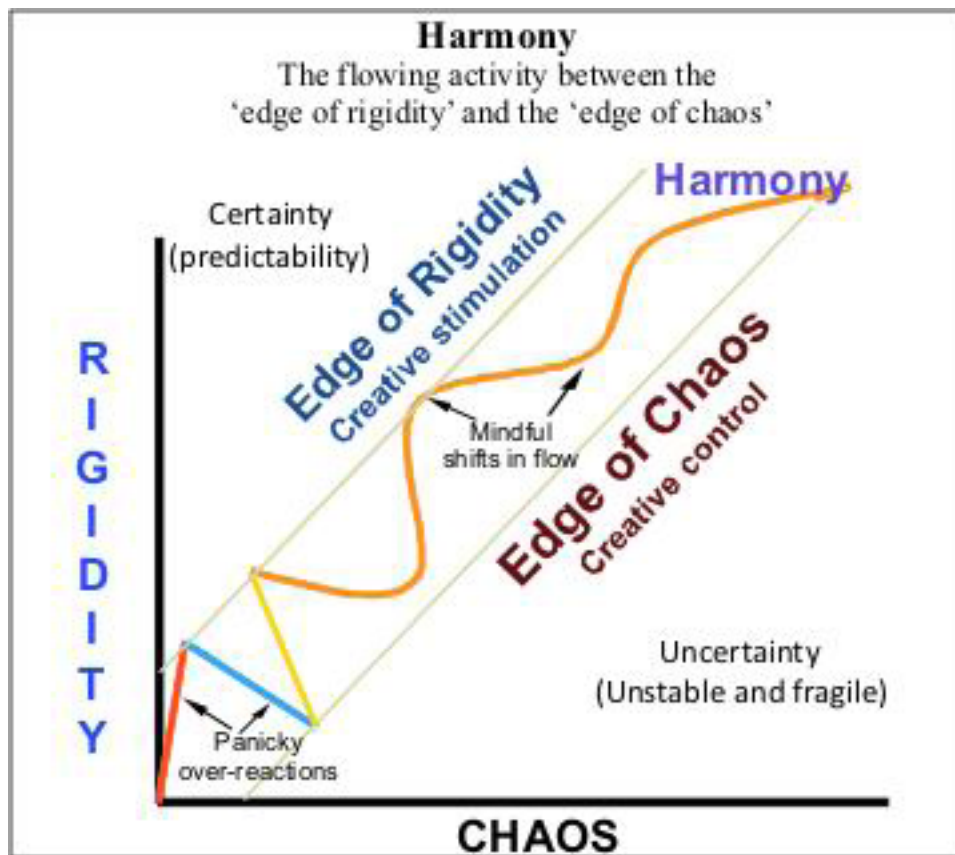
This is what we call as harmonious work environment.

In an era where people move around the globe as if it is a small village, expatriations are so common and diverse group of employees are to be under the single roof. Thousands of reasons and practices divides them like colour of skin, race, religion, caste, creed, life standards, literacy

levels, Political parties, language, Countries, states and districts, gender, social status, economical status, - I bet you can add thousand more.

The major reasons that destroy harmony at a work place are

- Loss of morale (To know more about morale, refer Unit III)
- High level Absenteeism
- Poor leadership style and
- High employee attrition rates



Adopted from Richardhill.com.au

So, how do you think an organisation can develop or create a harmonious work place? **Together**. That is the first and foremost answer. Next to that, let us see what all the employees and the employer can do to transform the workplace into a beautiful likeable environment.

- **Knowing the boundaries** – Employees should know with clarity where they stand, what their role is, what they are expected to do and what not they should do. Interference in others boundaries is often the major problem causing factor in the workplace relationships.

- **Role of Leader** – The vital part in creating harmony is leader's role. He has to clarify the roles, vision, mission, goals, and the relationship between the organisational goals and the employees role in achieving that, aligning the goal of employee and that of the organisation, attending to grievances, being a real supporter to his team mates, being empathetic and loyal to his employees and other innumerable actions he can perform to create the harmony.
- **Team** – Team playing is inevitable in creating harmony. A work place is full of people and each one has to compliment the other to make it a whole picture. Team work gives positive energy even with long work hours and tough targets. The flaws of individuals can be adjusted with the strength of others in a team play.
- **Clear Agenda** – A day's work should start with a breakfast plate of proteins, carbohydrates, vitamins, minerals and calcium. Is it not? The same way, a day's work at the work place should start with clear plan of, hard work, meetings, intervals, reporting etc. A clear agenda for small groups which comprises of big groups and their agenda with a clear focus to attend to the goals will avoid small conflicts at the work place.
- **Rewards and appreciations** – A good reward system and appreciation to the employees create a place of happiness. In case of errors, a system of pointing out them and helping the employees to rectify those errors will help in reducing conflicts and thus resulting in good harmonious environment.
- **Removal of Hindrances** – Creating a good work place means clearing off bad elements also. There is always a possibility of having a black sheep in the team who spoils the spirit. That should be taken care of for creating harmony.
- **Continuous Training** – A trained employee is a confident employee. That helps him develop loyalty, hence, turn over comes down and as a result, the people staying for long years automatically develop friendship and team spirit among them.
- **Promoting Work life balance** – The employers initiate to a sustained work life balance of his employees will result in a much harmonious environment. A well balanced work life, gives a sense of satisfaction

towards life including the work time. It improves the attitude of the employee to act cool and calm, friendly and team spirited, which is essential for workplace harmony.

Employee satisfaction, happiness and well-being are valuable assets to an organisation. That is an assured path way to success. Workplace harmony helps build a healthy, collaborative workforce that, in turn, will be more efficient, productive and loyal.

Work Place Ethics

Business dictionary defines work place ethics as “The belief that work has a moral benefit and an inherent ability to strengthen character.” It can be described as a set of values, right attitude and right behaviour towards others in the work place. The explicit behaviour at a work place has chain of reactions and hence, to retain work ethics is to retain good behaviour- responsible, honest and dependable. Organisations also have their own culture, value system and ethical code of conduct. The traditional virtues such as loyalty, trust, commitment, Social responsibility, good governance are some of the traits of a good value system of organisations. In the current globalised world, customer satisfaction & sustainability, innovation, green culture & eco-friendliness, team culture is all new additions to the way of work place ethics.

Dear learners, you may be thinking that "is it relevant in today's world ?" The answer is within you. If you are a manager and you are in a dilemma to decide on issuing a promotion order between two of your subordinates. One is hardworking, smart but unethical – like taking home stationeries from Office, using office telephone to make long distance calls, submit false bills for claims during out of station official duties etc. the other one is straight forward and honest, responsible and dependable. Which one would you select for promotion?

The clue is, if the manager himself is unethical, he would find the first one suitable and the flaws acceptable. Then, when that selected subordinate has to select someone for promotion, he will also do the same thing and select anyone with ethical flaws. In the long run, the office would be full of people not caring about the good deeds and traits, and the climate and culture of the organisation would be in deep trouble.

On the other side, if the manager cares for ethics, he will select the second one and the remaining story you can write. A good company with good reputation.

Even though it looks like unethical practices, short cuts and wrong routes at a work place may reach to the destination of fame and fortune early than others, the question is about sustainability. There are a lot of real time examples out there of rising quick and losing quickly, all because of using corrupted ways to survive.

Further, a place where ethics doesn't matter, the employees tend to transform too to the path shown by the organisation. It becomes a vicious circle – employees leads to the unethical practices in the organisation, unnoticed organisation supports the employees and convert itself to the corrupted way too and vice versa.

Good work Ethics at a work place means the existence of following among the people from top to bottom in the organization:

- Honesty
- Positivity
- Responsibility
- Trustworthiness
- Loyalty
- Dependability
- Team Spirit
- Helping spirit
- Harassment free
- Transparent accounting to the stake holders
- Occupational health and safety

It would look like a fantasy that how all the people at one place can be so good. That's what you are thinking right now, right? Being good or bad – both are infectious. A person who can influence and dominate is the key. His behaviour gets infused into others slowly. Leader is the answer. If leader can pave a path of good deeds, the others will follow some day, near in the future, how near we can't say- but follow – is for sure. Here leader

need not be necessarily the top manager. It can be a group leader, team leader or supervisor. Even sometimes a leader by mere charisma in an informal organisational group can do wonders. The percentage of these leaders in the organisation decides the overall work place ethics of the organisation.

When we say what to be present to create an ethical work place, we should see what not to be there. Is it not?

- Lobbying
- Discrimination on race, caste, creed and gender
- Bribery
- Corruption
- Unfair trade practices
- Unethical/ misleading advertisements
- Misuse of Politics, Government policies and Media

Performance and Ethics

Work place ethics plays an important role in sustaining the performance of the employees. The behaviour of being good when continued becomes habit and at a point good performance levels becomes the culture of the organisation. One of the most important responsibility lies with the leaders of the organisation to uphold the highest standards of ethical behaviour. That behaviour slowly comes down the line and reaches even the last employee in the structure.

Lesson 2.2 - Workplace improvement through 5 S Concept

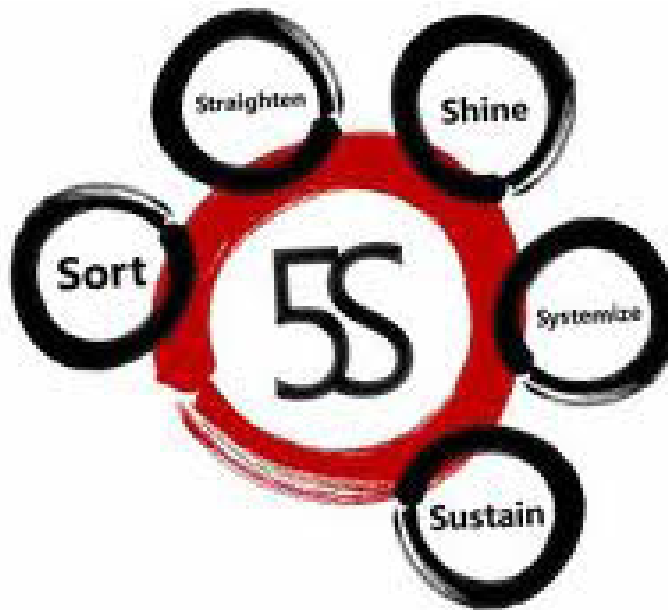
In continuation with the Workplace Concepts - positive and negative- there are some methods followed by some countries like Japan, which can be a long term solution. We are going to see Improvement of Workplace through 5S Concept. In the recent decades, the world, particularly the western side is amused by the behavioural difference between employees of the east and the west. We have witnessed for a long time now, that, in management of business organisations, the major contributions like scientific approach of management are contributed by the western management gurus.

But, the sustainability, loyalty and dedicated hard work of Japanese employees have made the employers eyebrows of other countries rise in amazement. Recent news mentions that, during the recent tsunami hit in Japan, in some organisations, Japanese employees were ready to work without pay for three months, to enable the employer to rebuild the organisation.

Many Japanese Management concepts have gained a notable place in today's world management concepts. The concept of 5S is one among them. Originally the 5 'S' stands for **Seiri, Seiton, Seiso, Seiketsu, Shitsuke**. In order to understand and remember it better, 5 English words starting with 'S' were found suitable to the meaning of these Japanese words by various management authors.

They are,

1. Sort (Seiri)
2. Straighten (Seiton)
3. Shine (Seiso)
4. Standardize (Seiketsu)
5. Sustain (Shitsuke)



The brief meaning of these 5 words is

1. Seiri

Sorting of wanted and unwanted materials and Removal of unwanted materials from the work place. This step is important to assess the needs and design the work place with more efficient space management.

2. Seiton

Arranging of the materials segregated as wanted in such a way that they can retrieved when in need without any necessity to search and struggle. This process focuses maximum efficiency by organizing tools & equipment. In turn, a properly organised material gives an efficient workflow with minimized movements and optimum productivity.

3. Seiso

Tidying up the work place, leaving no dirt or garbage anywhere. When every shift ends, work areas are cleaned and materials, tools and equipment are returned to their allotted locations. The success of 5S lies in making this activity a daily routine rather than a enthusiastic start with twice a day basis for a week, then going down slowly to once in a week. This creates a bonding between the machinery, workplace and the employee. When the machine looks afresh even after a year, certainly the

employee is going to feel pride for his cleanliness and maintenance skills. When properly rewarded for this act, he will feel loyal to the organization and still work better to keep up the level.

4. Seiketsu

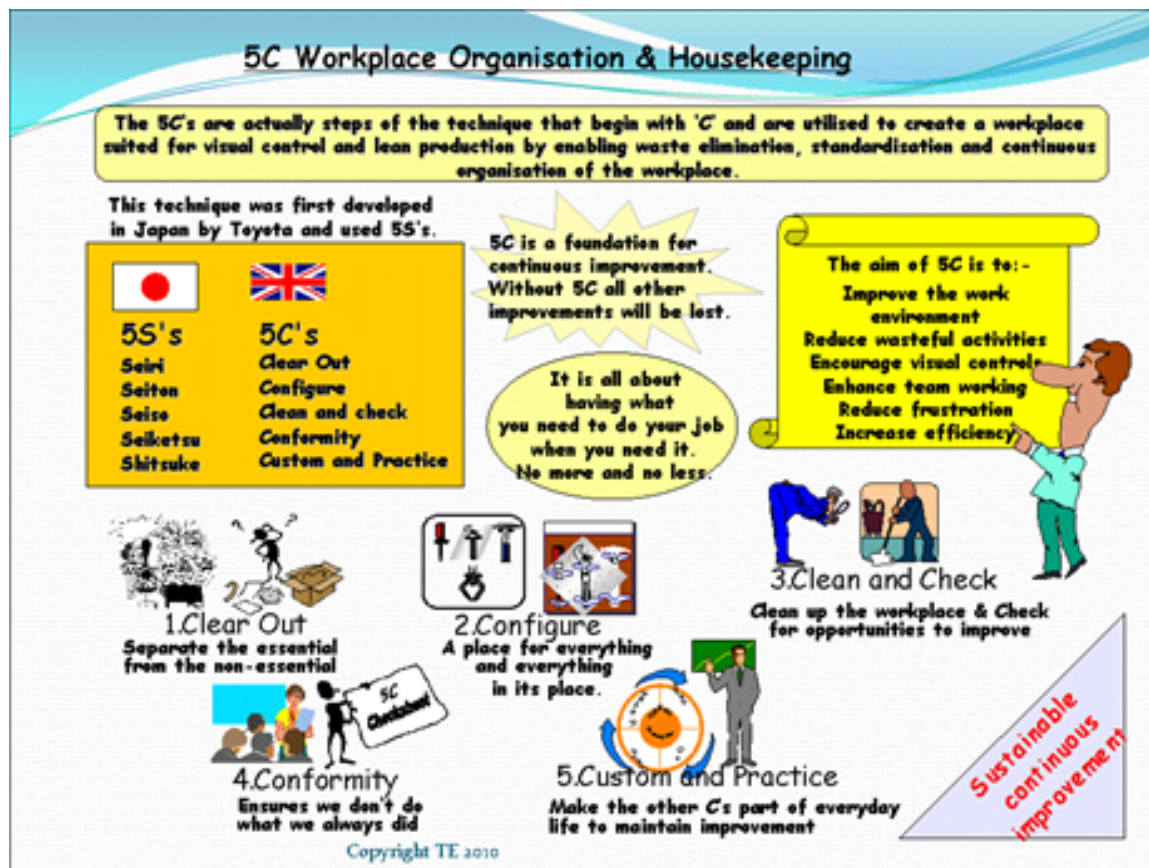
Maintaining the clean environment by making cleaning as a continuous process. This requires that work practices are followed in a uniform and consistent manner. Many companies have followed the first three Ss many times, only to see conditions slowly deteriorate. This part of 'S' is the remedy to that. Standardizing the first three 'S's is the forth 'S'. The following need to be done for standardising:

- Assigning responsibilities and work allotments of sorting, arranging and cleaning up activities,
- Fixing up time period, duration, interval frequency,
- Documenting and monitoring the activities and
- Creating and maintaining reward system for performers of these activities

5. Shitsuke

When the above components are accomplished, creating a sustainable workflow to make the four 'S' a discipline and commitment. Actually, this is the toughest part of implementation. Sustaining this initiative with sincerity and commitment needs committed leader and managers, who will encourage and work towards to keep up the system. Without this strong focus and determination, it will be like a fraction of time frame to slide back to the previous condition of non-maintaining, unorganised, shabby and messy work floor. Without a willful, cooperative employee team this would be a dream. An audit system to regular monitoring of the system would help, along with a reward system which identifies the committed employees and appreciates them.

What does the organisation achieves through the implementation of 5S? I know you would ask. Good. Even though 5S relates to production management, the following are the important points we should note as for as performance management is concerned.



- **A clean and hygienic work place** – Benefit? Before I give you the answer, you answer my question.

Which of the following you like better while preparing for your MBA exams to perform well in the exams?

- A shabby, messy, unorganised book shelf, where you have to search your notes for half an hour each time
- A clean, organised book shelf with no unwanted books and easy to pick whatever book you want in a second.

Hope you got the answer. A clean work place elevates the spirit of employees in the start of their shifts than a dirty, untidy work floor. Imagine a car mechanic's shed. If cleaned everyday and tools arranged in order, the mornings would be brighter and better than an oily, dirty, spanners spilled floor. As a result, the productivity gets boosted up.

- **Healthy and Safe Work Place** – A cleaned, organised work place creates a healthy work place. Often we can see that safety standards

when not maintained, leads to disasters. Fukushima Daichi nuclear plant disaster and the non-maintenance of safety standards, (a paradox to the concept, happening from the same land where this concept was given birth) is an example of continuous process of keeping the workplace organised and abiding by the rules and set procedures.

- **Quality Conscious** – The well organised work place need not to have any compromise on quality and hence, the e quality of products are tend to go up.
- **Overall growth** – when the products can be manufactured on time with high quality, the overall result will be the growth organisation. When an entire organization embraces the ideals of 5S it is easy to see a transformation in efficiency of the company
- **Morale** – when everything is set in a smooth motion towards growth, the morale of the employees grow too, leading to still better performance.

Apart from all the above said benefits, a good 5S system, when implemented, decrease the following in the work floor:

- Damage to the company assets like tools, machineries and other materials
- Spillage and wastage of raw materials, finished products or any other materials
- Deterioration of machineries and other assets

And the following gets increased:

- Quality products and quality conscious employees
- Quality work environment

Activity

A model of 5S in a detailed step by step process is given below:

Process 1: Eliminating unnecessary items

Process 2: Fixing Storage places

Process 3: Consolidating daily cleaning procedures

Process 4: Maintaining spotless workplace

Process 5: Visual control in the workplace

Finally you see the improvements

Preparation: Photographing the new look at the workplace

Process 1: Controlling stock level

Process 2: Making it easy to use and return things

Process 3: Making clearing and checking habitual

Process 4: Maintaining spotless workplace

Process 5: Maintaining standards throughout the organisation

Finally 5 'S' become a habit

Preparation: Evaluating the factory where 5 'S' has become habitual

Process 1: Avoiding unnecessary items

Process 2: Avoiding disorganization

Process 3: Cleaning without getting dirty again

Process 4: Prevents degradation of the Environment

Process 5: Systematization Training

Finally the factory becomes a first class 5 S factory.

Dear learners, finished reading the model? Now, for an activity, try to replace your strategies in the model to make your work place, home, kitchen or living room a 5S Place.

Lesson 2.3 - Modern Management Techniques in Performance Management

Dear learners, are you ready for a new topic? It's quite interesting to see the reaction in us when we utter the word 'new'. It gives us a feel of freedom, freshness and hope. So, we are going to see some of the 'New' techniques, Modern Methods being initiated and implemented successfully in today's industries.

Talking about the changes, the term of HRM is itself used with different tones like –Human Capital Management. The organisations are realizing the crucial role of their human resource day-by-day. Let us see a few important concepts that have evolved in the recent past, particularly in relevance with the Indian Business World.

The themes and concepts in this lesson are

- Competency Mapping
- Team performance Appraisals
- Social Media and HRM
- Successfully implemented innovative methods in Corporates and MNCs.

Competency Mapping

Called in different names like "Competence Architecture", "Competence management", "Competence Development" etc, the basic concept of competency mapping is a way of assessing the strengths and weakness of an employee. It helps to

- Identify the ability of a person, knowledge and skills, initiatives, team spirit etc
- Understanding the ability in terms of management (For example – Skill of influencing and communication as negotiator and sales man)

- Developing the ability to perform better and achieve the optimum

Let us see some definitions to understand the terminologies better.

Competency

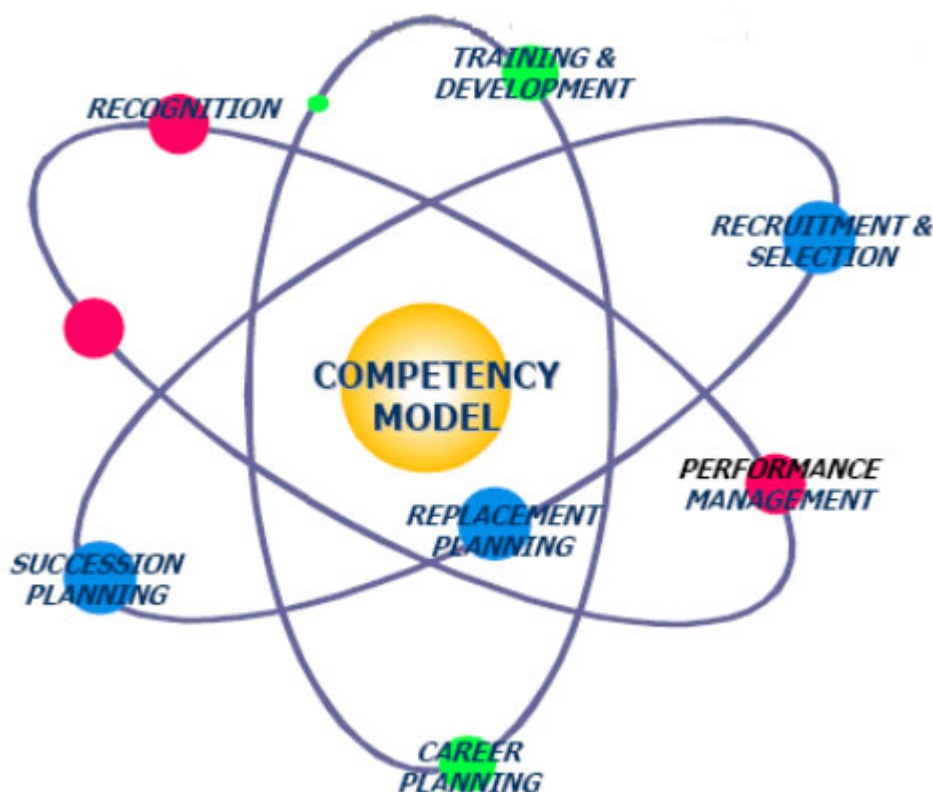
United Nations Industrial Development Organisation defines Competency as, “A competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job.”

Competency Mapping

Competency Mapping is a process of identification and developing of the competencies required to perform successfully a given job or a set of tasks.

Competency Map

A competency map is a chart or diagram that represents the important skill sets needed to accomplish the given job.



Competency based HR Management helps the organisation in various ways like recruiting competent employees, managing the performance well and converting the organisation into learning and knowledge based. It further helps in discovering the gaps in organisational competence structure as well as in personal career path. Organisations accept this technique as a better way to combine the capabilities of an employee into one job, and combine the capabilities of group of employees into one team. Career advancement and higher elevations are made possible with this method.

Basically the

1. Functional skills,
2. Behaviour and
3. Past performances are the three domains analyzed.

In short, the competency method helps in

- Gap Analysis
- Role Clarity
- Succession Planning
- Growth Plans
- Restructuring
- Inventory of competencies for future planning

Functional Skills

The requirements to perform a job.

Behaviour Assessment

Personal abilities and skills such as analytical, logical, reasoning and decision making abilities, leadership and listening skills, team spirit, innovation and morale. Identifying the behavioural strength and weaknesses is not an easy task, because the intricacies of a person's behaviour are well disguised by them. Proper testing methods and questions are important in this method of identifying the complete picture of a person's behavioural assessment.

Past Performance

The history sheet of the employees past performance helps in mapping the competency. It gives a better understanding on the learning and growth rates, adaptability, leadership and decision making skills, error rates, etc.

Team performance Appraisals

Appraising the performance of a team is slightly different from that of the individual. The first problem arises as the process of appraisals is built for individual employees. Measuring the individual performance and assessing it for team will not be that effective.

Moreover, the teams are often cross functional and heterogeneous. If team performance is assessed in whole, the individual contribution to the accomplishment of task goes unnoticed and unapprised which is not a fair appraisal. The solution for appraising employees as team is to appraise the team players as individuals and also as a team. Hence, the concept of appraising the team performance is highly welcome in the new age organisations where teams are the core strength of the organisation. As a part of appraisal programme, actually the team members themselves are asked to assess and evaluate the performance of their co-team members and find the ways to improve the difficult gray areas as a team. In this method, there will be two phases of appraisal – **Review** and **Feedback**. Review is each member submits a report of the individual performance of all other members, with a common rating scale. In the Feedback session, each member goes through the rates given by others for him and responds to the reports.

Activity

Let us look at a real time example, a model of team appraisal system created by a Manufacturing company.

The team appraisal system consists of two parts, as we have discussed above, review and feedback. Under review phase, the team members review all the other members; discuss each of the individual member's performance, arrive upon a rating, finish up with a review

report. In the feedback phase, they discuss together and the individual members respond to the report. As guidelines to appraise the members, they were given with ten qualities to assess.

- 1. Quality of Work*
- 2. Job Knowledge and Skills*
- 3. Work Performance*
- 4. Adaptability and Flexibility*
- 5. Customer Relations*
- 6. Safety and Housekeeping*
- 7. Dependability and Reliability*
- 8. Initiative*
- 9. Stewardship*
- 10. Interpersonal Relations and Teamwork*

Answer the Following:

- 1. Using the above given model, construct a performance appraisal format*

- 2. With your friends, try a team appraisal and discuss the advantages and disadvantages*

Pros and Cons

A way to enhance this appraisal system is, to ensure the accuracy of the rating, the competent rating method is to be well defined. For example, 'Quality of work' may be defined as less than 2% error per month on the productivity of the individual member. In case, a team member was less aware of his team mate's performance in one particular area, then he has to give a average rating then adjust it according to the bench marked rating, based on the rates given by other team members.

Even though this seems to be a logical approach, the criticism is, while adjusting the rate of the lesser known member's performance, there is a possibility of getting biased and carried away by other people's ratings. Employees may not want a member to evaluate his performance on an area, which the evaluating member does not know much. To overcome this problem, a facilitator may be introduced to come to a consensus on issues on how to adjust the rates based on others evaluations.

However, when conducting a team appraisal, it is better to ensure the following for an unbiased and just evaluation report.

- Unambiguous goal, well framed and well defined for the team
- Performance monitoring system maintained and documented
- Regular assessment on fixed intervals conducted among the team members themselves

Social Media & Recruitments and Organisational Culture

Recruitments

The other important new HR management practice that had gained prominence in the recent days is recruitments through social media. The social media we mean here includes face book, twitter, YouTube, LinkedIn and thousands of other social platforms, forums, blogs – all the technological softwares available in the internet and allows the user to freely express his opinions, questions etc. As we are talking of the webs, let us see a definition that a website gives for social media:

“Social media includes the various online technology tools that enable people to communicate easily via the internet to share information and resources. Social media can include text, audio, video, images, podcasts, and other multimedia communications.”

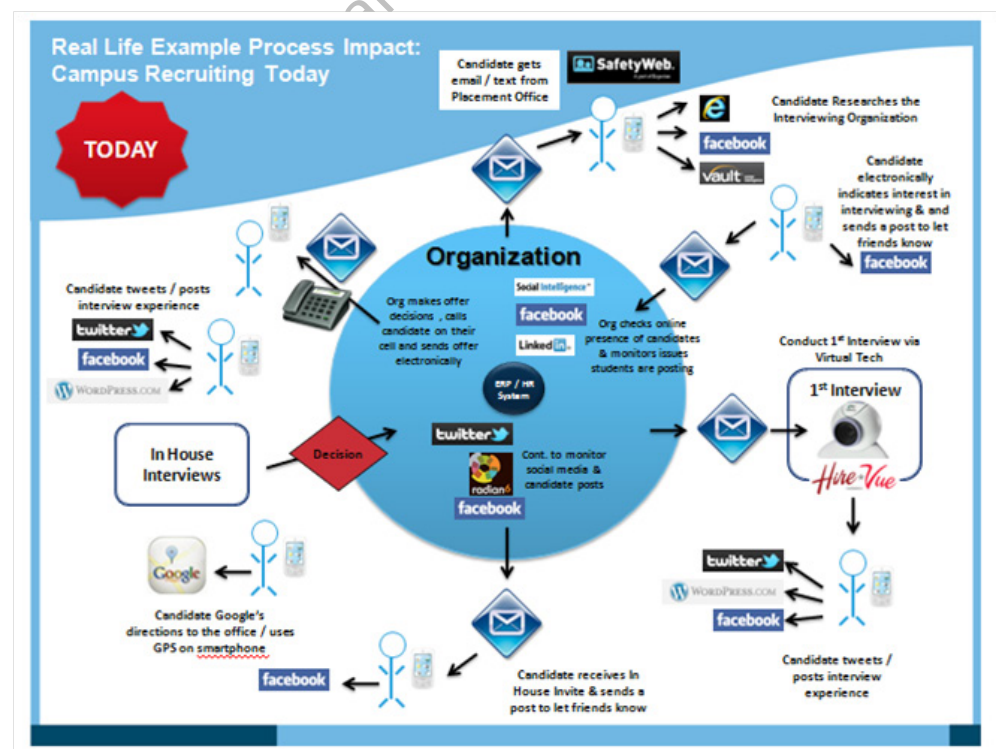
The area of search for candidates for a right job has become wide, really wide, with the help of social media. For example, a young vibrant candidate searching for a job is not buying employment news paper anymore. The news of vacancies are sent through emails, the email message passed onto **face book** or **twitter**, all the people who are in the group gets the message. They pass on through blogs and forums. One who is interested in the job, **Googles** about the company, its product, its

Notes

status and thinks on the suitability of him and the organisation. He shares his idea of applying to the job on social media and he gets thousands of suggestions, likes and dislikes of his idea, good and bad things about the company etc. The process is called as '**threads**', a discussion forum where all are free to visit and reply.



The process continues with the candidate applying for the job, long distance interviewed through '**Skype**' or web chat options, selected and placed at a country, convenient for both organisation and the candidate. In between, he posts his interview experience again in the internet through some social media and others get the benefit of knowing the interview trends.



What we have seen here is a small bit of a big ocean. Social media's impact is rocking the generation next, and it has shrunk the world further small, from global village to global lane. A lane, where everyone is supposed to know every other one, and reach easily.

The benefits of social media recruitments are yet to be seen in a long run. But, for now, the following advantages can be seen obviously

- The employer-candidate relationship is becoming highly transparent and conversational.
- Employers can reach the whole world with one click and clear-cut description of what kind of employees they are looking for. This cuts cost and time for advertisement and sourcing of application in the recruitment process.
- Candidates comb through the wide choice of employers through on-line, and can reach HR people of an organisation through online again. They often conduct a research on the ex-employees and existing employee's views and criticisms on the organisation through various social groups and know about the employer beforehand. Hence, the decision to apply to the organization is strong. This cuts down the time for visiting the organization analyzing and then dropping out, sometimes after interview, sometimes even after selection. So now, the candidates apply; will join the organisation if selected, without doubt.
- The process of traditional recruitment process starts with employee sending the Resume to the employer. May be in social media recruitments, this would be one of the last. Employer and the candidate, both are actively communicating in the social media, rather than sending the detailed resume for consideration. But beware; Self-boosted image of a candidate may not be true when it comes to real performing the job.

Organisational Culture

The status uploads, photos on the face book wall, the followers quality in the twitter, YouTube uploads, blog likings, blogging initiatives –are all that matters to weigh a candidate, his attitude and suitability to

the job. (dear learners, I know, all these may be sounding like Greek and Latin for all except the new generation young people, for those of older generations - no other go, go and Google to find out!)

The globalization has ignited the competitiveness from inside countries to around the world; hence, organisations are in need of performers badly. Performers in many cases have to be communicators and go-getters. Rise in social media users prove that it is breaking the ice on youngsters to communicate freely, leaving behind their inhibitions and shyness to come forward open and loud with their thoughts. The major advantage being, you need not disclose your identity. In disguise, with a name you like and an image you wish to have, it is like an open ground with unlimited opportunities to voice out thoughts.

Criticisms

The criticisms are all over the social media that the real identity of individuals may get lost and they start living in the illusionary world created by them, as they can create a new identity of name and image and hide the real self behind it. But, sometimes the forums are helpful to create awareness and interesting change in behaviour of people. Let us see an example in activity.

Activity

As an example, I would like to briefly narrate an interesting incident that happened in a social news site called "Reddit", during May, 2012.

A Baptized Sikh girl, named Balpreet kaur, of Indian origin, studying in USA was photographed while standing in her University library queue, without her knowledge and permission by an unknown person. The reason is she had facial hair, and a sikh turban, which made her look odd. The photo was publicized on the Reddit forum as a 'conversational thread' and called for opinions. Thousands of horrible comments, sarcastic remarks and jokes based on her looks and gender flooded in. After few days, when she came to know about this, she herself posted a beautiful explanation on how she respect her religion and doesn't give importance to external beauty. She didn't condemn the act, nor objected to the comments.

Suddenly the flow of the thread changed and instead of sarcastic remarks, thousands and thousands of people started supporting her and condemning the act of that person who posted her photo and started that thread. The unexpected surprise came, when the person who posted her photo, came out after long silence with a remarkably genuine apology. The culture of that particular thread changed to Positive from negative overnight.

(To know more: http://www.huffingtonpost.com/balpreet-kaur/turning-ugliness-into-beauty-through-interfaith-leadership_b_1943244.html)

To Think and Answer

1. *Do you think social forums can help in building and steering organisational culture also, in the same way of the above given case?*

2. *Based on the experience of the above case, how do you think we can improve the performance in an organisation?*

3. *Do you think people can influence others through social media? How? Why?*

Modern Practices Implemented in Corporates

Before concluding this lesson, let us see some real time implementation of the above said practices which has been instrumental in improving the employee's performance, in reputed corporations around the world.

TCS – Prestigious Award for best HR Practices

Tata Consultancy Services (TCS) has been rated the Netherlands' top information and communications technology employer of the year 2012. It has received the highest score (5 stars) in training and development, career possibilities, organization culture and innovation. The award came after a rigorous evaluation of HR practices among other leading firms in the Netherlands. The award underlines the high quality of TCS' human resource practices, focusing on personal growth and development of its employees worldwide, the company said in a release today. According to The Hindu, "Strong employee involvement in social initiatives such as the TCS Amsterdam Marathon, which raised funds to fight cancer, reinforces the sense of belonging to a socially responsible organisation." Further, TCS's emphasis on investing in a work culture built on social values, continuous learning, trust, empowerment and team work to bring out the best in employees, allowing them the opportunity to realize their potential, is the success of this secret, it seems.

ACCENTURE and its Employee Engagement Practice

Accenture have implemented the Employee Engagement through hiring talent, grooming them to Accenture Work culture and then on to help build careers offering them leadership role. As the demand in human resources and their specialized services increased, they devised a model of employee engagement by describing metrics driven model, to assess how an employee work is engaged and managers to strive over and above their capability. They proudly claim that this goes beyond the conventional mode of job satisfaction. The Accenture's holistic HR management approach is based on three unique traits of creating growth opportunities, offering them learning and development prospect and lastly compensate and reward them.

HCL and its Special Wall

'Employees First Customers Second' – a philosophy introduced in HCL in the year 2005 made them achieve the mission of creating the most respected organisation in terms of innovation, character, credibility and values. Now, HCL has a host of employee-centric programmes, like

- **'Job Rotation Policy'** after 18 months in a project (employees are allowed to take their own decision of migrating into projects),
- **'Career Power'**, a platform that allows the employees to migrate into the role and project of their choice to become technological experts.
- **EPIC (Employee Passion Indicative Count)** is an employee engagement and retention programme that identifies a person's passion. The EPIC report enables managers to understand the pulse of their respective teams and every individual employee.
- **Passion Wall and Passion Club** is online platforms of HCL, where the employees can share their passion stories and blogs with fellow HCL mates.

GODREJ'S Voice of Employee

Godrej believes that the basic role of HR is to become the voice of an employee. So, they have adopted a unique programme called 'Voice of Employee', wherein every employee gets a chance to interact fact-to-face with HR personnel at least once in a year.

Budget for Innovation in employee time – Google

Google company employees generate new ideas, on the time allocated for that. Yes. Time allocation for innovation is practiced. Employees work structure follows a '70:20:10' model of work time. That is, 70% of the work time for completing the clearly defined job assigned to them. The next 20% is to be spent for personal development. Employees can work on whatever they want to work on, as long as it's in line with the mission. The interesting part is the last 10% - "whatever the employees want to do -innovation and creativity time, freedom to think time". Hence, Google always is innovative, with performing employees. And on the other side, employees feel that company values them and stay motivated and loyal to the organisation. A quote of a Google employee – **"If a company actually embraced—rather than merely paid lip service to—the idea that its people are its most important asset, it would treat employees in much the way Google does."** The other companies following this budget scheme are Genentech and 3M.

Lesson 2.4 - Team Building

Teams are an interesting part in any organisation. Much work in the organisations is interdependent. Each department depends on other department for something or the other. The concept of team is a good approach to ensure the coordination and cooperation among the employees, for accomplishing tasks successfully.

Daft defines team as “a unit of two or more people who interact and coordinate their work to accomplish a common goal for which they are committed and hold themselves accountable. If we think in a broader view, society works as a team, world civilizations evolves as a team. People together, if can work for a common goal and can accomplish the task, then that group is a team. The main underlying difference between a group and team is, groups don't have the shared value of missions, but teams have. The individual identity is secondary and the team identity is primary in teams which is not in groups.



Team building and team development

Team Building

Team building is defined as “Philosophy of job design in which employees are viewed as members of interdependent teams instead of as individual workers” Individual employees are identified, united to form a team that stays and works together to achieve the given task.

Team Types

There are different models of team. Depending on the needs of the task assigned, the team type can be decided. The various team types that are effectively used in organisations are

- Formal Teams
- Informal Teams
- Temporary teams
- Task teams
- Virtual teams
- Global teams

Formal Teams: Teams created by the managers of the organisation to carry out a specific task on the lines of achieving organisations goals. It may sometimes have the manager himself as the team leader, and the other members report to the manager.

Formal teams are usually of two types, based on the organisational structure:

- Horizontal teams and
- Vertical teams

Horizontal teams are created with employees of same hierarchical level, from different departments, given with a specific task.

Vertical Teams are composed of a superior and his subordinates in the formal chain of command. Also called as Command teams, these types of teams include three or four levels of hierarchy.

Informal Teams: Informal teams or groups emerge whenever people come together and interact regularly. Such groups develop within the formal organizational structure. Members of informal teams tend to subordinate some of their individual needs to those of the team as a whole. In return, the team supports and protects the individual members. The activities of informal teams may increase the interests of the members in the organization –meetings at temple every week, or gathering at a indoor

games club or a women's group may meet to discuss various actions that can make the organization a better place for women to work are examples. These regular meetings may strengthen the members' ties to each other and help each other at workplace needs. In large corporates where many employees feel that their employer don't even know their names, these informal teams enable them to share problems, ideas and grievances, thus enabling themselves of creating an identity and support group for them.

Temporary Teams

Teams that are formed for a short time period or for a specific project are called as temporary teams. These are formal teams and are also called as project teams. The teams get disbanded once the project is completed.

Task Teams

Task teams are usually formed for specialized tasks. For example "The India Smart Grid Task Force" is an inter ministerial group of Power Ministry of India. This group serve as government focal point for activities related to Smart Grid.(Power Grid).

The main functions of this task force are

- To ensure awareness coordination and integration of diverse activities related to Smart Grid Technologies.
- Practices & services for research & development of SMART GRID.
- Coordination and integrate other relevant inter governmental activities.
- Collaborate on interoperability framework.
- Review & validate recommendations from India Smart Grid Forum etc.

Virtual Teams

Virtual teams are teams of people who primarily interact electronically and who may meet face-to-face occasionally. Examples of virtual teams include a team of people working at different geographic sites

and a project team whose members telecommute. Teams typically never meet face-to-face, and conduct all project work using VOIP technology and other virtual meeting applications, such as SharePoint.

Virtual team members work separately due to the following factors:

- Team members may not be in the same geographical location
- It may not be practical to travel to a common work place
- Team members work in different shifts

Global Teams

Also called as Cross-country teams, global teams are formed by members of a Multinational Corporation working in different countries come together for a high value task. Team diversity is a competitive advantage, but global teams have unique challenges such as fragmented effort by isolated team members who may confuse meanings and lack clear understanding of goals and tasks of the team. On the upside, high-value global teams use information together to innovate, learn and execute business strategy for a global enterprise to operate effectively.

Team Development

A team has a life cycle. The different stages of a Team life cycle are called as

1. Forming
2. Storming
3. Norming
4. Performing
5. Adjourning

This model of team life cycle suggests that the organisational teams move along these five stages. But, it is not generalized on the time period of crossing the stages or staying period in each stage. Some teams may go through some of the stages faster or some teams may reach performing stage slower, it all depends on the individuals capacity and the teams competency. Now, let us examine the stages in detail.

1. Forming

The early stage of the team is forming. The team members are new to each other, trying to exhibit their good side to impress upon the other members. Some team members may be introvert in nature and would keep a distance from other members. Members would be willing to consider other members opinions and conflicts would be the last resort. An overall mood of happiness and excitement would prevail in the scene. More importance would be given on the personality and behaviour of the individuals than the team task or the team goal. It would be more of a discovery route in nature than a platform for performance.

Activity

Let us try to understand these stages with a small activity of asking questions to ourselves, imagining ourselves as team members. Ok? Let us start with some model questions, and then you need to complete with some more questions, for each stage.

"I am a new member of a team.

1. *Who are the other members?*
2. *How are they going to get along with me?*
3. *Are they friendly?*
4. *Will I get a chance to involve myself in the team?*
5. *What they will think about my contributions to the team?*
6. *Will others also contribute as much as I do?*
7. *Will all the members contribute or some of them will be 'tail riders'?*
8. _____
9. _____
10. _____

2. Storming

This is the stage when people know each other and start expressing openly to others. This is the stage where conflicts and interpersonal issues

heads-up among the members. Leadership's importance will be more. A introspection of team goal and action plan will be the high light of this stage.

Activity

1. *What is the purpose of this team?*
2. *Why we have to do this?*
3. *What is the action plan?*
4. *What is my role and contribution?*
5. _____
6. _____
7. _____

3. Norming

As by this stage the difference of opinions, role conflicts, and belongingness - all comes to sort of settling down. Team members start to feel a sense of being part of team and starts identifying themselves with the team's identity. Role clarity and individual responsibilities get clearer and members gets used to each other's behaviour. The important works in this stage are establishing

- Teams' performance expectations
- Specific roles
- Policies and procedures
- Conflict solving procedures
- Shaping up team culture

Activity

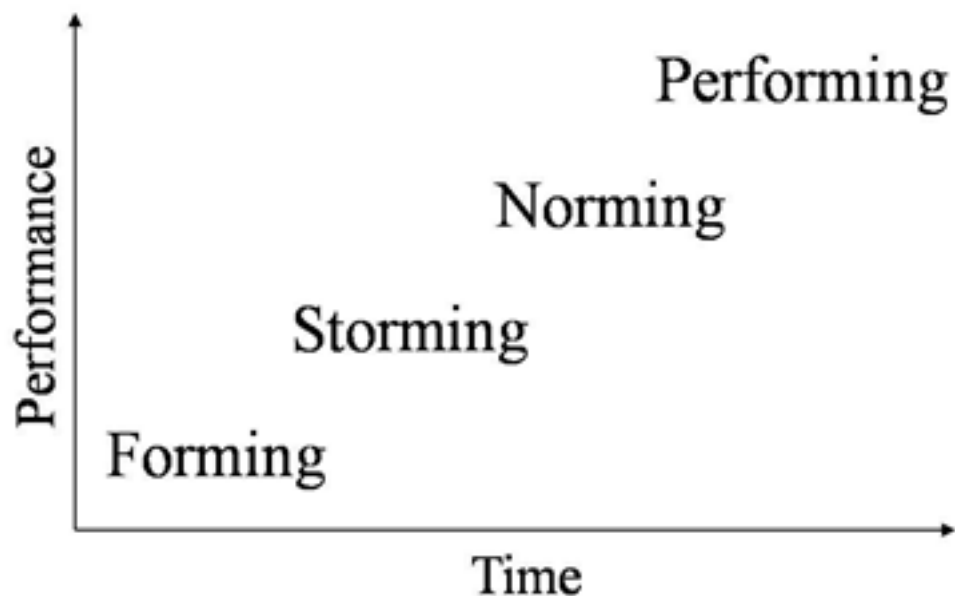
1. *When should I perform my job and where?*
2. *How do I get support for my job?*
3. *How should I look at a problem?*
4. *How to deal a conflict?*
5. _____
6. _____

4. Performing

The fruitful stage is Performing stage. After successfully passing through the earlier stages, the team reaches performing clearly what is expected from them. The relationship between the members gets stronger. Team goal gets focused. Group synergy dominates the team and there will be a considerable increase in the flexibility in roles and functionality. The individual tasks get accomplished amounting to totality of work. The key points are work accomplishments, team commitment, loyalty and trust. The team performance is also appraised, feed backs collected and the performance improvement methods are discussed and implemented.

Activity

1. *How can we improve on the performance?*
2. *How can I help others?*
3. _____
4. _____



5. Adjourning

Adjourning is the end of a team's life cycle. When the purpose of the team is solved, the team has to be disbanded. Usually, the teams get restructured with different members and new goals. There can be two kinds of adjourning phase – planned and unplanned. Project teams, task teams etc have a planned disbanding once the project is completed. Other

team types may be disbanded due to various reasons like members posted in other departments, promotions, mergers, restructuring, transfers, fund deficiency etc. The unplanned disbanding may be stressful for the team mates.

Activity

1. *How am I going to cope up after this adjourning?*
2. *Do the others too feel the same?*
3. _____
4. _____

Team Conflicts

Let us now see the problem areas in Teams.

Loss of Individual Identity of achievements:

In teams, a star performer and his achievements may not be focused and recognized as he would have got rewards if he was not in a team and he performed individually. For example, in a team of engine designers, a major obstacle to the design may have been found by a team member.

At the end of the day, the team achievement of designing the engine will be discussed and not his talent of finding the fault in the design. On the other hand, if he worked individually in the department and have found the same fault in his department, his manager would have appreciated and rewarded him for the contribution.

Social Loafing

In a team, there is always a chance of some team members not willing to hard work or contribute as much as others do. The other team members when working hard, he may be on a phone or surfing on the net. It happens all the time. These kind of people, who evades work or not giving equal contribution of work like his team mates are called as social loafers or free riders. This leads to accumulated frustration for other team members and will not yield good result in long run. This we may have experienced while doing our college and school group projects. Some of

the students will sweat and strain to complete the project, while some may not do anything, and at the end, the project cover will have all the students name in the group equally.

Reverse Gearing

When some teams reaches higher and higher levels of success, more than the sum total individual performance, some teams performs worse than the individual sum total. That is, in the first case, if they were not in teams, they may not perform up to the high level. In the second case, if they were not in teams, they would have performed better. This is like driving the vehicle in reverse gear, just because the team is formed. If individuals they may win the race. This may be the result of

- Lack of commitment
- Lack of involvement
- Lack of trust on other members
- Ineffective team leadership
- Social loafing in high percentage
- Afraid of accountability
- Fears of conflict in the group
- Lack of goal clarity for the team
- Lack of attention to results
- Inefficient performance monitoring

Above all these things, if the belongingness to the team and the bonding between the team members is not achieved, the team performance may not be up to the expectations.

Independence of an individual

The feel of freedom in initiating an idea or working out an experimental an innovation is well done if the individual has to do it. The individual may happily sacrifice to achieve his idea. But, when in team, first, he is frightened of the criticisms he might get when he voices out his ideas. This is worse, in case of lower level employees comes out with brilliant ideas. Second, he may not be willing to sacrifice when in a team, as he might do, when he individually performs. In team, his result of his

sacrifice is also divided among the team members. Unless all the team members do an equal sacrifice, he loses his major part of result. That's why the idea of putting team first doesn't go well with people with strong and independent culture.

To conclude, teams are now an inevitable working style and culture of organisations. Teams provide a wonderful platform for individuals to grow with support and the social responsibility of contributing to the team widens the individual's mind space also.

Self Assessment Questions

1. Explain the various dimensions of workplace and the relevance of workplace to performance of employees.
2. Explain briefly the concept of 5S.
3. Write down some of the modern management practices in the field of HRM with brief description.
4. What are the different types of teams? Explain.
5. Explain the life cycle of teams.

CASE STUDY

In a BPO, where Mr.Sunil Sharma works with, the employee turnover rate is very high. Employees used to cut jokes on this area of HR instability during their canteen visits and tea breaks. One day, when Sunil came to know that his colleague Ms.Shilpa Sangal is attending an interview in another BPO for a higher designation, he sent her an email through the Office Desktop, wishing her good luck.

Floor manager, who was monitoring the emails of employees without their knowledge had got the information. Shilpa didn't got that job. But, the Floor Manager, who was considering her name for the place of Floor Team leader, which is a promotion, rejected her name from the list, thinking that she may not be continuing her job in the company.

Notes

Questions to Think

1. What do you think is the issue - Workplace privacy violation or better decision making ability of Superior?
2. Do you justify the denied promotion of Shilpa?
3. Who is wrong among the three?

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UNIT - III

Learning Objectives

This lesson is designed in a way to help you understand

- Organisation structure and its impact on employee performance
- The concept and idea of motivation and motivators
- Important and popular theories of motivation
- The concept of morale and its importance
- The relationship between motivation, morale and employee performance
- Modern day employment practices and work schedules
- Related Performance Appraisal Systems
- Rewards, Team, Competency and Leadership as basis for Performance Management systems
- Introduction to Quality Circles
- Concept, role and working methods of Quality Circles

Unit Structure

Lesson 3.1 – Organisational Structure

Lesson 3.2 – Motivation

Lesson 3.3 – Morale

Lesson 3.4 – Contemporary Thinking on Employment Practices and Work Schedules

Lesson 3.5 – Related Performance Management Systems

Lesson 3.6 – Quality Circles

Lesson 3.1 - Organisational Structure

Welcome to the next unit. Hope you have gone through the previous units and are happily travelling through your learning curve. Have you noticed that your two year course is divided into 4 semesters, starts with introductory management concepts, slowly concentrating on special concepts? Then each subject divided into five units, each unit divided into lessons and topics, which are like steps in a stair case, elevating your knowledge. The point is we organise things to improve the efficiency. The same way, the structure of an organisation is an important factor for the improvement of efficiency and performance of the employees in the organisation.

You have seen about organisation structure in your previous semesters. Still, let us have a brief introduction, to refresh the memory. Then, we shall discuss the effectiveness of organisational structure in terms of employee performance.

Business Dictionary defines organisational structure as a hierarchical arrangement of authority and responsibility. The structure helps to

- Understand the rights and duties
- Role clarification
- Clearly draw lines of control
- Regulate the flow of information and creates a proper communication channel
- Helps in coordinating and controlling the process and people in the organisation

Mintzberg defines organisational structure as “the sum total of ways in which it divides its labour into distinct tasks and then achieves coordination among them.”

He further advocates that a good structure should have six components namely

1. **Operating core:** The people directly related to the production of services or products;
2. **Strategic apex:** Serves the needs of those people who control the organisation;
3. **Middle line:** The managers who connect the strategic apex with the operating core
4. **Techno structure:** The analysts who design, plan, change or train the operating core
5. **Support staff:** The specialists who provide support to the organisation outside of the operating core's activities
6. **Ideology:** the traditions and beliefs that make the organisation unique.

The above mentioned six components are linked by four flows namely,

- Authority;
- Work material;
- Information and
- Decision processes.

Organisational structure gives a clear understanding of the size of the organisation, and the work flow and process. Apart from the significances of the organisational structure in general management of the organisation, the size of the work force should be managed efficiently. The process of identifying and managing the necessary size of work force is called as right sizing.

Organizational structure is important for evaluating employee performance. The linear structure of functional and product organizational structures allow supervisors to better evaluate the work of their subordinates. Supervisors can evaluate the skills employees demonstrate, how they get along with other workers, and the timeliness in which they complete their work. Consequently, supervisors can more readily complete semi-annual or annual performance appraisals, which are usually mandatory in most companies.

As our focus here is to see the effectiveness of organisational structure in terms of employee performance, we should next see the different types of organisational structures.

Types of Organisational Structures

Organisational structure is of different types. Broadly speaking, we can classify the following three major types:

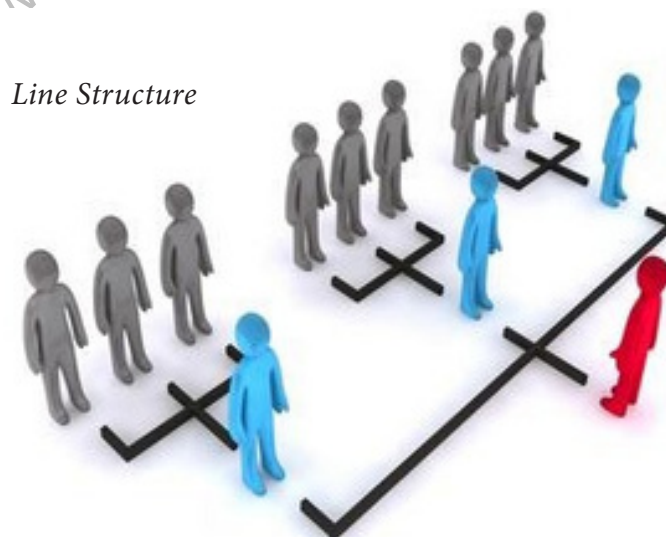
- Traditional structures
- Divisional structures
- Adaptive structures

1. Traditional Structures

As the name suggests, this is the structure based on functions and departments. These structures are well understood on the lines of rules and procedures of the organisation. The lines of authority are clearly depicted on all the levels of management. Now let's see some of the basic structures under traditional system.

Line Structures

The line of command is the base of this structure. Approvals, Orders, power and responsibility – all flow from top to bottom in this kind of structure. This structure is more suitable for relatively small firms with fewer departments.



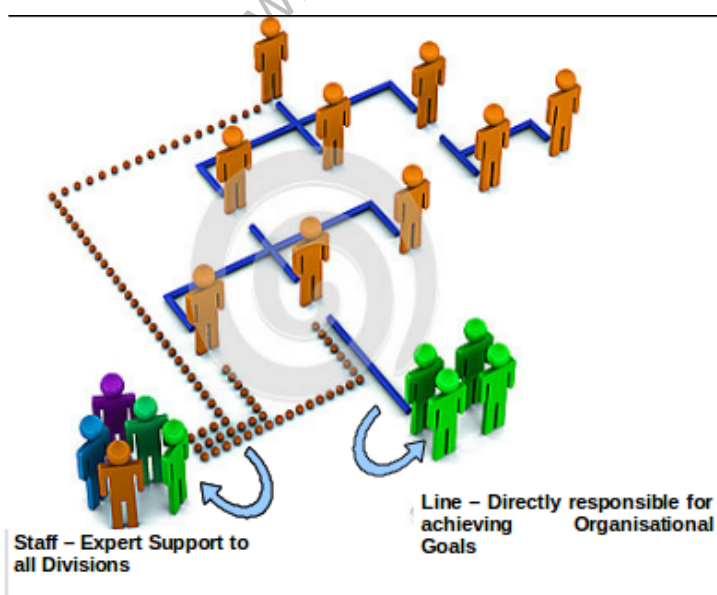
Performance Management in Line structure: The line structure clearly draws lines between the function, process, authority and responsibility. It becomes easier to identify and measure the work of the employees. Hence, as a result, this structure helps in evaluation of employee performance in a better light. The skills of employees, their timeliness in completion of work and the responsibility and commitment on completion of the work are well estimated. The line structure is thus preferred in many organisations, as this helps in timely completion of performance appraisals of the employees.

Line and Staff Structure:

Line structure is suitable for small organisations. Line and staff structure is for bigger organisations, where more number of departments and employees are present. Line is represented by those who are directly responsible for achieving organisational goals, and staffs are those employees who play the role of advisors, who is of assistance to the line managers in some specialised areas where line managers doesn't have the required expertise.

The authority flow is from top to bottom, but the line managers have more legitimate flow of authority than staff managers. Still, the staff managers have the authority to say 'go' or 'no go' in their area of expertise. Hence, this creates a slower processing of decisions and it is a sort of centralised management system.

Line and staff structure



Performance Management: The management and appraisal of performance of employees in this structure is a little bit cumbersome than the line structure. In the contemporary world of Human Resource and the development in this conceptual area, it is the experts or staff personnel (most often HRM people) who do the major part of appraisals. The important disadvantage of line structure is the managers have to play different roles of expertise. For example, a production manager has to recruit, manage his workers, and appraise them.

In practicality, think if a production manager is basically an engineer and when he is supposed to understand the human side and appraise the workers, there arises the problems in appraisals. In line and staff structure, there is the possibility of utilising the expertise of HRM people to carry over these management jobs of recruiting, placing and appraising the employees with professionalism and empathy.

2. Divisional Structures

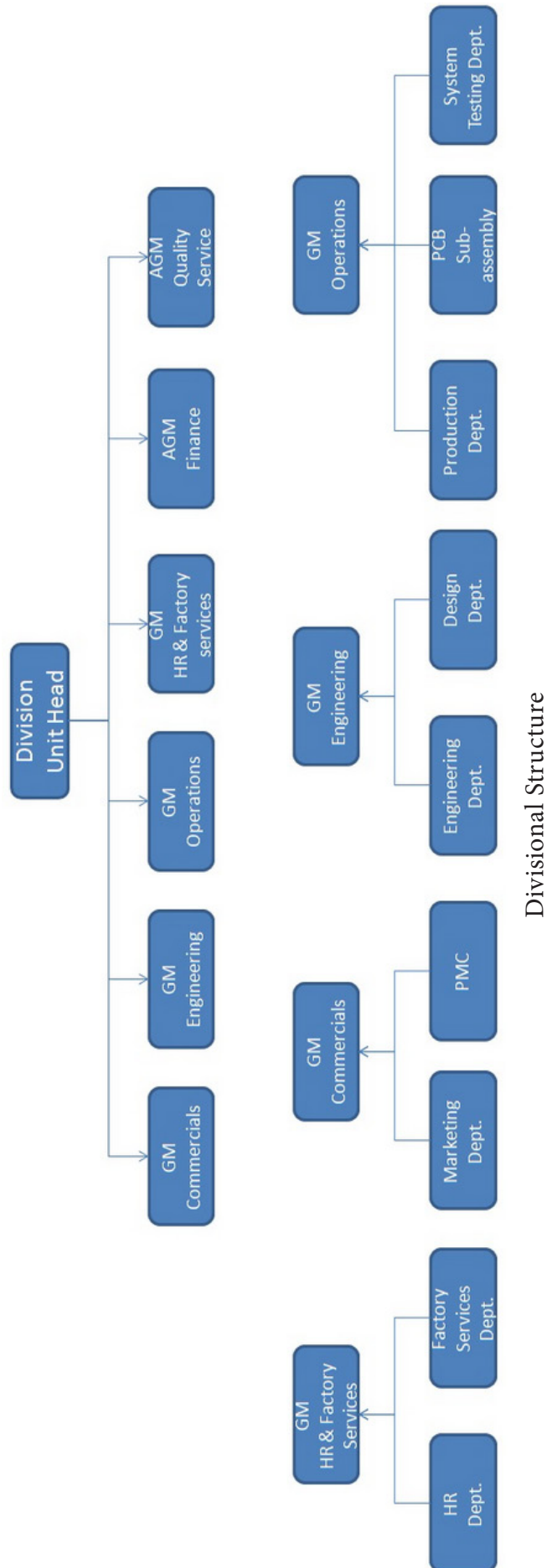
Divisional structure is for large enterprises which deal with multiple products and different markets. Divisions are made based on geographical territories, products or process. Each division has its own divisional manager and runs the divisions as small units of the organisation. Managers are given with the authority and responsibility to run their divisions. The decentralization of powers helps in faster decisions and hence faster achievement of the organisational goals.

3. Adaptive Structures

All the organisations don't need to have the customary departments, or it is not that necessary all the projects and situations are similar. According to the necessity of a situation or project, the organisation may have to go for a new structure which suits them. They are called as adaptive structures.

Adaptive structure is generally of two types and they are

1. Project Structures
2. Matrix Structure



Project Structure

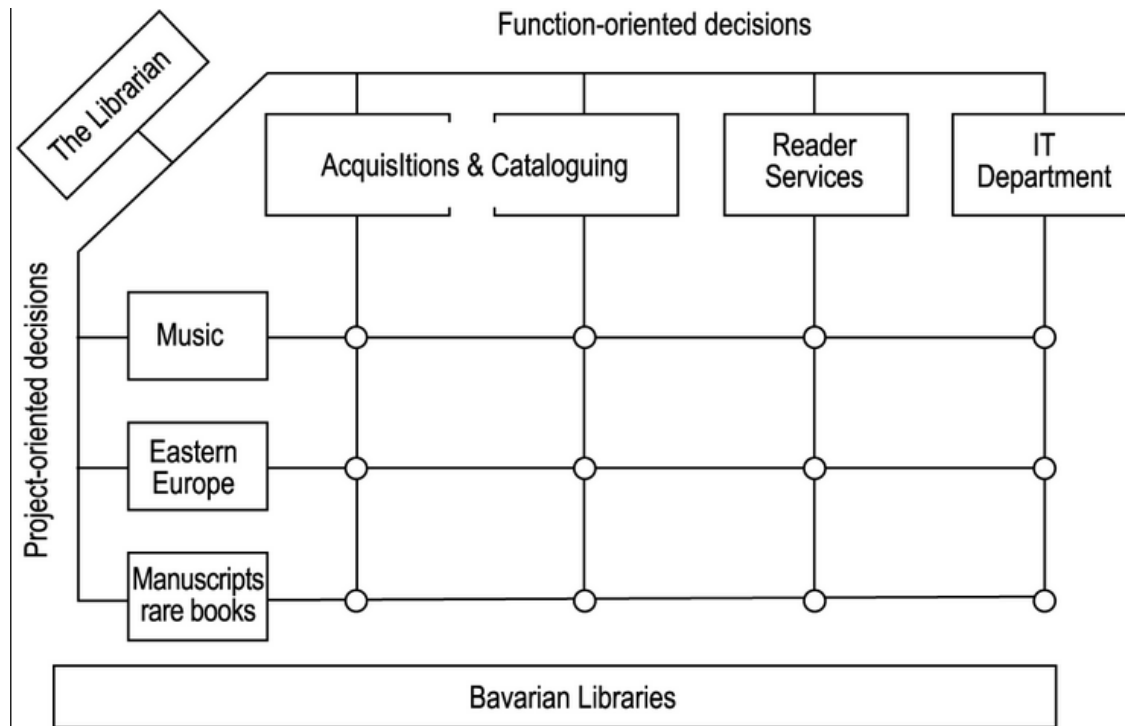
This structure is well suited for organisations which undertake time bound project works. The focus is to execute the one time operational projects without messing up the existing structure. The employees may be posted to the projects on deputation till the project work is completed and will be absorbed back into the original department where they belong. The project heads usually has the autonomy of running his team.

- The advantage being the performance appraisal can be based on the particular project for the period, the employees gets chance to have job rotations and can try their hands on new ventures and new job areas, apart from their day to day monotonous routines. The accomplishment of the project gives a glimpse of measuring the performance of the team.
- The disadvantage is that the changing of place, job and designations (sometimes) of certain employees may not go well with the parent department. Next, the project structure is not always based on functionalities and combine different process together for a project, thus resulting in a mangled performance appraisals.

Matrix Structure

This structure was invented to overcome the disadvantages in project structure, thus combining the functional structure and project structure. Also called as hybrid structure, matrix structures are termed as the successful and efficient structure for huge corporates.

In this structure, the organisations is divided into functional divisions and also divided on the basis of the projects or products. The employee will have two immediate superiors instead of one, which defies the basic principle of management, all these years organization have stick to –“Unity of Command”. The flow of authority is from both sides – vertical and horizontal and the employee who is at the meeting point of these grids has to work under both superiors from vertical and horizontal side. This may be well understood with the diagram given below.



Source: Adapted after Dichtl *et al.* (1993)

Matrix Structure

Functional manager decides on the operational aspects and Project manager exercises his authority over the conduct and completion of his project. He decides on project aspects and has full power over the resources necessary for him to complete the project. The autonomous status of project structure is maintained without spoiling the functional structure thus resulting in better decisions, faster decisions and easier accomplishments of projects. The expertise support of the function heads steer through the difficulties a project manager may face due to his confined status of working inside the project.

Performance Management in Matrix Structure

The performance of the employee is evaluated by the Project manager in most of the organisations. The biggest criticism for the matrix organisational structure is that the unity of command is missing, resulting in confusions in taking up orders and priority of executing the orders. Another problem in matrix structure is responsibility can be easily shifted. When fixation of responsibility falls in question, then the performance cannot be assured.

On the brighter side, apart from the command problem, it is to be understood that, matrix structure gives hope for the employees to learn and widen their skills. When an employee is posted functionally in a project which may be focusing on some other job work, the learning area widens and learning becomes a continuous process for him.

Activity

Create an organisational structure for a small departmental store in the following models:

1. Matrix structure

2. Horizontal Structure

Lesson 3.2 - Employee Motivation and Morale

Motivation

Dear student, when we are using the term “Performance Management”, you should not think that the concept of performance appraisal is not very new in the world of business. Organisations have always understood the importance of human contribution to the growth and achievement of goals.

What you should note here is that, day-by-day, the significance is increasing. If you look back at the past decades, we can clearly notice that, the importance has increased manifold.

As a student of HRM, you might be interested in the evolution. As the human resource sector started gaining prominence, the organisations has to search for strategies and concepts to keep it going, that is, to keep the HR sector interested and motivated towards their performance.

So, you should have understood what we are going to look at this chapter. Yes, it is Motivation. Imagine a day of your life without motivation. No reason to get up from bed, no need to go to work, no need to eat, no meaning to life. How awful it would be? Motivation is the basic driving feeling that pushes a man to do something to satisfy his needs. The Supreme Creator of the earth has found a big solution for this problem of motivation and that is simple –hunger. An old saying states ‘the biggest pit in the world is stomach, never stay fills even you put something for years’. The basic need of satisfying hunger seems to be the secret of survival of earth. Is it not? Ok, let us see what management gurus say about motivation.

According to Peter Ducker, the “real positive motivators are responsible for placement, high standard of performance, information adequate for self-control and the participation of the worker as a responsible citizen in the community”. Motivation is the driving factor that pushes us forward. Towards something we search. It gives us satisfaction if we

achieve it. Then the motivation takes another form and starts pushing us forward again. But, the interesting characteristic of motivation is – it differs from person to person. What motivates an employee to produce more may not work with another employee in the same factory. For example, a gentle pat on the shoulder by the superior as a recognition or appreciation of work may do wonders for one employee. It may be a better motivator than anything else for him.

But the same recognition may not satisfy another worker, who may only feel satisfied if rewarded with money. He doesn't attach any value to simple pat on shoulders. Hence, what you should remember in this area of study of motivation is the motivators are in many forms, and cannot be generalised to all.

An employee's productivity is based on his abilities. But, often, we come across people, who don't perform up to their standard of productivity consistently. So, what is that second ingredient that pushes him to perform to the full ability or pulls him from his talents? Any idea? Yes, of course it is the element of motivation. Motivation determines what the worker wants to do, even though he can do much better or much worse.

Motivation, a Latin word, means "move". According to Berelson and Steiner, "A motive is an inner state that energise, activates or moves and directs or channels behaviour toward goals".

Generally, motivation is the state of restlessness, tension or disequilibrium due to an unfulfilled need. The need transforms itself to the desire to act upon to achieve it. Need stimulates, acts as a complex force to move the person to realise the desired goal.

Positive Motivation is a sum result of the following four attributes:

	Determined goals
+	Belief in self competency
+	Positivity to wards the environment
+	Belief in the system

=	Motivation

Activity: Think and list out three motivators that works better with you for studying and scoring good marks.

1. _____

2. _____

3. _____

Motivation Frame Work

Basically, the motivation framework is explained with six different attributes.

- **Need Deficiencies:** The process of this motivation frame work starts with the deficiencies in needs of a person. This may be different to each employee.
- **Searching ways to fulfil the needs:** Let us take for example that the identified need is hunger. The only thinking in that hour will be to get food and satisfy the hunger. The person will search for the ways – cooking / go to hotel.
- **Achievement oriented behaviour:** When the way to fulfil the need is identified, we start to behave in order to achieve the need fulfilment. In the example of hunger, if the way is decided as cooking, the person will behave to start cooking. He may analyse and acquire the things needed to achieve the action.
- **Performance:** The real work to satisfy the need is performance. In our example, it is the cooking of meal.
- **Rewards/ Punishment:** This is where the performance is evaluated. For example, when the cooking is over, the person may feel good about the food he prepared and happy. He got his hunger need satisfied and we may say rewarded. On another hand, if the food is horrible, he may feel bad and punished. The performance is thus followed by the consequence, positive or negative.

- **Rising of next need:** Once the need of hunger is satisfied, the person may feel the next need. After food, yes it is sleep. Is it not? The next need may be to search for a place to sleep. The next motivator stands ready. This is the final step in the frame work that is, reassessing of the deficiencies of need. And there we go back to step one.

The diagram below will give a better understanding of this framework in an organisation, for an employee.



Motivation and its Various Forms

A mother knows how to make her child listen to her, by her abundance of love to convince the child or by frightening with a small punishment. In an organisation, to get the desired performance, the manager also has to act on different modes like encouragement, appreciation, rewards, promotions, incentives and if need arises even with force, constraint or by instilling fear of punishment.

All are various forms of motivation. What are they? Let us examine.

Positive Motivation

Flippo says "Positive motivation is a process of attempting to influence others to do your will through the possibility of gain or reward". Mamoria gives an interesting view point on positive motivation that, "People work for incentives in the form of four P's of motivation: Praise, Prestige, Promotion and Pay cheque". Positive motivation is generally based on rewards. It gives a feeling of happiness to the employees. It improves the performance.

Negative Motivation

Also called as fear motivation, negative motivation is based on fear and force. The fear of consequences acts as a motivator to perform better, just to avoid the unpleasant consequences. The non-performing workers are threatened with the fear mechanism that pushes them to move further in their performance scale.

As the term itself indicates, the negative motivation cannot be used in all situations and it has a lot of limitations. Negative motivation creates an unpleasant reaction inside the minds of the employee towards the organisation; it remains as an insecure feeling. Punishment creates a hostile state of mind, which may affect the loyalty towards the organisation. However, there are some uncontrollable situations that need the management to depend on the "stick" treatment to keep the productivity in control.

Extrinsic Motivation

The motivation that comes from the employer or external factors is extrinsic motivation. Promotion, perks, vacations and other financial rewards fall in this category.

Intrinsic Motivation

The feeling of happiness of achieving or accomplishing a challenging task acts as a motivator to seek for the next challenge. This kind of motivation, that comes from within is called as intrinsic motivation. Appreciation, status, power and recognition are some of the examples of this motivation.

Self Motivation

The best motivation we can get may come from us. Self-motivation. The same way, the demotivation also comes to us from us. A bad day means a lot – power failure, argument turned into quarrel with a friend, news of bomb blast somewhere, heavy traffic and late to office- all makes us depressed. This may lead to poor performance on that day. But, to get a successful career, we should move on. Hence, it is the duty of the employee to get self-motivated, make the life and work more interesting. One simple technique is to fix targets and goals and try to achieve the targets. It is as simple as the great teacher Vivekananda says ‘ Arise ‘ awake and stop not till the goal is reached”.

Group Motivation

Two heads are better than one. The enthusiasm, zeal and motivation manifolds if passes through a group. The group plays a vital role in igniting the fire of motivation and keeps it going till the task is accomplished. It is because, the members of the group takes turns to cheer up others. The motivations of looking others perform, competing with others, comparison on the accomplishment all leads to better performance and effective achievements.

Positive Motivation and Performance Management

Motivation certainly induces betterment in the day to day activities and performance of the worker. On the other hand, the system of

performance appraisal also gives motivation to the employees. Wondering how? Let us first see how a sound performance appraisal system helps the employees to get motivated.

- There is a saying - “ When you start a journey, habit makes you run, Attitude decides your pace and values decides your destination but it is **motivation that gets your start with your first step**”. Hence, it is motivation that makes the employee think and act towards the betterment of job, and towards what he wants himself to be.
- Motivation energizes the employees. It acts as a propeller to push them upwards in their job.
- On the other hand, when performance is appraised, positive results in appraisal acts as motivation.
- Motivated employees perform well and it helps in building the confidence level of the employees to perform well again
- A well performing employee, when appreciated and recognised adequately, transforms into loyal member of the organisation.
- If the employees don't have clarity on their job performance, the scope of rectifying their mistakes is nil. Performance appraisals become the important tool to keep them informed about their flaws and competencies, which is an important motivator.
- Performance appraisal is often done on individual basis, and hence, the manager takes time to analyse and reviews the employee's job details. There will be a sort of personal communication even though the content is official is possible between the superior and the subordinate. The feeling of treated with importance during the performance appraisal creates a sense of satisfaction to the social side of an employee. This recognition itself acts as a motivator, and even the negative remarks will bring positivity.
- Individual reviews on performance help the employees to develop on their weaker areas of job, and this helps them develop their individual competency level. Their personal career goals also get achieved through the understanding and improvement of their job. This boosts the confidence level of the employees and in turn helps the organisation through increased productivity.

- For the organisation, the performance appraisal reports give a clear picture of their employee's competencies. If the overall picture is poor, then the organisation may take it as an alarm and reenergise and restructure the strategies and policies of the organisation to improve the productivity. If the report is positive, still, the organisation can strategise itself to sustain the performance and push itself forward.

Negative Motivation and Performance Management

There is always another side for every river. Right? When we say positive motivation impacts performance, then so do negative motivation – in its own way. Negative motivation gives a sense of insecurity to the employees and make them work towards changing the situation into secured. As To prevent the unwanted consequences, the employee moves to the zone of expected performance, this stick approach helps many times in real world, as the heterogeneous group of employees often contains “problem child” here and there.

The points to be noted while using negative motivation as a tool to increase the performance of the employees are:

- The employee turnover should be taken care of, as sometimes employees who are not able to cope up with the pressure situation resort to quitting the job than to struggle and rise.
- The manager who uses negative motivation methods is often seen with the glasses of hatred. In long run, even though the motivation is rewarded with good performance and good performance rewarded sufficiently, the bitterness caused during the process remains down and turns into hatred. This spoils the harmony of the work place.
- Negative motivation can give wrong or misinterpreted signals to the employees. For example, a punishment for not finishing the assigned project module may induce the employee to fabricate and manipulate the module with compromise in the quality in future. A boost in incentives for more sales may give a signal to the sales person to sell more products at any cost to earn more incentives than creating a satisfied clientele and improve the sustainability of business.

To conclude, we can see that both the methods work and increases performance. But, positive motivation do good for long term as it increases loyalty and negative motivation do have side effects like turnovers and hatred in the work place. Nowadays, it is suggested that both the approaches are to be used together, side by side, well balanced to get the desired effect. First of all, we should remember that, employees commit mistakes as every human comes with flaws. It is the duty and responsibility of the manager or leader to first help them rectify it – by training or any other technique to teach them how to do it right rather than saying that wrongly done.

I remember a quote from a blogger Dragos roua “The difference between negative and positive motivation is the difference between surviving and living”.

Theories of Motivation

There are a lot of motivation theories contributed by great philosophers, sociologists, psychiatrists and Management gurus. We will be discussing some of the important motivation theories now.

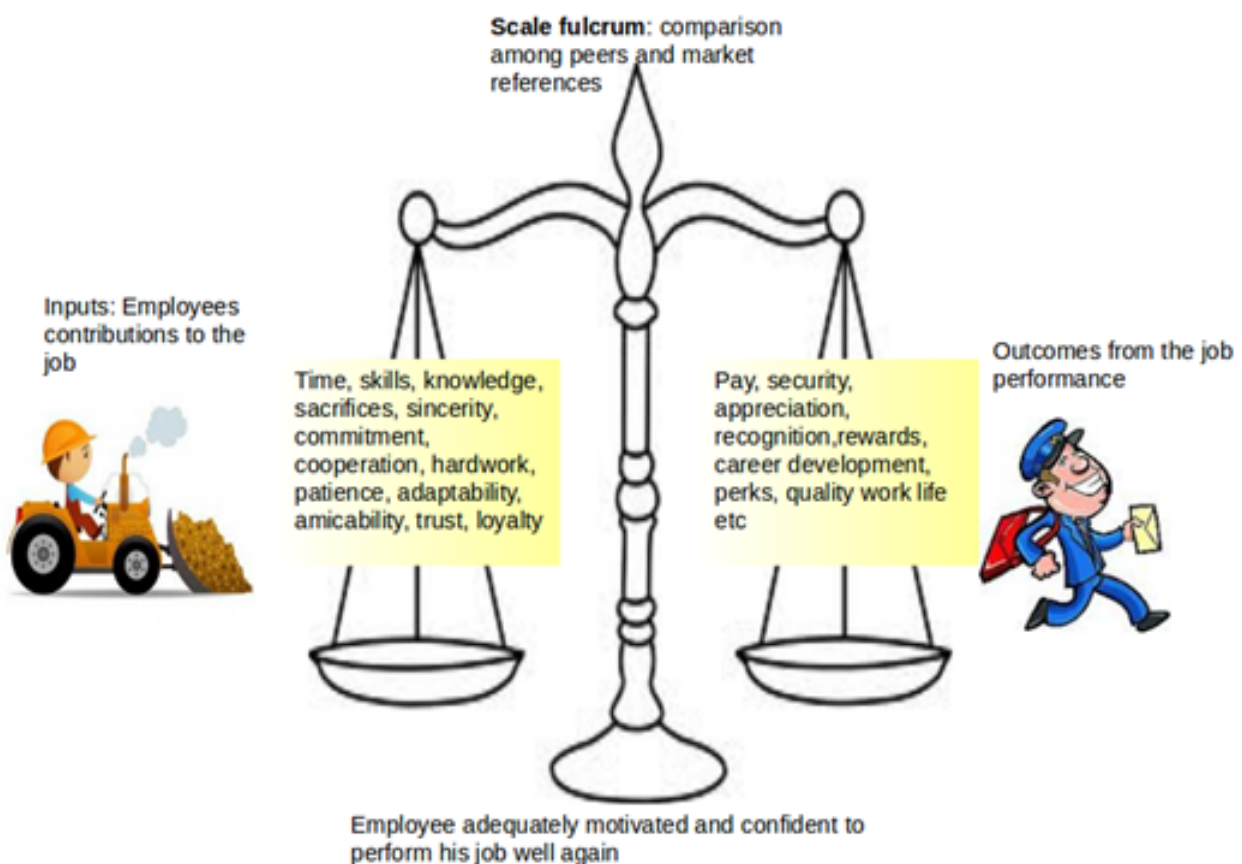
Adam's Equity Theory

Developed by a workplace psychologist, John Adams, Equity theory tries to assert that employees seek a balance between the inputs they put into a job, and the outcomes they receive from the job. It further briefs that either an under-rewarded or over-rewarded employee go through distress, and this leads to restore the balance in the relationship. According to this theory, an employee who is not recognised or rewarded sufficiently for his performance of job gets into the phase of anger and frustration. The employee, who is rewarded high, out of proportion, more than he deserves, goes through guilt phase and not motivated with the rewards.

It is true that, employees wants to be rewarded with pay and if underpaid, they lose their interest to perform better, thinking that however they perform well, their pay is not going to be equal to their input of performance to the job. It will result in performance deteriorations. On the other hand, if the employee feels that he is being noticed for his better performance and is recognised, his job satisfaction increases and indicates a better performance.

The inputs mentioned in the theory are listed as,

3. Time spent on the work place
4. Competency /skill utilised for the job
5. Sincerity and commitment
6. Determination to achieve the goal
7. Personal sacrifices in order to perform the job (like overtime work sacrificing the time with the family)
8. Obedience to the superior
9. Cooperation with the peers
10. Leading the subordinates
11. Enthusiasm, morale and zeal
12. Knowledge, skill and experience



The results or outcomes are listed as,

13. Salary and other monetary benefits
14. Job security
15. Recognition and rewards

16. Sense of being in a team
17. Sense of belongingness to the organisation
18. Appreciation
19. Reputation

The outcomes are often perceived into two divisions by an employee positive and negative. If the input and outcomes does have close match, it brings out positivity and, if there prevails a larger gap between what is given into job and what he gets back, then obviously the feeling is of negativity.

There are certain assumptions in the application of this theory. They are

- **Equity Norm:** Expectation of the employees for a fair and just return of outcomes or results for what they contribute for the job
- **Social Comparison:** The expectation of the employees is based on comparison of their input and outcomes with their co-workers input and outcomes of their co-workers.
- **Cognitive distortion:** In case of inequitable situations, i.e.; if the employee thinks that the outcomes is not a fair result of the input they have contributed, then they create distortion of the inputs (deform the existing contribution to job) in their minds. This happens as a way to make the inequitable outcome balanced. In simple words, if the output is not as big as input, the mind starts thinking of decreasing the input to match the output.

The relationship of motivation and performance of the employee is thus explained through this theory.

Maslow's Theory of Hierarchy of Needs

A theory you would have heard often in your first year of this course – Hierarchy of needs.

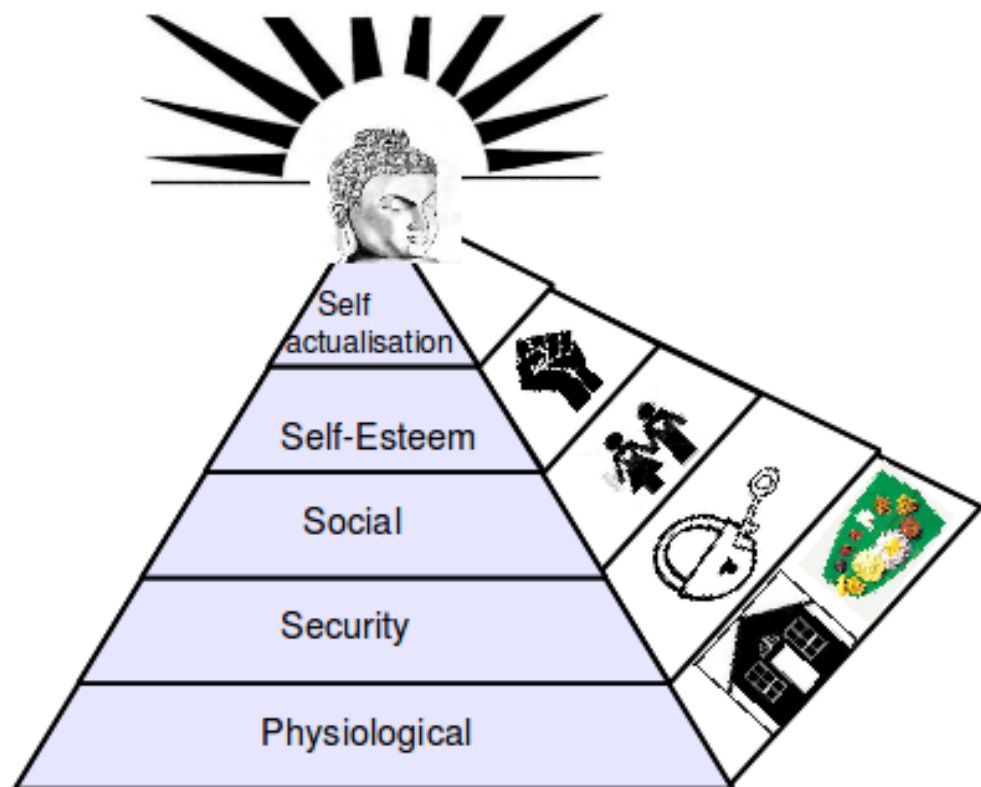
Abraham Maslow is the man who has contributed this wonderful yet simple theory to understand. It is about the steps of needs, that to be satisfied before stepping on to the next step. The step of need that motivates the human to climb up.

This hierarchy of needs is built on five steps as follows:

Physiological Needs

It is the most basic level need in the hierarchy. One has to fulfil this level to be in existence. It includes the basic needs like Water, food, clothes and a shelter to sleep. A man who is in extreme hunger will not get satisfied with a bar of gold at that moment, is it not? The satisfaction and happiness he will attain with a bowl of rice would be immense in that situation. That is what meant by this step.

Security Needs



The assurance for future is the base for this step. When one gets the confidence of his safe and secured future, he will be free of his tension of physiological needs. The fear of losing the regular availability of physiological needs will not allow a man to think about further achievements. This is about possessing of resources always and getting the physiological needs fulfilled.

Social Needs

It is often said that “man is a social animal”. Man has to belong to other human beings, that is, a society. It’s the belongingness that gives satisfaction to the thirst of soul. Love, affection and affiliation is the need that drives a person to next step, once his physiological and security needs are fulfilled.

Self-Esteem Needs

If Social Needs is about the other people loving us, then, self-esteem is the need to be proud of one’s own doings. Self esteem needs exhibits Power over things or people, may be with money, control, authority, designations etc. Self-esteem is finding the recognition from within.

Self-Actualisation Needs

The top step of this need structure is the need of self-actualisation. From “what they are” to becoming “What one is capable of” is self actualisation. It refers to the desire of self-attainment, the desire to convert the age old question -”what one can be” to “what he must be”. It might be anything, like achieving a bigger goal, becoming a great leader, or even renouncing all that earned through the way.

Self-actualised *persona* feels realistic about them and about everything. They accept whatever comes on the way, more often concerned about problems of their external world also and helps in solving them, and they act upon the personal responsibility and values. They tend to become continuously inspired, joyful and peaceful with even small things that happen around them.

Generalisation and the Exemptions of the Theory

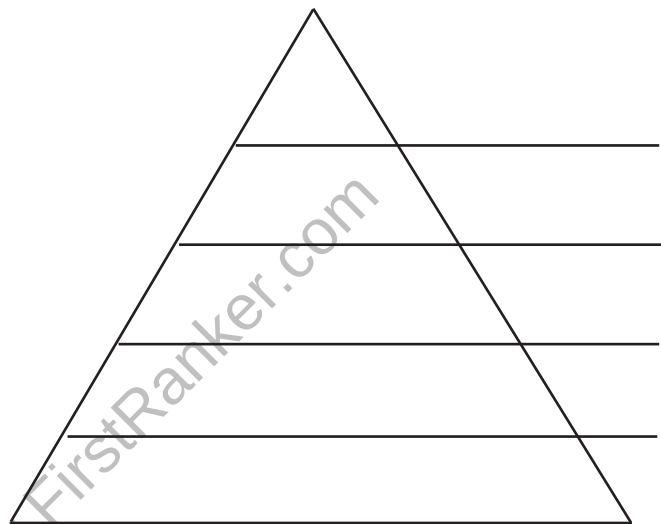
When understanding this theory of needs, you should also know that, it is not necessary that it is not a generalised theory and all of us don’t go through all these steps. The group of people in each of these steps are different. For example, Middle level managers tend to have the needs of self-esteem and self-actualisation rather than the lower needs. Whereas, the labourers in the same organisation feels the needs of physiological,

safety and social needs more as they cannot think or need the higher steps without feeling the lower needs fulfilled. Higher level managers, who may have achieved the self-esteem step, may be looking for the need to optimise his self ability.

Still, you should also understand another paradox in the theory, that, it is not always necessary that one should fulfil the need steps one by one, some people also jump these steps, and some people may supersede them.

Activity

- Fit in any person, known to you – friends, relatives or any celebrity in each of these steps.



- Think about the step where you can fit in yourself.
- Think and find what your need is at present and what will be your next need.

Need at present: _____

Need that comes next: _____

Application of Motivation Theory in Performance Management System

Now, we will discuss the application of motivation theory to our performance management system. The performance management can be strategized with the help of theory, like for

- Those people who are to fill the need of physiological needs, we can think of a reward based performance system.
- A pension plan and permanency of job may sound as a motivation for those employees who are in contractual jobs.
- If a personnel manager finds an employee is in need of social affiliation, placing him in a team based assignment may help him satisfy his need of social recognition.
- Again, for the fourth step, a star performer of the organisation may be having the thirst of power, who may be motivated through a promotion with authority.
- Still for those who is motivated by self actualisation may be provided with challenging jobs to enable them understand themselves and get self- actualised.

Often, employers get themselves into a wrong notion that monetary incentives only will lead to employee satisfaction. Money is not the only motivation for the employees. When the physiological needs get satisfied, the employees yearn for the fulfilment of next need. As McGregor rightly pointed out, “a satisfied need is not a motivator of behaviour”. Hence, the employer and managers should understand that the employees need opportunities to move on to their further needs.

Managers, who are in the task of performance management, should use this opportunity to provide them a challenging playground of work field, where higher targets, better performance may be fixed. Thus, the theory of hierarchy of needs opens up a wonderful platform for understanding employees and motivates them to enhance and improve their performance, which will result in achieving the organisational goals.

Herzberg's Hygiene- Motivator Factors

Popularly known as two-factor theory of motivation, this theory classifies the human behaviour into two major factors-

- Hygiene/ maintenance factor and
- Motivation factor.

Hygiene factor is the basic needs, without which the motivation to achieve higher will not work out. The maintenance factor acts as the foundation to aim higher. The motivation factor, on the other side, acts as the intrinsic and intricate desires of employees to take up challenging jobs, reach higher levels, learn and acquire complex processes etc.

As to performance management, this theory helps us to identify and understand the importance of maintenance factors, so that, the employees may be motivated to perform more efficiently in their jobs. The absence of maintenance factors, often act as demotivators, and thus resulting in decreasing of performance. Hence, we should ensure the provision of hygiene factor to maximise their performance.

Existence-Relatedness-Growth Theory (ERG Theory)

Alderfer's ERG theory is the next interesting theory of motivation we are going to discuss. You would have noticed that, in the above theories, a common phenomenon of getting the basic needs fulfilled is necessary to go further. This theory also is similar. Often people compare this with Maslow's theory, as it looks like a simplified version of that theory.

Existence

This need is about the basic requirements like food and safety, that is, the needs of existence.

Relatedness

When existence needs are compared with physiological and security needs as in Maslow's theory, this is similar to the Social needs. The need of interpersonal relationships. Getting recognised as a member in the society.

Growth

The growth factor in this theory refers to the elevation in the career, personal growth, acquiring more knowledge etc. This is similar to self-esteem and self-actualisation needs in Maslow's theory.

ERG theory emphasise that there may be more than one need existing at one point of time. Performance management implications is as we have discussed in previous topics – existence need can be dealt with rewards as motivators, relatedness need with team based performance development techniques and growth need can be handled with challenging assignments, training or career elevations.

Murray's Manifest Needs Theory

The next need theory is Murray's Manifest Needs theory. This theory proposes greater variety of needs and believes that any number of needs may influence behaviour at the same time. Murray didn't place the needs in any order, but postulates that each need has two principal components called as Direction and Intensity. **Direction** is the person who has to satisfy his need and **Intensity** is the relative importance of the need.

McClelland's Achievement theory

David McClelland found that people are different from each other based on the behavioural traits like

- Calculated risks taking
- Challenging jobs
- Path breaking/ setting new standards
- Better performance

He believed from his study that people can cultivate and acquire the need for achievement (nAch), need for affiliation (nAff) and the need for Power (nPow).

All the above theories are need based theories of motivation which helps us understand what motivates a person. But, you may be thinking on the lines of how a person reacts to these needs and what is the change in his/her process of work. To answer that, now we move on to process theories of motivation. These theories help us understand **how a person becomes motivated** to perform in a particular way. Let us see one of those theories.

Reinforcement Theory

Reinforcement is a process theory associated with Skinner, proposes that behaviour or response is the consequence of any stimulant from the environment and behaviour leads to consequences following as outcomes of the behaviour. The response given to the stimulus is often the expectations of the person, or you can say it is through some previous experience of the person who is responding to the environmental stimulus.

Let us try to understand this through an example. When a machine operator finds that his machine is making a creaking noise, it is the stimulus that is pulling some response/behaviour from him.

	Response 1	Response 2
	tries to stop the noise by adjusting and tightening a bolt.	he calls for the floor supervisor to report about the noise
Outcome 1	the supervisor who noted this appreciates him	the supervisor calls for a mechanic and problem solved
Outcome 2	the supervisor noticed, but not reacted	Supervisor shouts at the operator for not maintaining the machine carefully

Now, when the same scenario happens again, that is, if the machine makes noise again after some days,

	Response 1	Response 2
	Replaces the bolt that is loose, applies grease oil wherever necessary and cleans and maintains the machine	Tries to find out what is wrong, tightens the bolt for the first time
Outcome 1	the supervisor notices and mentally marks his name for promotion	Supervisor notices and appreciates

Ok, with this we conclude motivation and let us enter into the next topic, with enthusiasm, because it is about 'morale'.

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Lesson 3.3 - Morale

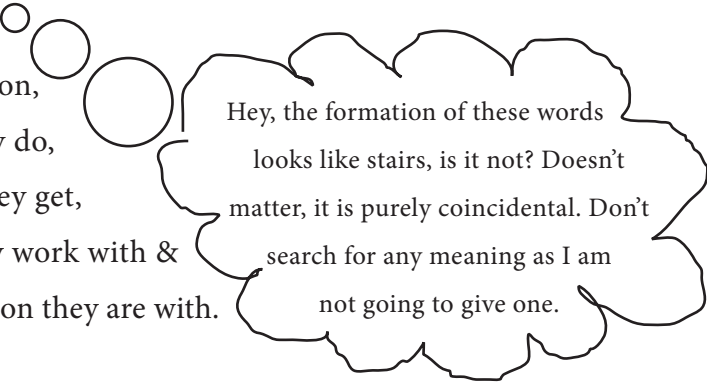
Morale is the feeling of willingness, determination and spirit to accomplish a task. A willing worker is more efficient and productive, or at least tries to work efficiently and effectively. The magic is in the mind set, preparedness, determination and most of all, the willing, wishful effort that he puts into his job. Morale is the word that describes all these things.

Let us imagine a case scenario to understand this concept better. As a student, you might have gone through a “group studies evening” during examinations. For example, let us say that the subject you study that evening is your group’s favourite, or one of your team mates is an expert on the subject and helps others to understand the concepts. Now, the overall climate of the group performance becomes good. The spirit and zeal of the group increases and your interest and willingness to accomplish the task that is learning, manifolds. We can see that your group’s morale level is high and obviously you all are going to get through the examination with very good grades.

Flippo defines Morale as “a mental condition or attitude of individuals or group which determines their willingness to cooperate”. Yodder defines yet simply - “Morale is a feeling, somewhat related to spirit, enthusiasm and Zeal”.

Employees with high morale are usually not only like their job, but also passionate about

- their job,
- their career,
- their profession,
- the work they do,
- the output they get,
- the team they work with &
- the organisation they are with.



Hey, the formation of these words looks like stairs, is it not? Doesn't matter, it is purely coincidental. Don't search for any meaning as I am not going to give one.

The effects of high morale are

- It is infectious and hence the team spirit increases
- Generates high interest in the employees towards the job
- Loyalty towards the organisation increases
- Employees extends cooperation to achieve goals
- A sense of pride prevails in the organisation
- Employees feels the bond among themselves and with the organisation

If the organisation is having a low morale, you can just write all the opposite reactions to the above said effects as the impact of low morale. No team spirit, no interest, no loyalty, no cooperation, no pride – simple. So, the overall effect will be disastrous to the organisation.

Activity

A survey was conducted during May-June 2009, by Korn/Ferry International, to gauge the impact of the 18-month downturn (Recession Period). The International Executive survey was administered to CXOs globally. The report indicated a high morale in India. Senior executives felt more confident that they have steered the company well in rough economy. Apollo Tyres had paid corporate performance bonus at 110% for the April-June quarter of that year, whereas no bonus was paid in the last two quarters of the previous year. It was found that Employee morale was at a high after a long gap across all levels. Have a look at the survey report given below.

Q1. Which best describes employee morale within your company?

	USA	India
Outstanding	10%	23%
Good	33%	48%
Fair	12%	19%
Poor	12%	0%
Unemployed	22%	10%

Q2. How satisfied are you with your current position?

	USA	India
Extremely Satisfied	6%	11%
Satisfied	31%	36%
Dissatisfied	25%	33%
Highly dissatisfied	8%	7%
Unemployed	30%	13%

Q3. Do you aspire to have your boss's job?
USA

- Yes: 67%
- No: 33%

INDIA

- Yes: 85%
- No: 15%

Source: <http://businesstoday.intoday.in/story/high-on-employee-morale/1/4613.html>

Answer the Questions Below

1. What do you think about the survey report?

2. Are you feeling pride and happy looking at the high morale in India?
Does your morale boosts up? If yes, why?

Employee morale by itself is a very complex phenomenon to understand. When morale is this important, then we should look at the practices by which an organisation can boost their morale, is it not?

Practices to Promote Morale

Equality: Gender bias free, discrimination free work place creates high morale. When the organisation policies and procedures have a wider thinking on equality among the employees, the employee's grievances comes down. This promotes morale

Just Compensation: Compensation structure on the basis of the job entrusted to the employee gives no space to complaints against the organisation. Pay is a big motivator, for which the first step to get employed is taken by an employee. There is an old saying that "stomach is the way to satisfaction". Hence, any unfairness in pay structure will not lead to high morale.

Employee Welfare: Welfare schemes for employees like EPF, ESI, Paid vacations, Pension schemes, perks, Education for employees children, Canteens, sports clubs, residential quarters, transport facilities are all part of morale boosters. TCS's health care benefits are the best in the industry, says Mukherjee. "One of our initiatives is called 'Mpower'. As part of this, we have people managers at our centres and they deal with issues that employees might have".

Job Enrichment: job enrichment and job rotation methods helps in eliminating the stale feel of doing the same work again and again, which leads to boredom and low morale. When job enrichment or job rotation is introduced, the new challenge in work creates a kind of interest towards the job and the employee gets himself involved with the job and hence the morale goes high.

Clear Vision: One of the important factors to improve morale is the clarity in the vision, mission and goals of the organisation. Clear goals give clear job roles, and hence, the individual career goals get aligned. When the employee's personal needs gets satisfied, his morale goes up.

Personal Factors: The personal factors like knowledge, skill, aspirations, age, IQ level all plays a part in the performance of the employee. The career goal drives them to reach higher and higher. When his goal gets sidelined, obviously morale cannot be affecting him.

Organisational Structure and design: The organisational design should be taken care of, to set a smooth sail of communication channels, giving ways for both upward and downward communication. This enables a sense of empowerment and participativeness for the employees which is an important component of building morale.

Belongingness and Socialising: Encouraging socialising of employees and their families through get-togethers and parties creates a bond between the employee and the employer beyond work relationship. It creates belongingness feeling towards the organisation. A Tata Consultancy Service initiative, called as 'Maitre', reaches beyond employees, to their families, bringing them together for a number of cultural events. No need to say that the attrition rate in Tata group is very low, might be the lowest in the country at times.

Employee as part owner: Among Indian companies, Infosys is often noted for high morale and the most commonly pointed our reason behind this successful morale rate is – share in the profit. ESOP -Employee Stock Option Plans. The employees can be the equity share holders of the company, and become owners of the company they work for. How does it sound? "Infosys Employees say they are not bothered about the quantum of equity shares they will get, but are proud to be owners of the company" - reads an article in Business Standard, 2010. Owing to this success, Infosys reintroduced this scheme in 2010 after its discontinuation of ESOP policy in 2003.

Apart from these factors,

- A good and clean environment,
- Health and safety assured work floors,
- Encouraging leadership,
- Adequate rewards,
- Performing team building culture and
- Training

also plays a role in building Morale.

And also note that unattended Grievances of the employees directly affects the morale of the organisation. We have already seen the consequences of very low morale under UNIT -II, as Work Place Violence.

How to measure the morale? If you can measure, then you can say whether it is low or high, is it not? There are some methods to measure morale of an organisation. It takes a lot of analysis to see through the process of morale build up or brought down. Let us see them.

Direct Observation – By monitoring the employee's behaviour, their outbursts, absenteeism, late attendances, attrition rates, achievement of targets, quality of production – all these are "give aways" of how employees feel.

Records and statistics: High morale reduces complaints, conflicts, absenteeism, employee turnover, and request for transfer etc. They are the outcome of prevalence of low morale. By the analysis of well kept records of leave, accidents and grievances, morale can be measured.

Suggestion Boxes: A suggestion box may bring out the unsayable grievance of employees. If at all there is any grievance, like an employee threatened by a superior for not being his accomplice in any fraudulent activity, the tension of keeping it within himself may be a big torture for an employee. When an outlet is given, with assured confidentiality, it would be a way of understanding and eliminating the obstacles to high morale in a work place. When the suggestion box is not getting any more remorse letter, it indicates high morale.

Open door Policy: When the superiors and top managers are approachable, it gives confidence to the employees – they can approach with suggestions, and they can approach for grievances. Top managers can observe and analyse the pulse of employee's morale through this system.

Counselling Session: Counselling is also a method to understand the level of morale, as the counsellor comes to know the real problem for dissatisfaction towards the job. Under this method employees are advised to develop better mental health. So that they can imbibe self confidence, understanding and self control. This method is used to find out the causes of dissatisfaction and then to advice the employees remedial measures.

Attitude Surveys: This method is largely used in present day. Questionnaires or interview method may be used in these surveys. The survey is to look at what is the need for employees to get their morale heightened.

To conclude, Quantifying morale is next to impossible because morale is intangible inner feelings. The symptoms of increase or decrease in morale can be seen and felt, but cannot be measured accurately.

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Lesson 3.4 - Contemporary Thinking on Employment Practices and Work Schedules

The traditional Practices of employment are fast shading into the behind with the new age practices taking up the stage with Globalisation in its full swing started ruling the globe. The term we use for contemporary practices are “flexible work place and flexible timings”. The major change is in the location where we work, changing up the basic of an organisation – work place – itself. The next one is about throwing away the standard timings of work concept – flexi timings. The third is how the job is done- flexi process. So learners, welcome to the world of employee’s custom made office and official timings. Let us list them for your quick reference:

- I. Flexible work place or location
- II. Flexible timings
- III. Flexible work methods

Work Place Flexibility

The definition of this term varies from place to place, country to country. Simply speaking, flexibility of work place is an arrangement between the employer and the employee

- To enable a efficient performance from the employee even with the adjustments he expect in the work place to meet with his individual needs and
- To enable the employer achieve the organisational goals even when he allows his employees the benefit of change in place and time of work.

In other words, flexibility enables both the employee and the organisation needs met with adopting changes in time, place and method of job. The success mantra behind is “give and take” and thus it provides a “Win- Win” situation.

I. Flexible Location**Activity**

Source: From web "faith of our fathers", martymlink.wordpress.com.

The illustration above is simple but deep. It shows the frustration of running in a treadmill -from home to workplace - for long years. It can happen to any of the employees of any organisation, including you and me. The geographical area is not the main question. It is the place of comfortability. When a young mother has to join duty after her delivery of child birth, the place of work comfortability means only one thing in this world: Wherever her child is, that is the place of her choice. Don't you agree?

There are three choices to solve this problem.

- 1. She has to leave the infant at home and attend to the work.*
- 2. She can take the child with her to the place of work, provided a facility like a crèche is available in the work place*
- 3. She can stay with her child and work from home.*

Tick your choice and justify it with reason, imagining you in the following roles:

1. If you are in the position of the young mother :

My choice is , because

2. If you are in the position of the baby:

My choice is , because

3. If you are the manager of that employee (young mother):

My choice is , because

Dear learners, wondering why the activity is in the starting page before the concept? I gave the activity before the explanation of the concept in detail because, the choice you wrote above needs to be unbiased, without any preconditioning of mind. It takes to be a human with empathy towards the ecological environment to be a good Human resource Manager. The performance management is not only about increasing the performance of employees to the optimum level of their competency, but also about bring it to the optimum level with their personal and individual needs satisfied, where ever possible.

When you have answered the 2nd question that is “if you are that baby”, you could have understood that, employees not only work for the organisation, they are wanted in the personal life too. Organisations cannot hire employees without their attachments towards their personal lives. After all, the basic concept of a man to come to work is to lead his life happily with his family, with the money he earns from the work. It is a bitter truth for the organisations that, employees are not born only to work for them and Organisations have started facing this truth of-late. That’s the point where the evolutionary thinking of flexi workplace has started.

Now, let us see what **flexible location of work place** is. The purpose of hiring the worker is to get the work done. The focus is on the output. Hence, if a job can be performed at a different place other than the place where the organisation functions, then it is admissible till you get the output as expected. The presence of the employee is secondary, and hence, flexi work place is justified. There are some few innovative models of workplace flexibility. They are

1. Remote Work Place

You could have seen a software engineer or a programmer who designs software for Computer Firm, working in a bank for some time to enable bank employees learn and work with the soft ware he designed. This is working from the client’s place. Like this, remote working has various forms. Let me list a few for better understanding:

- A scientist working from a laboratory located at a different place
- A purchase executive working at the supplier’s place to ensure prompt delivery of materials from supplier’s place to his organisation
- A sales person of a cosmetic company working in a Mall or Super Market at the special counter of their company products.

2. Working from Home

Working from home is easy to understand because the name itself is the meaning for that. When an employee work for his organisation from his home, than it is flexi work place. In the activity given above, you would have thought that “crèche” is also a good choice to leave the baby, when the mother is away at work. The question here is, “whether crèche will

be a comfortable place for the baby to grow?” If the choice is given to the baby, the baby might choose home instead of crèche at the work place. The choice of baby would be the choice of mother. Hence, if the mother is allowed to work from home in the above scenario, she may perform better in her work, rather than the other two choices.



Moreover, this concept is well suited for the following kinds of jobs:

- In case of expatriation problems – i.e., if the employee cannot be sent to other country for work due to some reason, he can be allowed to work from home the job he has to do there. He can use web cams and other technologies like video conferencing to keep himself present in the office where he is needed, instead of really going to that country.
- Part-time jobs - For occasional job works which arise from time to time, frequency unpredicted and requires expertise to accomplish – Organisation cannot employ a full time expert in cases like this. Hence, an expert may be hired with flexi work place system, no matter where he lives, who can do the jobs for the organisation, whenever the need arises.

In the silicon valley of India, Bangalore, many software companies has successfully implemented the “Work from Home” concept, thanks to the extreme menace of traffic jams and hours of wait in the cabs on the

roads. As a solution to overcome the problem of lost man hours, which is of a high value in those companies, the employees were allowed to work from their homes on their allotted modules of software programming.

II. Flexible Timings

Changes in the traditional concept of work timings are called as flexi scheduling or flexi timings in the globalization era. There are various models of flexi timings. Few of them are

- Flexible working hours
- Part –time work
- Seasonal Employment

Let us see the models of flexi timings one by one.

1. Flexible Working Hours

Like the choice of place, if the start and finish time of the work is altered, it is called as Flexible schedules, or flexi timings. The one condition in the alteration is the number of hours of work per week or per day will not be changed. It is very common in USA that employees work for an additional of two hours four days a week, thus accumulating eight hours of work. Then, this will be substituted for Friday's eight hours of work and thus an employee can take three days off for week end instead of two days. Confused? Look at the calculation.

Nº of hours to be worked in a Work week (Monday to Friday) 8 hours per day	5 days X 8 Hours = 40 hours	Week end leave- 2 days (Saturday and Sunday)
Nº of hours worked, if 10 hours per day (Monday to Thursday)	4 days X 10 hours = 40 hours	Week end leave – 3 days (Friday to Sunday)

How is it? Three days for weekend?

Activity

- *Think and write down the disadvantages in a 3 days week end.*
- *Will you be accepting to work 40 hours in 4 days and have 3 days week end? Why?*

2. Part –Time Work

Part- time work is working for fewer or less hours than the normal working time of employees in the organisation. For example, working two days a week, working in evening hours, working night shifts etc. In high paid knowledge based jobs, like software development consultant, or Mathematicians in applied science or any other designation that pays in hours measurement, given with the current trend of importance to quality of work life and work life balance, likes to spend more time for their personal life. As the pay they get is huge for a month of 30 days, some people like to work for 15 days and are happy with half of their pay, and 15 days off from the job. The concept of part –time work being under paid and under estimated are gone and now, part-time is intelligent and a philosophical decision to enjoy your personal life along with career life. Looks like real work life balance, is it not?

3. Seasonal Employment

Depending on the demands of jobs that arise in particular seasons, employment is offered during those times. This enables the employee longer period of leave along with a guaranteed job and earnings. This is well suited for employees who likes

- To have long vacations
- To work on projects
- To do simultaneously two occupations like story writers working for few months in publishing houses as proof editors for selected books, Researchers as visiting faculty in Universities etc.

III. Flexible Work Methods

The next flexible concept is changes in methods of performing a task. Let us see the important models prevailing in the present scenario.

➤ **Job Sharing**

This is indeed a breakthrough in the employee favoured innovative concepts. Job sharing is about splitting the job among two employees and all the employer is concerned about is the output and performance of the job. The splitting may be on work modules, or number of days of work, or even half –days of work. Let us try to understand this with an example. A machine needs to be run for 8 hours a day. Two machine men can share the job among themselves on a deal of running 4 hours each a day, or three days each a week, or each one runs the machine every alternate month. The employer pays for one and they share it again. Employer gets the work done, worker gets his flexible time worked out, hence, win-win situation.

➤ **Phased Retirement**

This is an arrangement for the employees who are facing retirement in the near future. They can have reduced work hours, reduced work days, or even part time work. This also includes post-retirement job for pensioners who wish to work after retirement. The added advantage is the experienced employee trains his successor during this phase and the organisation gets the benefit of training the employee at no additional cost involved.

➤ **Annualized Hours of Work**

We have seen a calculation of increasing work hours for four days and getting a day off on fifth day in the previous model “Flexible work hours”. This is an extension of that. The employee working additional hours calculated for a year, instead of week. This results in long time leave eligibility for the employees.

**Benefits of Flexible Work Place in Terms
Of Performance Management**

As for as our Performance management is concerned, flexi time helps people decide on their own timings of work according to their needs and this creates a lot of improvements in the performance of employees and also helps the employer in the following ways.

- The arrangement and adjustment from the employer side creates loyalty towards the organization in the minds of employee. This results in low accession rate. Longer the employee works with the organisation, higher the experience and skill, and hence, improved performance.
- Employee feels satisfied and worriless as flexi time helps him cope-up with his personal life's needs. A self – motivated worriless employee can concentrate more on his work than a stressed employee.
- As in the case of ‘Young mother’ employee we saw in the activity, flexi time helps them to remain in the job without break for years. GDP of the nation often cites the unutilized women resource of the country. Major breaks in the career of the women are maternity breaks, and women tend to even lose their career for child rearing. Flexi -time is a good solution to resolve this issue of under utilization of human resource particularly for countries like ours.
- A comfortable zone is defined by two level- physical and mental levels. Often, the place of work is below the comfort levels, like pollution and health hazards. Work from home helps an employee to feel stress free in his comfort zone and results in better performance.

Thus, we conclude contemporary concepts of work practice, with a understanding that in the mean time. we're discussing these concepts, there may be new practices introduced in some parts of the world. The world is changing fast, as they say.

Lesson 3.5 - Related Performance Management Systems

It is quite interesting to learn that finally the employees are heard and answered to their rightful demands of incorporating the idea of having a personal life too. Hope you understood the new age practices and developments on the side of working culture. Now, let us come to our focus here – performance management. With these new practices, it becomes quite evident that the perception on performance and how to manage the performance is also under a scanner. A system of performance management, which will strategise the procedures in such a way that, the organisational strategies are also related to it, is the concept.

Instead of accepting a generalised performance management system that prevails in the country or in the industry, it is important that an organisation specific system is created. Organisations have different culture, different leadership, different products, different management styles, different process and so many other differences when compared to any other organisation. Not to mention, the uniqueness of employees, (they are individuals with their own self identities), within the organisation. Hence, it becomes important that a performance management system which includes space for all these differences is essential to any organisation in need of excellence.

We will be discussing the performance appraisal methods in detail in our forth coming Unit, under the topic, “performance appraisal Methods”, which are commonly used around the world in current scenario. In this topic, let us explore the possibilities of creating a custom made system with a little out of the box thinking.

Strategies of the Organisation and Performance management system

Calling for a specific system is often combined with more effort. The organisations strategies and policies are to be taken into mind, so that, they don't contradict with the Performance management and appraisal policies. For example,

- If the company has a policy to identify young talents on research and development, then the performance management system should have space to analyse and evaluate the contributions of employees out of their area of job. In traditional system, “the thinking “of other areas of work is unnoticed often, and for worse, even called as unwanted, unwarranted and waste of work time. Confinement of physical work place is not as worse as confining the mind and thoughts only to the job of the employee.
- If the company has a quality control policy on curbing the production floor spillage of raw material, then Performance Management system should include space for bench marking, appreciating or commenting on this regard while appraising the floor workers.

Strategy based performance Management

Performance management systems are getting a makeover all over the world through incorporating Strategy based systems of performance management. This calls for a holistic and rationalistic approach to take all the human resource practices and emerge as an overall organisational strategies oriented system. Instead of looking with magnifying glasses the individual performance or accomplishment of job, this takes into account the contribution to the organisation, even in other areas other than the job allotted.

Ok, now let us move on to some successful strategy based performance management systems. First, we are going to discuss, Information processing Based Performance Management.

Information processing based Performance Management

Quite often, the appraisals go with heavy bitter feelings because of undocumenting of the nuances of achievement of the employee throughout the appraisal period. The employee is not supposed to keep a journal of good things he is doing at quite lengthy intervals.

But, he will retain the thought that he is contributing something additional to the organisation remains in his subconscious mind. Finally, when his appraisal report comes with regular grading or negative remarks

for what he has not accomplished, he builds bitterness thinking on “how they forget all the other good things I have done?”, unable to voice out or mention with details of date and particulars of his good deeds.

Let us see a small case to understand this concept further.

Let us take the example of the spillage of raw material on production floor with a small change that, company doesn't have any policy on cutting down the spillage. Still, Murugan, one of the 50 machine operators in the production floor, makes it a point of his work culture that he never spills the materials like his co-workers. The remaining 49 workers do not care about the spillage and hence the production shop floor is always a mess with spilled raw materials. It doesn't exhibit the careful input of materials into the machine by Murugan. He too doesn't have given a thought to it as a very high valued deed, as he has grown up with the simple art of cleanliness and perfection of work. He is like that everywhere, be it his home or restaurant or work place, and he never wastes anything or spills.

The performance appraisal report for that year came as a shock to Murugan, as it was bearing a negative remark on his absenteeism. He fell ill some four months before the appraisal and he took leave for that. He is not very sure about the absenteeism remark, as he is unable to understand how his absence has caused loss to the organisation. But he felt for sure bad, and grumbled to his wife, justifying his bitterness with the following reasons:

- He has been regular to work in all his 14 years of service in the organisation.
- He took leave for a genuine health reason
- He has been sincere to his work all this time

Above all, when all his co-workers were not concerned about the spilling of materials, he is the only one who has saved a little bit of raw material daily for 14 years.

As a lay man and a common worker, he doesn't know the calculations of the monetary value of the material he has saved all these years, but he has that neglected feel of his good deeds gone unnoticed and that stayed in his mind. Neither He knows how to keep journal of

his additional contributions nor does the company care for the additional contributions in the appraisal system.

What do you think was the outcome of the performance appraisal report? The following day, Murugan started developing an attitude of being careless towards the input of materials and joined the team of his “raw material spilling” co-workers in a due period. As usual, this also went unnoticed during his next appraisal.

Activity

Answer the following questions:

- 1. What do you think of Murugan's changed attitude- Right or Wrong?**

- 2. What should be done to the performance management system to rectify this mistake?**

- 3. What will you do if you are**

a) Murugan?

b) Production manager

An information processing system comprising of log books or journals for data collection, appropriate processing of collated data, analysing and interpretation of the processed data is a good suggestion. Log book of job may be kept by the employee as well as by the immediate superior, or the immediate superior may just acknowledge the entry in the log by the employee himself. A job journal may be a hand written book, a printed format sheet where entries are made, or excel spread sheets where entries are added into the computer. The activities in the job are noted with time, date and place. Well-designed software, custom made digital tabs and other gadgets with technological developments are available in the global market for professionals and people in different industries like, transporters, pilots, marines, service industry etc.

A well designed information Processing System can bring a lot of changes and development to the organisation, the major reason behind being – human memory is limited for immediate and spontaneous recollection, and hence when collected data properly processed can reveal important statistics. In the above case, the details of amount spillage of all the workers, when collected and processed, may reveal as a big hole in the pocket of the organisation. When properly managed, may even lead to expenditure cost cuts and improved profits, in return improved bonus to the workers.

Reward Based Performance Management

The word 'money' by itself has gained power in the human world. It is for this sole basic reason, majority of the work force in the global industries join organisations. The other essential items like motivation and satisfaction comes next. Monetary benefit is thus a basic building material in the performance management architecture. Along the same line, rewards management is a vital part in the further development and success of the performance management.

The purpose of rewards is to motivate the employees. It also satisfies the need of a step of motivation. It pushes to higher needs of rewards.

In short, we can say the reward based performance management system is a specialised strategy based system which ensures the fulfilment of employee's monetary and non-monetary needs and recognition

and appreciation needs, combining both, to achieve the performance improvement goals along with organisational goals.

Rewards can be

- Monetary
- Non-monetary
- Indirect monetary

Monetary rewards refer to monetary compensation, most often calculated as a percentage of the compensation or pay of the employee. In many organisations, the policy will rule out any monetary rewards in cash will not exceed 50% of the salary.

Indirect Monetary rewards are rewards that can be estimated into monetary terms. For example, Paid and sponsored vacations, any esteemed Social club membership, canteen tokens (like Sodexo Vouchers), group insurance schemes paid by employer etc,

Non-monetary rewards refers to the wide category of awards, appreciations, recognitions, performance certificates, more challenging and rewarding assignments, flexibility in work time etc. Usually the employees those who are not driven through monetary motivation and those who gets sufficient monetary benefits to not to get stimulated by further monetary rewards are motivated for better performance in this kind of rewards.

A reward based system can be built on the basis of the following:

- Job evaluation
- Analysing the present rewards system
- Understanding the impact of present rewards on performance
- Finding the gap between the above two points
- Designing a new strategy based system to fill the gap
- Introducing new strategy in reward system to achieve the desired performance
- Obtaining direct and indirect Feedback from the employees
- Redesigning the system if necessary

- Evaluating the new system through the quality of performance improvement
- Refinement of the system

Team Based Performance Management System

We have seen about team building and its performance nature in Unit II. I hope you remember. In this topic we are going to see, how a Performance management system can be built on team base.

Teams are a natural source of improving performance. But there are some points that can spoil the team performance if not properly managed. When a team is created, the following should be noted:

- The individual tasks are clearly defined
- The tasks so assigned are interdependent
- The team goal is clear and unambiguous
- Common goal achieved with performance contribution from all the members
- No loop hole for social loafers
- No duplication of task is done
- No independent task outside the team is assigned.

Now, the team is ready for performance evaluation.

A team based system should bring out all the positivity in the team concept. Hence, the following are to be included while deciding the team based PM System.

1. The performance management system should look at the commitment of team players towards the organisational development.
2. Then, the accomplishment of team objectives has to be monitored and evaluated.
3. The team leadership and the effectiveness has to be evaluated, and for the other team members, the commitment and cooperation to the team leader is the measurement objective

4. Periodical Team audit reports has to be analysed
5. Individual contributions of the team members towards the achievement of team goal as well as organisational goal has to be evaluated

Thus, a holistic approach of taking into account the overall activities of the team combined with the individual accomplishment forms the system.

Competency Based Performance Management System

In this systems, Core competencies are looked with appreciative eyes - Every individual employee may have different core competency – like leadership, learning ability, strategic thinking, quality consciousness, knowledge about organisation, melding easily with people and cultures are all seen as competencies, no matter whether they are related to the job description of that employee or not. A transport department in USA tried a method. Instead of defining what the above terms mean, they described the behaviour one would likely exhibit, if were a master performer. For example, for their core competency of “Organizational Knowledge,” instead of defining what was meant by the phrase, they described how to identify an employee who has organisation knowledge. Here it goes

Organizational Knowledge: *Understands organisations’ culture. Accurately explains the organizational structure, major products/services, and how various parts of the organization contribute to each other. Gets work done through formal channels and informal networks. Understands and can explain the origin and reasoning behind key policies, practices and procedures. Understands, accepts and communicates political realities and implications.*

In normal circumstance, in a traditional appraisal system, the competency or talent described here may not be appreciated, never mind appreciating, even will not be noticed as a talent. But, when we term the talent as “Organisational Knowledge” and attach some job value or knowledge value to it, it becomes a skill to be estimated and utilised at the right note.

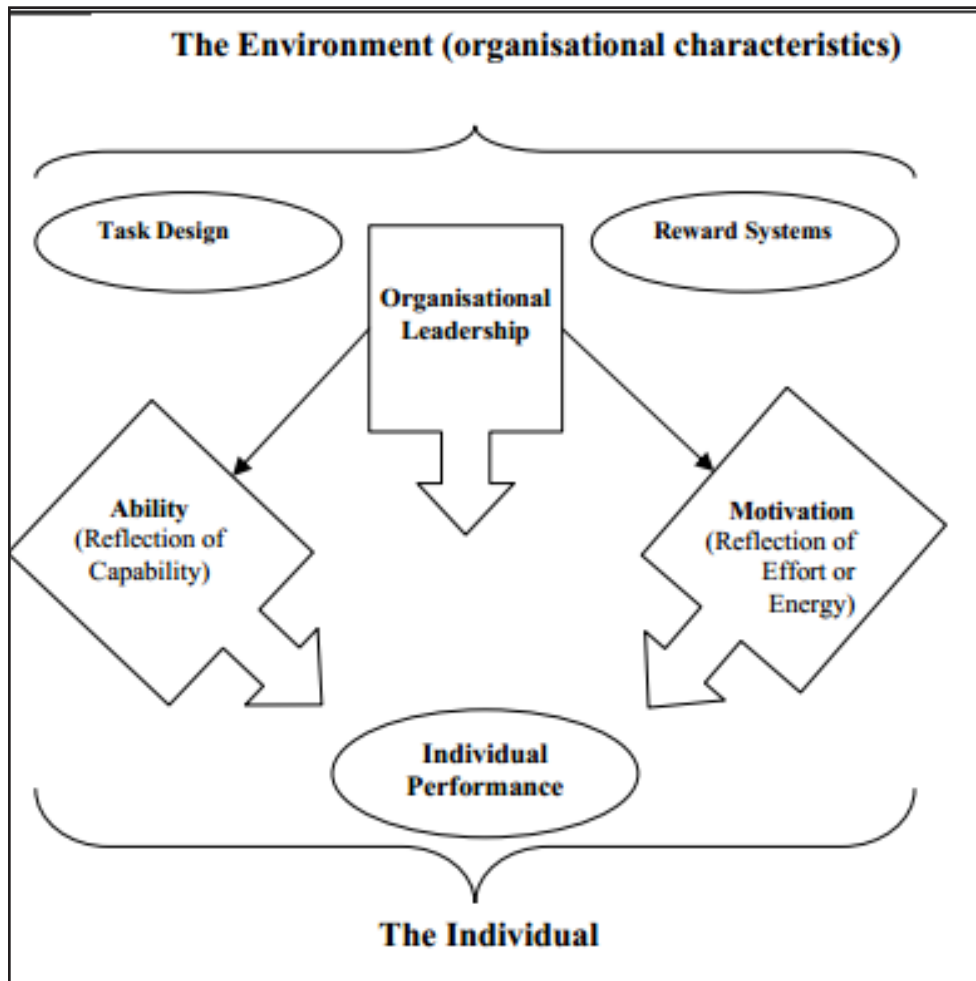
Let us see how they describe the behaviour of Learning and strategic systems thinking:

Learning and Strategic Systems Thinking: *Accepts responsibility for continued improvement/learning. Appreciates and can explain the mission of each individual work unit and the importance of the tie between them to make the entire operation whole. Acquires new skills and competencies and can explain how they benefit the organisation. Regularly takes all transportation forms (i.e., bicycle, light rail, highways, etc.) into account in planning and problem solving. Seeks information and ideas from multiple sources. Freely and intentionally shares ideas with others.*

Got an idea of how the core competency can be identified and utilised?

A strategy of identifying these competencies and providing a platform of performance management system to utilise and improve the competencies is the concept. Let us see the steps to build a model system.

- Describing the core competencies to help identify one through the behaviour of the employee
- Building competency models.
- Assessing the competencies for a period to bench mark them
- Creating a HR system, which includes the core competencies to be identified and accepted as an important tool to place and replace employees
- Evaluating employees who are managed through the principles of core competencies
- Describing the core competencies, if necessary, based on the employee performance
- Redesigning the competency model, based on the performance evaluation.
- Freezing the Competency based system
- Based on the success of the described core competencies, finding new core competencies in the other parts of the organisation.



Adapted from Cummings and Schwab, 1973:2

Leadership Based performance management

The success of an organisation depends on the leader's ability to optimise human resources. A good leader understands the importance of employees in achieving the goals of the organisation, and that motivating these employees is of paramount importance in achieving these goals. A successful organisation realises the need to inspire the employees, stimulate them to achieve the fixed missions. Inspiration and stimulation would be effective only if there is a leader who can inspire in real. The relationship among the people in the organisation is important to make it a effective organisation. A good leader can do that.

Hence, this strategy of performance management takes the leadership as the core competency and identify the leadership talents, thus creating a better performance management system.

It is widely accepted that, performance and leadership is directly related. When an organisation doesn't realise this, the performance will suffer. Democratic and participative leaders usually find it very easy to manage their team's performance.

Dear learner, If you are an employee, you would have noticed the difference in behaviour of the employees, productivity, quality, morale, motivation, overall performance – everything undergoes a change when the leader or manager changes. When a leader is understanding, strong, democratic and participative, they are often seen as visionaries and their charisma can bring a sea change in the performance of employees.

The definition of leadership has changed through decades from tyrants to people's leaders. The changing competitive business environments call for new styles of leadership who can embrace and adapt the diversified work force, their varied cultures and work competencies. The shift in the areas of business due to globalisation has opened the doors for new breed of leaders who can handle the competitive intensity, understand the value of the work force and broad minded to take in the employees into participative management styles.

The system of Leadership based performance management has to be framed under the following:

- Developing leadership objectives into operational areas
- Describing the competency of leader skills based on accomplishing organisational goals
- Monitoring systems to identify the leadership competency in the employees
- Monitoring the existing leaders (of teams or departments)
- Evaluating the performance of existing leaders individually and though the employees performance under him
- Finding the gap and understanding the differences and advantages in difference leadership styles
- Comparing the framed description of organisations leadership competency to that of existing levels of competency

- Redefining wherever necessary to set a pattern of identifying leadership skills
- Conducting Leadership development programmes to groom and develop the original skills
- Evaluation of leaders after the development programme and freezing the successful model.

Through developing leaders and developing leadership skills, the performance of employees under the leaders can be better managed. Instead of one performance manager looking into the entire management of performance, if the leaders are made as better performance managers, the organisational effectiveness improves manifold.

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Lesson 3.6 - Quality Circles

First let us see what a quality circle is. A group of employees volunteering to meet together and work together for the improvement of the work place or process or any other thing related to the organisation is called as a quality circle. The focus may be on safety of the work place, cleanliness of the work place, improvement of a production process, cutting down the spillage, disposal of waste and so on.

In other words, a group of employees who share a similar idea or responsibility, volunteering to help others or the organisation is a quality circle.

Quality circle concept is introduced by the Japanese, calling it at first as “quality control circles”. Later, this concept is adopted by the world, well received, add their own ideologies, and now, it is a successful method to improve a work place.

The basic idea of Ishikawa, the Japanese author of this concept, is “recognising the values of the worker as a human being, with feelings, knowledge, experience, wisdom and interest towards his activities”.

I think we can understand this concept well with an example. In our school days, teacher used to form groups of students, a mixture of performers, stars and slow learners. Each group will have a leader, who usually will be an enthusiastic and studious person. The leader will help the other students in the group to understand complex maths problems or to understand the theory of physics or just listen to a history question and answer.

Often I have seen that, the leader is not a rank student, but the one who is willing to spare time to help others. Teachers know this quality and select them as group leaders. Only difference in quality circle in organisation is that, here the group is formed voluntarily

The objectives of the concept of Quality circles are

- Self- development of the employees
- Development of attitude of the employees
- Improvement in the organisational culture
- Development of team spirit
- Recognition of knowledge in all levels of organisational structure

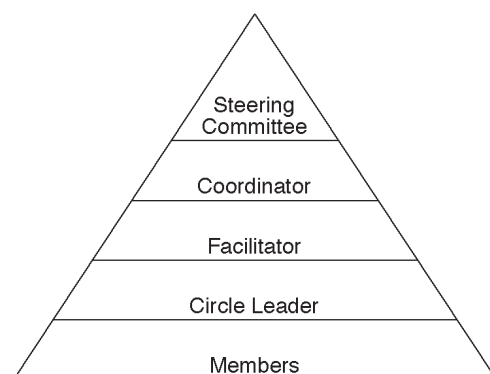
It is interesting, is it not? Accepting all the employees as responsible, knowledgeable, competent to analyse their problems, experienced to come out with solutions and appreciating them for being so. The evolution of HRM has brought us to this extent of thinking from treating workers as slaves to recognising them for just being themselves.

Ok, so, now you would like to know the other features of the quality circles, don't you?

Let us see one by one

- The group has a leader and as assistant leader.
- The members meet on regular intervals
- The circle will have a common goal for a specific period which may change after the accomplishment of the goal
- Usually, the number of members is from 7 to 10, but there are no rules. The group may be small or big, it depends on the need and the focus of the group.

Quality Circle Structure



Quality circle members form the base of the structure of quality circles. The leader on top of them, often assisted by another person, called as assistant leader. A facilitator of higher cadre in management guides and facilitates the meetings. A coordinator on top of facilitator acts like a bridge between the top management, often in this case made as Steering committee to decide upon the suggestions and recommendations made by the quality circles.

Working Nature

The quality circle, meet at regular intervals. They decide on a particular problem to focus on. Then they analyse the problem and finds out ways to solve the problem. Often, they make a presentation to submit to the management, and the management if finds the solution workable, will render their support to the circle to implement their suggestions. But, as I told you earlier, when the focus is something else like safety awareness, then they may have a different agenda like training and assistance programmes to the co-workers to enable them understand the importance of workplace safety.

Objectives

Now, let us see some of the objectives of quality circles.

- Increase the performance
- Increase the productivity
- Improving the morale of the workplace
- Improving better communication among the employees, employees and the employer, employees and the superiors
- Improving the skills of co-workers
- Reducing wastages of materials and resources
- Reduction in errors in production process
- Safety in workplace
- Cleanliness of the workplace
- Improving the environment of work place, by reduction of various pollutions
- Helping in personal development of employees
- Improving cost reduction techniques

The list is never ending. The objectives are often identified at the need arising in the work place; hence, the objective of each quality circle may be different.

Activity

- *Would you be interested to participate in a quality circle? If yes, what would be your role? If no, why?*
- *Think of any other objective you would like to suggest, from your experience in your organisation.*

Advantages of Quality Circles

1. As quality circles are volunteer groups, the morale will be high and hence, the performance of the group members is relatively high.
2. The involvement of employees towards the organisation and the work place gains a sort of bonding and loyalty is visible. This results in retention of employees.
3. The top management and the employees group thus get a positive communication channel through quality circle and this improves the overall communication in the organisation.
4. As the problems for the circle is identified by the member themselves, the floor level problems are often solved by the employees themselves, instead of problems to get elevated to the higher levels and awaiting treatment from the top management.
5. Employees get a sense of responsibility and satisfaction when they solve the problems at their levels.
6. Employees gets motivated when they get the support from the top management

Problem Areas

- Even though by the Management supports the concept of quality circles, often the perception of the problem and solution presented by the members differ. This difference of opinion leads to stagnation of suggestions submitted by the members. When the ideas given by

them are not well received by the management, the morale of the Quality Circle goes down.

- The members of the quality circle often are from the bigger group of employees – lower level management executives- than the middle level executives. In this case, when the Quality Circle suggests the solution, the middle level executives may feel that they may be neglected by the top management and the credit and recognition will go to the lower level executives. Hence, they often put obstacles so as to stop the implementation of good ideas by the circle.

Self Assessment Questions

1. Explain the relationship between organisational structure and performance management.
2. What are the various kinds of organisational structures? What are the advantages of each of them?
3. Explain in detail various motivation theories
4. Explain briefly the various contemporary practices in HRM
5. How does the Quality circle work?

CASE STUDY

Read the following news excerpt:

Dated: October 1, 2007

Ten quality circles of Rourkela Steel Plant (RSP) get Per Excellence award

ROURKELA: Setting a new benchmark in the quality circle movement, all the ten quality circle teams that represented Rourkela Steel Plant (RSP) have bagged Per Excellence award at a quality circle convention.

Per excellence was the highest category of awards in the competition, organised by the Rourkela chapter of the quality circle forum of India, here recently.

RSP sources said the winning quality circles of RSP were Saksham and Agratee from ore bedding and blending plant, Maa Sarala from sinter plant-ii, Quest from coke ovens, Rising Sun from plate mill, Anveshan from hot strip mill, Saptrishi from silicon steel mill, Vishwakarma from R&C laboratory, and Sampreshan from public relations. The convention witnessed a huge participation from 18 organisations drawn from Orissa, Bihar, Jharkhand, Andhra Pradesh and Chhatisgarh.

Quality circles from important industries of the region like NTPC, NSCL, Essel Mining, Tata Power, Ib Thermal, NALCO, OCL, Tata Refractories Limited, Hindalco, NTTF, Bhilai Steel Plant and Rourkela Steel Plant participated in the convention in manufacturing, support service, visual and pure service categories, the sources said.

Answer the following Questions

1. What do you understand from the combination of workers?

2. What kind of Quality Circle is this?

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UNIT - IV

Learning Objectives

After going through this unit, you will be able to understand:

- Industrial restructuring
- Reward system and its impact on employee productivity
- Performance counseling and the benefits
- Performance evaluation
- Various methods of performance evaluation
- Performance management techniques in Multinational corporations

Unit Structure

Lesson 4.1 – Industrial Restructuring

Lesson 4.2 – Performance Evaluation, Counseling and Monitoring

Lesson 4.3 – Performance Management in Multinational Corporations

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Lesson 4.1 - Industrial Restructuring

Dear learners, we have seen in the previous units about performance management, how it is effected through Organisational structure, workplace and motivation and morale. In this unit, we are going to look with another topic called “Industrial restructuring”, which helps in redefining the performance of an organisation.

Industrial Restructuring

Business and economic environment is constantly changing and changing rapidly. The quantum and the quality of the impact is so high, that sometimes the structure of the industry becomes out of date, if the organisation and the industry is not taking turn towards restructuring. The responses of the industries to these sea changes are often path breaking innovations like

- Industrial restructuring
- Outsourcing
- Globalisation
- Empowering
- Merging and collaborating etc.

However, our interest here is mainly about industrial restructuring. Global interest in industrial restructuring is growing in a fast pace. Restructuring is focused on the underperforming industries to achieve break through result in terms of major gain in process, product and performance and eliminating irrelevant cost by identifying redundant, poorly planned and ineffective activities.

Scope of Industrial Restructuring

Industrial Restructuring is targeted to improve the overall performance of an organisation. It is supposed to

- Improve financial performance
- Enhance the customer satisfaction
- Reduce production and operation cost
- Improve quality of products
- Improve HR performance
- Improve employee participation in management

Reflective Restructuring

Industrial Restructuring is undertaken to adapt to the changes in the economic environment. Industrial Restructuring is a striking feature of the economic landscape. However, the patterns of Restructuring vary from one country to another and across sectors. It cannot be generalised that, Restructuring has been taken to as a solution by many countries yet. Downsizing, outsourcing and layoffs are still part of the traditional response to the fragile economic climate prevailing in many developed as well as under developed countries.

But it is a welcoming change that, in recent times, a lot of creative and innovative approaches of HR practices like training breaks, flexi work schedules, job-sharing, sabbaticals, working from home are all part of the new restructure work practices, successfully implemented and practiced in many industries all over the world. These practices are called as 'reflective Restructuring'. Whatever the approach, Restructuring represents an attempt at managing and anticipating change, simultaneously tackling issues of economic, social and environmental significance. We have discussed these practices in detail in Unit III, Under Contemporary Thinking on Employment Practices.

Business process Reengineering

BPR is proposed by Michel hammer and Champy. BPR is defined as "in order to take a leap to improve the cost, quality, service, speed and other operational foundation of the modern enterprise, enterprises should take fundamental rethinking and radical reform in business process.



The important aspects of BPR process are

- The vision and objectives to be developed to suit the new necessities emerged out of the changing environment. It may be like insufficient resourcing of raw materials, customer relocation to other brands, higher attrition rates etc. According to the change to be introduced, the development of vision and objectives are developed
- Without knowing the existing process and operations of a company, the change cannot be introduced, as it would be disastrous. Hence, the study on the existing process will help in understanding the path to introduce to reengineering process
- As the destination is decided, and the process that is existent in the organisation is known, now a new design to bridge the both ends can be developed
- Any introduction of new process, may be reengineering or restructuring would be difficult to apply on a whole. Hence, it is best advised that, before interventions, change levers to be identified and it would be easier with the levers to pull it through.

- Now, the next step is to introduce the new process with the identified levers to change.
- Next step is to make the reengineering process fully operational.
- Now, evaluate the implemented process, collect the feedback, find the flaws and once again go for new developments in the process, keeping in mind the problem areas and finding solutions for them.

Business restructuring rejuvenate people. A new improved change in process flow boosts the confidence of the people, by infusing growth and change as part of the working culture. Wondering how? Imagine your school or college days. When you return to school on the first day of your new academic year, after summer vacation, what do you happily expect? A new class room. In your home, a small change like changing the direction of your sitting room sofas creates a new interest. In the same dosa your mother makes, she adds up colourful carrots one day, the result – she feels rejuvenated by the change in the process and you feel happy for the new product.

Activity:

- *Think about a process change in your work place and write the anticipations and net result of the reengineering.*

- *You are running a flower shop in a mall, where you make garlands and bouquets. You create the design and arrange them according to the availability of the flowers on that day in the market. Your business is not very successful, in terms of sales as well as customer satisfaction. What would you do as a step of process reengineering to survive in the market with success?*

Approaches to restructuring process

Industrial Restructuring would be a success if the following postulates are adhered to:

- Approaching a complex situation without under laying the internal competence
- Calling for the right competence and radical thinking skills to handle the situation
- Adding up weightage and giving importance to strategic innovations brought by the competence called in for.
- With organisational commitment creating an strategy momentum through these value innovations
- The organisational commitment will bring the expected advancement inside-out and the mission will be accomplished

As we speak of restructuring and the changes that would follow the process, it is to be understood that it needs a lot of motivation, attitude, knowledge, creativity and strategies to implement the restructuring process.

The management has the responsibility of effectively communicating the development programmes through meetings, discussions, seminars or by any other method, which will make the road smoother for this uphill task. Restructuring the workshop floor and changing the technology and machines in the floor can be achieved overnight. But, the individual employees see the restructuring through different glasses. The reaction to change is different and unpredictable. The examples may be – denial, acceptance, shock, etc. Employees may resist for restructuring due to three major reasons:

- when they are comfortable with the present structure and process of the organisation
- When they are left in dark about the reasons of restructuring
- When they don't have confidence on the organisation's abilities and viabilities of successfully achieving the restructuring and the desired output.

To overcome these problems, the Top management should gain commitment to the need for Restructuring. As a first step, the modifications in the vision statement should be clear and target oriented. For example – cost reduction, customer satisfaction, enhanced productivity, resource utilisation etc. The active participation of the top level management and the middle level management will bring in an overall cooperation from the employees. Then with the help of a positive work culture the restructuring will be possible.

In short the restructuring would be effective if

1. Driven by the top management
2. Employees treated with respect and empathy
3. Vision clearly created and communicated
4. Restructuring designed with a holistic approach

Reward systems and Employee Productivity

Dear learners, you have gone through the rewards and their importance in HRM in your previous semester, and I hope you would have been duly rewarded with marks for that in your exams. Rewards and recognitions are essential for appreciating the employee's work and inspiring them for continuous good performance. Again taking the example of exams, a word of appreciation or a promise of reward like a new mobile or new computer for good performance from parents will certainly do magic to a child to read more carefully and enthusiastically.

That's why we say, recognition for our efforts inspires us to even higher level of achievement. Rewarding and recognising does a lot more to people and their performance than any other management activity. Hence, now we are going to look into the system of rewards in an organisation and the impact of reward system on employee productivity and performance.

Reward System

Dear learners, we have already discussed this under another dimension of “strategy based performance management systems – reward Based” in Unit III. Now, let us see here the other dimension of it – Reward System of the Organisation and how it effects performance.

Every organisation needs a good reward system to keep the employees believe in good work. A good reward system should necessarily see to the four major areas:

- Compensation
- Benefits and perquisites
- Recognition
- Appreciation

The combination of the above said four rewards would be an elixir to the motivation problems in an organisation. Most often the HR managers strictly adhere to the rules of reward system, measuring the productivity to compensate the employee. Missing of one or more elements like recognition or appreciation, which are very rarely used, leads to a poor reward system.



A good reward system should be able to see the two sides of an employee essentially-

- Performance and
- Behaviour

Performance – performance is often taken as the measuring scale, just because, as we said, it is easy to measure. For example, incentive can be easily fixed based on the sales amount or units sold. **Behaviour** - Rewarding specific behaviour is difficult and challenging than performance. For example setting a scale of measurement for punctuality or initiative is difficult. The first step is to identify the behaviours that are important to the organisation like, enhancing customer relationships, participating in quality circle programmes etc.

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Lesson 4.2 - Performance Evaluation, Counselling and Monitoring

Performance Evaluation

Dear learners, welcome to the important topic of the course. Performance evaluation is what we are going to see next. After discussing a lot of performance improvement methods, it is time to look on the important system that mirrors the result of the performance management system.

Performance evaluation is a part of performance management system. But, it gets more importance that implementation of all other supporting processes of the system. Performance evaluation is also called as job evaluation and more often called as performance appraisal system. Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- The supervisors measure the pay of employees and compare it with targets and plans.
- The supervisor analyses the factors behind work performances of employees.
- The employers are in position to guide the employees for a better performance.

The main objective of performance review for employees is to give them a feedback for their work, record their work to give them a few organizational rewards and to provide further development opportunities for their careers. These methods of employee performance evaluation are also useful to help them improve their performance through coaching and training sessions provided by the management of the organization. No matter what field it is, there are a few common assessment techniques followed by the management to improve the work experience of employees.

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

- To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
- To identify the strengths and weaknesses of employees to place right men on right job.
- To maintain and assess the potential present in a person for further growth and development.
- To provide a feedback to employees regarding their performance and related status.
- To provide a feedback to employees regarding their performance and related status.
- It serves as a basis for influencing working habits of the employees.
- To review and retain the promotional and other training programmes.

Performance Appraisal Process

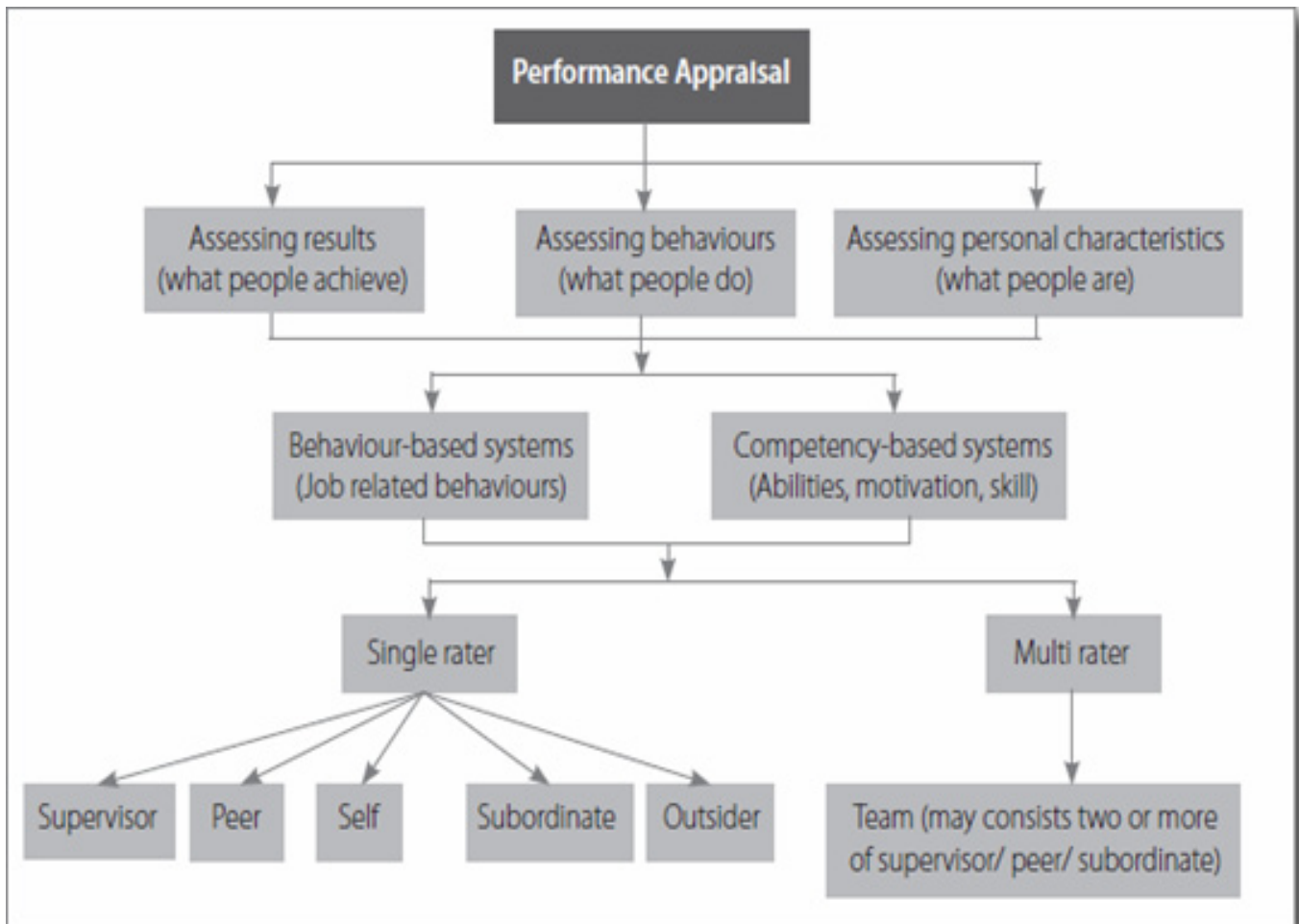
Performance Appraisal basically assess

- The outcome of the job performance
- Behaviour of the employee, which drives the employee to the performance
- Characteristics of the employee.

The job result is the first assessment variable, usually measured for Quality (Effectiveness) and Quantity (Volume of output). The variables are measured for a given period of time, based on job records and superiors' observation. The employee behaviour, related to the workplace and job are analysed and assessed to plan on the development side of the job. The characteristics of the employee often decide the behaviour and output. Hence, the system can be developed based on behaviour and Competency of the employee. Both the behaviour and competency are complimentary, can influence the other on positive side. A good behaviour, inclined

towards learning and team work can be planned properly to develop the competency side. On the same way, a competent employee can be counselled and behaviourally modified to perform better.

The illustration below clearly explains the process of framing a system of performance appraisal.



Advantages of Performance Appraisal

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

- **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
- **Compensation:** Performance Appraisal helps in chalking out

compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

- **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
- **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
- **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
 - Through performance appraisal, the employers can understand and accept skills of subordinates.
 - The subordinates can also understand and create a trust and confidence in superiors.
 - It also helps in maintaining cordial and congenial labour management relationship.
 - It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

- **Motivation:** Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Performance appraisal methods

As the HRM is growing wider, the new methods are introduced in all the areas of HRM. Performance evaluation methods are used in different names, different methods, modified according to the needs of the organisation. Let us see some of the methods here.

You would have studied the performance appraisal methods in detail in your II Semester of this course, under the title 'Human Resource management'. Still, as we are specialising in Performance Management here, let us see the methods in short as quick reference. Along with that, templates of performance Appraisal forms are given under the methods. It is to give you a better view of real time application of these methods and to give you an in-depth knowledge, as you are moving up in your learning ladder!

Traditional Methods:

1. Ranking method
2. Paired comparison
3. Grading
4. Forced distribution method
5. Forced choice method
6. Checklist method
7. Critical incidents methods
8. Graphic scale method
9. Essay method
10. Field Review Method

New approaches

1. Management by objectives method
2. Behaviourally anchored rating scales (BARS)
3. Behavioural Observation Scales Method (BOS)
4. Assessment centres
5. 360-degree appraisal

It need not be said that the fast changing field of HR is seeing sea changes in the area of performance appraisals also. The performance appraisal methods are trimmed and polished, go through inventions, re-inventions, innovations and renovations every day that it becomes a tough task to list them at any given point of time. But, it would be interesting to see the path with turns and to understand the reasons for turns.

So, here is a short overview of differences between the traditional methods and the new age methods.

Leadership:

The appraisal methods that are traditionally used are more often directional. The superiors are the central focus of evaluation. In Modern methods, the superiors role is that of a facilitator. He guides and mentors the evaluation system.

Frequency of evaluation:

In the traditional methods, the appraisal system was often seen as a time consuming, costly affair. Most cases have recorded the appraisal as a ritual than a systematic method. But, the modern systems understand the importance of appraisal in improvising the performance and hence the frequency is often planned with scientific reasons.

Evaluation system and paper work:

The formalities of filling up documents and forms are very high in the traditional systems whereas the modern methods are more flexible and easy. The modern methods focus on the results than the process. The process flow is framed in such a way that the time and cost are not wasted.

Individuality and team:

The traditional methods are more focused on the individual performance and individual evaluation. On the contrary, modern methods even do team and group appraisals. The importance of team performance is well understood in the modern methods.

Basic values:

The traditional methods are more control oriented and documentary type whereas modern methods are more systematic and problem solving. Modern methods lead to development by identifying the strength and weakness, and traditional methods look deep into past performance and points out the mistakes.

Performance Appraisal methods can also be classified into two categories namely

➤ **Appraisal by Traits**

Methods that are based upon the qualities and personal traits of the employee fall under this category. Performance appraisal trait methods are done by looking at the employee's personality, abilities, aptitudes, skills, attitudes.

➤ **Appraisal by results**

Methods that are based upon the results or outcome of the job assigned fall under the category of appraisal by results.

Now, let us see the appraisal methods

Ranking Method

The ranking system requires the superior (appraiser) to rank his subordinates on overall performance. This consists in simply putting a man in a rank order. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group.

Advantages

- Employees are ranked according to their performance levels.
- It is easier to rank the best and the worst employee.

Limitations

- The “whole man” is compared with another “whole man” in this method. In practice, it is very difficult to compare individuals possessing various individual traits.
- This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee.
- When a large number of employees are working, ranking of individuals become a difficult issue.
- There is no systematic procedure for ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgements.

Paired Comparison method

In this method, an employee will be compared with other persons one by one. The person who is doing the appraisal compares two employees on various attributes and decides who is better in each attribute. At the end, the more number one gets against the others will be the final ranking for that employee.

Table 12.1 A paired comparison

Job reference	a	b	c	d	e	f	Total score	Ranking
A	–	0	1	0	1	0	2	5 th
B	2	–	2	2	2	2	8	2
C	1	0	–	1	1	0	3	4
D	2	0	1	–	2	0	5	3
E	1	0	1	0	–	0	2	5 th
F	2	2	2	2	2	–	10	1

Grading

In this method, employees are categorized based on their personality traits and performance characteristics. The grading categories may be like 1-5, A-E or very good to very bad, that is, the grading should indicate from the best to the worst. The appraiser will mark the grades for his employees.

Performance and Development Plan

Employee Name:		Date:	
Position:		Department:	
Appraised By		Date Started:	

Performance Plan

Major Responsibilities	Evaluation of Goal Achievement
1. Manage Quality of Service	1 2 3 4 5
2. Meet employee productivity targets	1 2 3 4 5
3. Complete one on ones with all staff	1 2 3 4 5
4. Facilitate team communication	1 2 3 4 5
5. Manage change in our team	1 2 3 4 5
6. Appropriate Reward and Recognition	1 2 3 4 5
7. Assist others	1 2 3 4 5
8. Achieve employee attendance targets	1 2 3 4 5
9. Achieve turnover targets	1 2 3 4 5
10. Meet financial targets	1 2 3 4 5

Manager Comments

Behavior / capabilities	Evaluation of Goal Achievement
1. Acts with integrity	1 2 3 4 5
2. Is passionate about outcomes	1 2 3 4 5
3. Communicates effectively	1 2 3 4 5
4. Treats people with respect	1 2 3 4 5
5. Contributes to the business strategy	1 2 3 4 5
6. Considers the impact of their actions	1 2 3 4 5
7.	1 2 3 4 5
	1 2 3 4 5
	1 2 3 4 5
	1 2 3 4 5

Manager Comments

Development Plan

Development Goals	Development Activities	Due Date	Status	Comments
1.				
2.				
3.				

Overall Comments

Manager Comments

Employee Comments

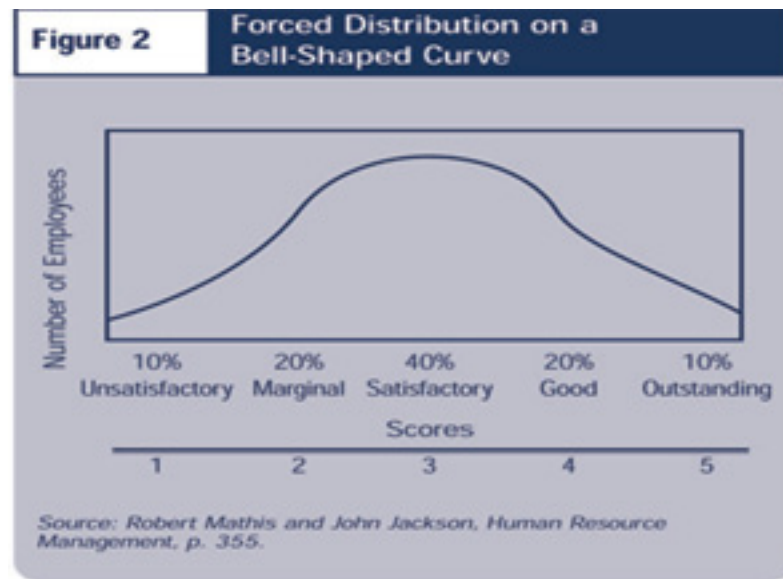
Sign Off

Planning		Review	
Manager	Date	Employee	Date
Manager	Date	Employee	Date

Source: whatmakesagoodleader.com

Forced Distribution method

This is a ranking technique where superiors are required to allocate a certain percentage of rates to certain categories (e.g.: good, above average, average) or percentiles (e.g.: top 10 percent, bottom 20 percent etc). 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.



Advantages

- This method tends to eliminate bias in rating
- By forcing the distribution according to pre-determined percentages, the problem of making use of different appraisers with different scales is avoided.

Limitations

- The limitation of using this method in salary administration, however, is that it may lead low morale, low productivity and high absenteeism.
- Employees who feel that they are productive, but find themselves in lower grade (than expected) feel frustrated and exhibit over a period of time reluctance to work.

Forced Choice Method:

In this method, as the name suggest, the appraiser is forced to make a choice in the appraisal form. The choice may be like “true or false”, “yes or no”. series of statements are arranged in the blocks of two or more and gives the choice to the appraiser. After this the HR department does actual assessment.

The positive side of this method is the chance of making bias judgements is not possible. And the other side is that this method may give wrong results when the statements are not consciously framed. As this is based on forced choice, extra care is needed while framing the statements.

Critical Incident techniques

Under 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 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. Example of a good critical incident of a Sales man in the counter is: *March 15 - The sales man patiently attended to an aggrieved customer's complaint. He was very polite and prompt in attending the customer's problem.*

Advantages

This method provides an objective basis for conducting a thorough discussion of an employee's performance.

Limitations

- Negative incidents may be more noticeable than positive incidents.
- The supervisors have a tendency to unload a series of complaints about the incidents during an annual performance review sessions.
- It results in very close supervision which may not be liked by an employee.
- The recording of incidents may be a chore for the manager concerned, who may be too busy or may forget to do it.

Checklists and Weighted Checklists Method

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.

Essay Method

This is a written report on the employee's performance by the person who assess his work. Most often this method is used to justify the pay and promotion. The disadvantage of this method is that this is open ended and unstructured. There is no standard format and required a lot of time for the assessor to write pages on each employee.

Field Review Method:

This is an appraisal done by external agency or other department, which is usually HR department. The person who does the assessment has a definite set of questions and approaches for interviews with the field supervisors of the employees to be assessed. The feedback and information collected from the supervisors are noted in detail and analysed for a performance report.

Management by Objectives Method (MBO)

This is one of the best methods for the judgment of an employee's performance, where the managers and employees set a particular objective for employees and evaluate their performance periodically. After the goal is achieved, the employees are also rewarded according to the results. This performance appraisal method of Management by Objectives depends on accomplishing the goal rather than how it is accomplished.

Behaviourally Anchored Rating Scales (BARS)

The BARS method is used to describe a rating of the employee's performance which focuses on the specific behaviour as indicators of effective and ineffective performances. This method is usually a combination of two other methods like the rating scale and critical incident techniques of employee evaluation.

Behavioural Observation Scales Method (BOS)

It is defined as the frequency rating of critical incidents which the employee has performed over a specific duration of time in the organization. It was developed because methods like graphic rating

scales and behaviourally anchored rating scales (BARS) depend on vague judgments made by the supervisors about employees.

Assessment Centres:

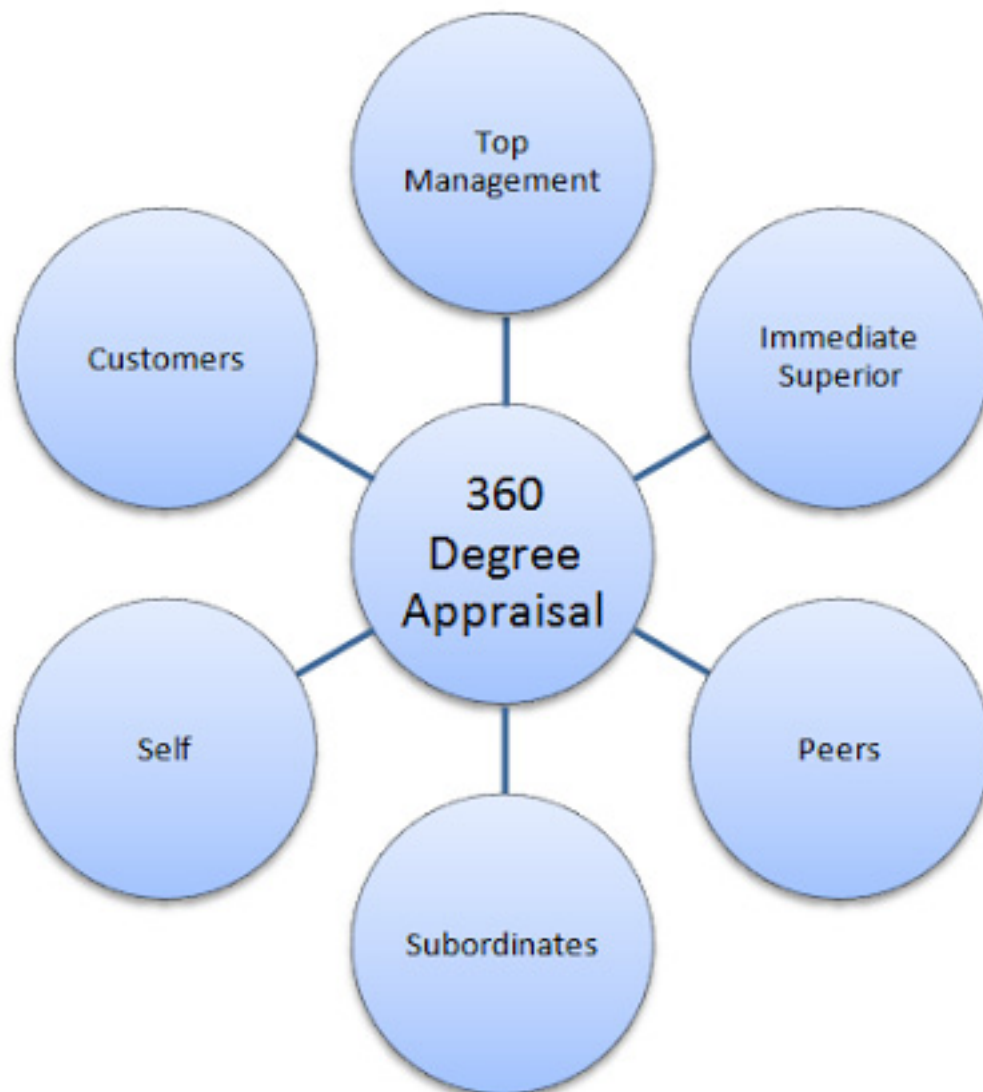
The central place where employees in the managerial, decision making and high productive cadres are called upon to assess their performance is called assessment centres. Employees like this method the most often, because of the nature of unbiased and flexible techniques used. Simulated exercises, management games, presentations, social events and interviews are parts of the assessment activities in this method.

360 Degree Performance Appraisal Method

An appraisal made by top management, immediate superior, peers, subordinates, self and customers is called 360 Degree Appraisal. Here, the performance of the employee or manager is evaluated by six parties, including himself. So, he gets a feedback of his performance from everyone around him.

This method is very reliable because evaluation is done by many different parties. These parties are in the best position to evaluate the employee or manager because they are continuously interacting and working with him.

This method is mostly used to evaluate the performance of the employees. However, it is also used to evaluate other qualities such as talents, behaviour, values, ethical standards, tempers, loyalty, etc.



Activity

1. *Try to form a small questionnaire with a minimum of five questions which can bring out the behaviour of YOURSELF in the workplace.*
 - a.
 - b.
 - c.
 - d.
 - e.
2. *Which is the most suitable appraisal method to evaluate the performance of*

a. You? _____
Justify why: _____
b. Your superior? _____
Justify why: _____
c. Your subordinate? _____
Justify why: _____

Balanced Score card

You would have studied about the philosophy of balanced score card developed by Robert S. Kaplan and David P. Norton to align the business activities to the vision and mission of the organisation. The four perspectives of this concept are **Customers Perspective, Business perspective, Learning perspective and financial perspective**. But, it need not be applied only on the organisational level but also to measure the employee performance in an effective way. Balance score card concepts give a method to look at the complete performance of the employee and not just a partial view.

Too often, employee performance plans with their elements and standards measure behaviors, actions, or processes without also measuring the results of employees' work. By measuring only behaviors or actions in employee performance plans, an organization might find that most of its employees are appraised as Outstanding when the organization as a whole has failed to meet its objectives. By using balanced measures at the organizational level, and by sharing the results with supervisors, teams, and employees, managers are providing the information needed to align employee performance plans with organizational goals. By balancing the measures used in employee performance plans, the performance picture becomes complete.

The ethics of performance appraisal

The major hue cry on the performance appraisal is often “biased appraisals by the appraising superior”. In some cases even the person who got a good remark and promotion based on the appraisal report has a feeling that whether the appraisal is properly done. How to understand or

draw a line of which is right and where it goes wrong? MS Kellog suggests some do's and don'ts to this regard.

1. Know the purpose of appraisal and why is it necessary
2. The information on which the appraisal is based upon should be representative, sufficient and relevant.
3. Honesty is very important for both assessee and the person who assess
4. Say what you do, and write what you say.
5. Don't reveal the contents of your appraisal process to people who won't need them and for those whom it is not necessary

Performance Counseling

In recent years the term 'counseling' has been widely used in management literature to the extent that some writers have suggested that 'managers cannot avoid acting as counselors'. However, the term is used in a vague way and often this employee 'counseling' bears little relationship to psychotherapy or other forms of professional counseling.

Need for Performance Counseling

Managing poor performance is an unpleasant and difficult task and managers instead use disciplinary actions, or rather put up with poor performance than conduct a work performance improvement or disciplinary interview. This lack of desire to manage poor performance is of particular concern as there is evidence that work performance intervention may be the most effective and one of the most important management tasks.

If a manager is to manage performance decline, then performance must be explicitly defined. This requires the establishment of performance standards. Without established performance standards it is impossible to measure any decline. If over time the employee's performance drops significantly from the established standards then, we have work performance decline. It is important to note that this performance decline is significant and could sustain.

All employees may have minor deviation in performance over time due to transient environmental factors, workload or scheduling. As well as established standards, it is equally important that deviations can be measured and observed. This requires properly trained managers and clearly defined and agreed procedures. Most importantly, it requires consistent Feedback, rewards when standards are achieved or surpassed, and sanctions when they are not met.

Correcting performance decline

What causes performance decline with a previously functioning employee? Work-related factors such as poorly defined goals, lack of training and lack of effective recognition can affect an employee's work performance. Personal factors such as alcohol dependency, family problems or financial worries can cause employees to lower the quality of their work. Any diagnosis of the cause of performance decline brings with it the need for action. Appropriate corrective strategies include training, coaching, job design and various forms of employee 'counseling'.

The management response to performance decline must address the underlying cause of the problem. If the cause is work-related, the solution lies within the domain of the manager. But what if this cause is a set of complex and private personal problems?

Most authors suggest some form of counseling as the appropriate strategy in these situations. If the manager discovers that the performance problem is caused by personal problems, they are still left with two major problems:

- In many cases the actual causes of personal problems are extremely difficult to diagnose, even for skilled counselors
- If a manager diagnoses the cause of a personal problem what are they supposed to do (treat, refer, ignore)? The solution to this dilemma lies in appropriate work performance intervention.

Appropriate intervention

Appropriate work performance intervention rests on the observational skills (of work performance decline) of managers but there

is great danger in assuming that they are able or even willing to take on the counseling role. Their job should be to detect a work performance problem at the earliest time, determine if the cause is work related, and if not offer referral for assistance. This should happen only when two conditions are satisfied:

- The problem must be affecting work performance
- The employee must agree to accept assistance.

The manager should not become involved in private matters; their focus must remain on the work performance of the employee. Problems in an employee's private life that do not affect their work performance are not the business of the employer. There are then three essential requirements for a manager who wishes to conduct an appropriate work performance interview:

The manager should use interviewing techniques to establish if the problem is work related. For example, lack of standards or a lack of training. In these cases the manager should intervene directly. If the employee's work performance problem is due to personal issues, the manager should keep the focus of their concern on the employee's work performance only. It is important to offer all employees free, independent, professional, voluntary and confidential assistance. The manager must not attempt to 'counsel' the employee about personal problems under any circumstances.

Process of performance Counseling

Psychology based counseling would be performed better by the professional counselors. But still, the organisations can train the Middle level managers some methods of counseling. Here, we will see a simple model of counseling process.

Stage 1

Rapport building- Without the first stage the manager cannot move to the next stage. He needs to make the relationship amicable for the employee to easily approach him.

Stage 2

Exploration- Exploring the issues involved along with the person. This is a time consuming process, but still once the ice breaking is achieved, it would be easier to explore the problem areas with the employee.

Stage 3

Action Planning – Along with the employee, the manager can make an individual action plan for the employee, for a short period of time. Both of them can make a mutual agreement on monitoring the performance for that short duration. This will help to reinstate the confidence in the employee for performing up to the expected standards

Before concluding this Unit, let us take a look on real time performance management in Multinational Corporations in the next lesson, for a reality check. Ok?

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Lesson 4.3 - Performance management in MNCs

Dear learners, you might be aware of the globalization, its impacts and the role of MNCs spread across the world making the globe looks smaller and similar in all the parts of it. The challenges that HRM faces is multi dimensional. It is widely accepted that there are five core drivers in international HRM. They are

- Efficiency orientation
- Global services
- Exchange of information and communication
- Business process uniformity
- Decentralisation of decision making.

The important areas that have to be concentrated in performance management of MNCs are as given below:

Managing the expatriate's performance:

The performance of employees placed in different country is often challenging due to the language, race and cultural differences. Even the star performer may become a victim to the workplace discriminations which in turn affects his performance. On the other hand, the star performer from another country, creed and skin colour may create inferiority feeling among the local host country nationals who are not that competent to compete with him. Hence, the challenging part of managing the performance of employees from outside the country has to be given due importance and strategically managed.

Training of managers:

The performance managers play an important role in the Global Performance management. The concept and model of

1. Defining the performance,
2. Facilitating the performance and
3. Improving the performance

may help in managing the performance of diversified employees.

Managing the differences in implementation of the performance appraisals in various work cultures:

The challenge in implementing the performance appraisals system is in convincing the employees about the fairness of it. The employees, coming from various work cultures, for that matter from various cultures of work, life, religion and language may not believe in a common performance appraisal system. The issue is sensitive and should be handled carefully by maintaining high level of transparency and unbiased appraisals. This asks for trained managers who have the time, heart and competency to understand the actions and reactions of the employees.

Adapting the styles of local cultural environment performance:

The host country nationals form the part of sustainability of any work place harmony. Hence, the due importance should be given to the local cultural environment while designing the performance management models.

Managing the geographical spread of human resource and their job history:

The employee with a flawless job history may struggle to cope up with the new environment when posted in other country. The geographical boundaries should not become his obstacle in obtaining the benefits of his past performances. Care should be taken to communicate the work history of employees to the new division.

Similar performance Appraisals:

Adapting a similar performance appraisal method with diversified products and operations mode is important. The product and process differs in MNCs divisions. Hence, it should be seen to that the similarity in appraisal is maintained.

Organisational Vision:

Working out the model of performance management system without diluting the overall virtue of the organisations vision and strategies will help in managing the diversified people under one umbrella.

Let us see some examples of how some MNCs are strategising their performance management.

Nokia

Nokia has the concept of forming teams.

The performance Sustainability Leadership Team, Human Sustainability leadership team, Environment Sustainability leadership team and Talent sustainability leadership team are responsible for identifying issues and communicating them to the Sustainability steering committee.

Clarification of roles and responsibilities of employees and steered through the special teams, are the major notable area of this giant.



Previously, unlike most multinationals, which have a multitude of HR systems to contend with, Nokia had a single SAP HR system in place. It had a single set of HR data, covering its 60,000 employees in 73 countries. Nokia's SAP system was heavily customised, which made it expensive to maintain and upgrade. Hence, Nokia opted to roll out a portal that would give employees and managers the ability to access and update their own HR data. The portal aims to free Nokia's HR managers from the burden of administration to focus on more strategic areas of the business. Once it is fully rolled out, Nokia predicts HR staff will be able to reduce the proportion of the time they spend on administrative tasks from 60% to 20%; and double the time they spend supporting the business.

McDonald

Employee Value Proposition (EVP) of McDonald is what we are going to see now. McDonald gathers inputs from the crew members and develop key themes called -"people and culture", Flexibility and Variety, Development and Opportunity etc. Then the EVP core elements 'Family and Friends', 'Flexibility and Future' are developed. McDonald's has introduced a new Leadership Development Framework, which defines five levels of leadership in the organization. New Leadership Competencies reflecting McDonald's Values at each leadership level were also introduced and are assessed yearly as part of our performance management system.

Summary

Dear learners, we are to conclude the Unit IV here. In short, we have seen the newer models of performance management systems, models and the importance of them. Further, we have also seen the performance appraisal methods in detail with practical formats of appraisals. Hope, this unit have inspired you to search for more in this arena of performance appraisal, as this relate to us, affects us and interests us in our day-to-day work life. Enjoy the quest of search that could have sparked inside you for a good appraisal method.

Self Assessment Questions:

1. Explain BPR
2. Explain the relevance of Reward system in an organisation to its performance of employees.
3. What is performance counselling?
4. Explain 360 degree appraisal method?
5. Explain the specific problems faced by MNCs in performance management systems.

Let us go through a case study related to this unit.

CASE STUDY

A senior executive, middle aged was expecting promotion for the past 4 years, which is due for him as he is with the organisation from its inception. The performance appraisal methods are changing every year, as HR manager is highly curious and adventurous in testing many new methods. The middle aged executive cannot cope up with the up gradation of softwares related to performance appraisals. He is sincere in his job, not very high performing or low. He accomplishes his targets and have been loyal to the organisation.

When every time his promotion is denied based on performance rankings and his junior s move up the ladder, he felt cheated and victimized. He curse and loath the system of performance appraisals and recently, his behaviour is changing on the negative side, not cooperating with his superiors (once juniors), absenteeism increasing and performance still going low.

Answer the Questions

1. What is the major issue in this case?
2. Is the performance evaluation system in the company not good?
3. Who is responsible for the poor performance of the executive?

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UNIT – V

Learning Objectives

In this unit, we are going to think on some highly valuable lessons.

- Indian thoughts on People, work force and management
- Indian way - holistic and spiritual approach of work
- Western thoughts on the same lines
- Indian ethos and Performance
- Ethics - employer and employee perspective
- Ethical issues and dilemmas

Unit Structure

Lesson 5.1 – Indian and Western Thoughts

Lesson 5.2 – Ethical Issues and Dilemmas

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Lesson 5.1 - Indian and Western thoughts

Introduction

Welcome to the new unit. As we are standing on an important point on our learning curve, this has to be quite interesting, summing all the concepts we have studied, and also we should know the foundation in the very deep layer of the management concepts buildings. Knowing and understanding the philosophical thoughts on which grounds we have developed these concepts, have the power of giving us the confidence in our beliefs of what is right and what is wrong.

We talk about Indian thoughts, but the thoughts were not only about India. It belongs to the world, it is for the whole world, including all the living and non-living things in the world. It is vast and wider than ocean, deeper than the deep valleys and higher than the highest mountains. I don't think, there is a need to write an introduction.

Because, whether we have read these scriptures, or listened to *pransanghs* or *sat sanghs*, or visit the temples and shrines regularly, it doesn't matter. The feel of these value systems are brought down by generations to generations for thousands of years and already imbibed in our systems.

Dear learners, as this Unit is more related to a person's life as a whole than work life and performance alone, the purpose of the Unit is to stimulate your thoughts and make you know more about these topics by yourself, rather than placing them all down here, which is next to impossible.

Hence, wish you luck, happy thinking ahead.

Indian Thoughts on Management

India – the very name suggests various colours to different persons from different locations in the globe. Some might say that “Beautiful Palaces”, “diversified people”, “land of snakes”, “streets with beggars”, “mirchi masala”, etc, etc. But, we know for sure, one thing most of them think unanimously is “Spirituality”.

It's not only the saffron robes and saints they mean. It is the vast land with mountains and valleys, Kashi and Rameswaram, Beautiful Buddha vihars and people who at the base of heart still carries divinity, spirituality and warmth, no matter what they wear to cover those inner feelings.

Emperors changed, rulers changed, Colonies of English and French gone, thousands of new concepts came in, and on top of all this the spirit of India remains unchanged. It is of course very hard to understand and generalise the management thoughts as a whole for India, but that is the beauty of it. India is so diversified, nothing can be generalised. Abundance of Management practices have evolved from India.

It is often referred that Kautilya's (Chanakya) Arthashastra is the first treatise on Management work in the world. The book, estimated to be written on 300 BC approximately, contains the principles in Administration and accounting, the relevancy of which is applicable even in today's world. Thirukural, a contribution to the world from Tamil Society, is granary of knowledge on management and the path for living. Management concepts in Mahabharata are still to be unearthed, even after thousands of scholarly articles are taken from it. Unwritten, undocumented practices are carried by generations and still kept alive.

In our terms, if we take the Management of Freedom Struggle, One man “Mahatma Gandhi” have shown such a path way, that still many countries cannot even dream about. The country we mean here is people in the country, is it not? Mahatma Gandhi's idea drilled into the hardest of hard obstacles, only because the people, with the mind set of understanding and accepting “Ahimsa” were behind him.

Even after the contribution of “Ahimsa” concept to the whole world, it still has to happen in any other place. Why? We have the concept of co-existence from the day of our birth. We believe in rebirth and bad karma following us even in rebirths. We believe in “Dharma”.

In India, Traditional conduct of business is community and service oriented. The community of traders respected the profession they were in, and had ethical ways followed for generations in their trade. The ancient scriptures and inscriptions tell us thousands of incidents of traders taking up a social responsibility as a part of their trade practices.

Some of the interesting and curious practices of social responsibility are building choultries for travellers and pilgrims, donating the trade products to poor, donating oil to temples to light the corridors in evenings, building rock caves for monks, building schools and educational institutions, building hospitals etc.

Indian management practices have some basic difference from the western concepts. To understand this let us take a recent example. You may have not forgotten the global meltdown started during 2006, which have been a lesson to many western countries.

But, the analysts predicted that India was fast enough to recover and actually it was immune to the crisis. One of the reasons identified for the immunity of Indian economy is, as compared to countries like USA and UK, Indians are traditionally less spend thrifty.

Some of the practices of Indians, like accumulating wealth for daughters marriages, children education or building a house have saved the country from an economic crisis. It is said that Indians have higher risk aversions, and hence, less prone to speculative and risky investments. Consumerism is not that high in India, hence, the money saved in terms of gold and other risk free investments by commoners kept us stable. The high level of consumerism in USA was found as a big culprit over there.

Let us have a small comparison of concepts between the east and west to understand better. But, before the comparison, I would like to quote a few lines of various great westerners on our country.

"So far as I am able to judge, nothing has been left undone, either by man or nature, to make India the most extraordinary country that the sun visits on his rounds. Nothing seems to have been forgotten, nothing overlooked"

-Mark Twain, One of the most famous writers in American literature

'It is already becoming clear that a chapter which had a western beginning will have to have an Indian ending if it is not to end in the self-destruction of the human race. At this supremely dangerous moment in history, the only way of salvation for mankind is the ancient Indian way. Here we have the attitude and spirit that can make it possible for the human race to grow together in to a single family'.

-Dr. Arnold Toynbee, English Historian

'India will teach us the tolerance and gentleness of mature mind, understanding spirit and a unifying, pacifying love for all human beings'

-Will Durant, American Historian

Basis of Management – Indian way of management is values oriented. It is carved out of adopting the concept of co-existence with every other living thing and has a holistic approach towards the actions. The western way is based on science and technology, believed only what can be proved through science, and believes that everything can be improved through science.

Belief – While Indian way of thinking is achieving success and acquiring wealth through welfare including others, western thoughts gives importance to productivity and profit maximization at any cost.

Administration and decisions- India strongly believes in conscience, the supreme power above us, inner soul and divine interventions. Hence, the analysis and weighing the issues are done by mind, but decisions are to be taken by the heart, meaning with empathy to others. Western thoughts are through mind, analysis through mind and decision by mind.

Approach – Indians care for those live near them. For example, a lane with 20 families will know each other and will not hesitate to help in needs. It is very common to see neighbours cooking for a family when one

of those family members is hospitalised, or relatives and friends helping in all the activities of a marriage.

The same way, this element is seen evident when a company and employees work together, it takes a form like a big family and helps each others. Westerner's thoughts give more importance to privacy, and they think it is intrusion to interfere in other's lives uninvited. This element is prevalent in business places also.

Decision Making – India is a great believer of “Dhyan” (meditation). Calming the mind and keeping it still without any thought process and activities, called as meditation, is like a foundation to us. At times of dilemma or a sticky situation of decision making, meditation is the solution we run for. But, westerners believe in brain storming and making the brain more active to arrive at decisions.

Individual Development – We believe in integrated development of an individual. If we take Yoga, yoga has three dimensions – ‘asanas’ to develop and nurture the body, ‘pranayama’ to control the breath and ensure proper functioning of internal organs, and ‘dhyana’ to control and keep the mind calm and tranquil. Spirituality is fed into the minds at early stage by the family through divinity, values, and religious belief to take care of the nourishment of soul. Westerners believe in development of mind, health and body, but they do not give much importance to the soul.

Communication – Westerners give emphasis to proper communication, etiquettes and manners. Indians have a different form of communication – communion. Getting into a better state of understanding is the essence of this concept. Understanding the soul and its real thoughts, than those uttered out physically is more of importance in Indian thoughts.

Principle of co-existence – In India, even today, we can see people worshipping trees, snakes and Cows as divine beings. This exhibits the age old culture of living in harmony with all other creatures in the world. The philosophy of sharing the earth with due respect to other lives is unique for our country.

Natural Resources – India has a way of even worshipping its rivers, forests, (calling them ‘vana devatha’), oceans and mountains as god’s abodes, air as ‘Vayu bhagavan’ (meaning – wind god), sunlight as ‘Surya Bhagavan’ and earth as ‘Bhoomatha’ (goddess of earth). The over utilisation of resources were checked until the western influence in science and business took control. Resources were not attached with any of these methods in western thoughts, and only through scientific calculations and techniques the utilisation of resources are decided.

Human values – India is the place, may be only place, where ‘Bhikshus’ or saints Beggars are welcomed and treated as great guest at palace of emperors. When the other parts of the world, particularly west, look at them as just beggars, who doesn’t have anything. Indian meaning of ‘bhikshu’s are different. We see them as ‘courageous enough to renunciate everything, the worldly possessions, which a normal man cannot do’. Even though material collections are understood as madness, it takes high level of courage to say no to the luxurious life of materialistic world. Hence, the respect for ‘Bhikshus’. This is an example of how human are valued, by their mind and soul and not by their worldly possession.

Acquiring wealth and land through wars are common in both thoughts. But, the approach is different. King Asoka after Kalinga War is an example.

West believes that human race is created by Adam and eve against God’s wish, but we believe God is a part of us. The basic belief is in looking at the positive and negative side. You would have seen a flower called “Nagalinga” (in Hindi, Tamil, Marathi and Kannada) which got its name because of the shape its look like, a ‘naga’ like umbrella on a small sivalinga shaped inner core of the flower. The same tree is called as ‘Cannon ball’ tree in English. (because of its ‘Cannonball’ shaped fruits).

Indian Ethos

Indian Thoughts on Individual Life

It is said that, Ethical elevation preserved the integrity of the Hindu civilisation. *Vedhas* and *Upanishads* teaches in simple way, to lead a simple life, based on set ethical and value system, which will lead to a harmonious, sustainable environment and society.

Many of us have listened to morals and values through epics and ancient stories. We often heard scholars say that the two epics, Ramayana and Mahabharata teach a human how to live and how not to live respectively. The side line stories and in-numerous characters of these epics are so deep and knowledgeable, that they teach smaller and nuance matters, only if you seek for it with the truthfully searching heart.

Apart from scriptures and epics and puranas, visiting places and shrines teach us moral stories through the carvings, paintings and statues.

At the next level, the practice of passing on small stories, what we call as “grandma’s stories”, through generations, to instil values at a tender age, is another successful practice of keeping a person’s life well aligned. Hence, all of us may have our small dose of Indian thoughts, or we may say Eastern Thoughts, as Westerners put it.

In depth, there are many other things that are not popular among commoners like us, and a little of that’s what I wish to pass over to you under this topic. Hinduism, the dominant sect for over centuries in India, depict four sequential aims for life, namely -

- Dharma – The righteous and regulated living
- Artha – motive, earning wealth through Dharma
- Kama – Love and desire to enjoy the pleasures using artha
- Moksha – Liberation, freedom, emancipation from all past karma

The Concept of ‘Dharma’

We all have used this term many times, (whether we know the real

meaning?) is *Dharma*. In simple words, Dharma means, “right thought, right word and right deed”. Dharma is the way of life. It is believed that ‘Hinduism’ is not a religion, but the dharmic way of life. Dharma is an important term in Indian religions. In Hinduism it means ‘duty’, ‘virtue’, ‘morality’, even ‘religion’ and it refers to the power which upholds the universe and society.

Hindus generally believe that dharma was revealed in the Vedas although a more common word there for ‘universal law’ or ‘righteousness’ is *Rita*. Dharma is the power that maintains society, it makes the grass grow, the sun shine, and makes us moral people or rather gives humans the opportunity to act virtuously.

But acting virtuously does not mean precisely the same for everyone; different people have different obligations and duties according to their age, gender, and social position. Dharma is universal but it is also particular and operates within concrete circumstances. Each person therefore has their own dharma known as *sva-dharma*. What is correct for a woman might not be for a man or what is correct for an adult might not be for a child.

Dharma is often translated as “duty”, “religion”, or “religious duty”. It is better felt than described in English. It means “to sustain”, or “integral to something”. Everything has an integral dharma. The innate characteristic of men, both material and spiritual, generates two type of dharma:

Sanatana-dharma – Spiritual identity, refers to *Atman* and hence, same for everyone.

Varnashrama Dharma – Matreistic, outer nature and individual specific. *Varnashrama*-dharma specifies the duties, or work rules of the individuals.

Non-violence is dharma for whose duty is to be a priest, but a warrior’s dharma accepts violence in order to conduct his duty of protecting his people. A *vysya* (merchant) can acquire wealth, as per his dharma, but a saint, who has renunciated, cannot touch money, and that is his dharma.

It is leading a principled life, the motivation being wealth accumulation, then utilising the wealth to enjoy the worldly pleasures. Once, the realisation occurs about the futility of temporary gratification, the search turns towards liberation and seeks moksha, often through the path of renunciation, Bhakthi (surrender to God).

Indian thoughts always lead us to this one destination – Liberation. It depends on individual strength of mind and body to attain this stage. Spiritual emancipation is considered as the main goal and all the other stages are stepping stones leading to the destination.

Karma Yoga

Karma-yoga is the glory word we have to begin with. The spirituality is to surrender to the god that is the destination- we call it *Mukthi* through *Bhakthi*. But, Vedas, Upanishads and Bhagavad Gita points to one direction – *Karma-yoga* -Philosophy of action. Work is given priority. All of us know that the essence of *Gita* is “Perform your duties and leave the result to me (Lord Krishna)”.

Performing the assigned duty is taught as the first and foremost duty for any individual.

- Karma, as we talk often, is of two types – good karma and bad karma. Good karma gives us good reactions, and it is believed that, the good karma will liberate the souls and reaching god would be easier.
- Bad karma is believed to follow us, even in our next birth and gives bad consequences. The individual is accountable and responsible for all his actions and accordingly the reaction follows.

The Bhagavat Gita, categorises the human actions into *Karma* (good actions which helps to move us up in the spiritual ladder and ultimately helps in reaching the destiny to divine), *Vikarma* (Wrong and sinful actions) and *Akarma* (Neutral actions, neither good nor bad, and thus leads to liberation)

The stages of human life and duties to each stage of life

Four 'ashramas' concept of Life of a person gives a clear picture. Every man is supposed to go through the four stages of life.

- *Brahmacharya* – student
- *Grihastha* – Family man, House Holder
- *Vanaprastha* - Forest-dweller
- *Sanyas* – Renunciation

Brahmachari-Ashram

In the young age, the children are supposed to acquire the knowledge, in order to lead a peaceful and meaningful life. Hence, in the first stage of life, say till 20 years of age, the child will be with the Gurukul, a place where the child will stay and learn lessons from Guru. Rigorous training on various areas, according to the need and competency of the child, the Guru will decide upon the lessons.

Life can be faced with confidence once the child undergoes the training under an efficient guru. Apart from the arts and lessons, the important aspects like discipline, humbleness, cleanliness, and many other attributes of life are taught through practical lessons. The other point is the students live a simple life, away from worldly pleasures and material allurements.

Grihastha Ashram

Once the Brahmachari-ashram stage is completed, the person if chooses to return back to materialistic life, take up the responsibilities of family. He marries, raise children, and perform his duties to the society also. He can start acquiring wealth for his family, provided shares his wealth in small amounts to the needy in the society.

Vanaprashta Ashram

After fulfilling the duties of the second phase, here comes the retirement phase. It is to mull on the other things that were not taken care of in those two stages. For example going on to pilgrimages. It gives peace and the spirituality. Hence, once tired life of fulfilling the responsibility

and running the family is over, and resting period starts. The literal meaning is “forest dweller”, living in forest without any comfort, and trying to be with nature.

Sanyasa Ashram

Men who were able to reach this level, fourth stage renounce all the worldly possessions and emotions. They control their mind and body totally. They live detached, often with a “bowl” as the only possession to beg for their food. It is believed that, as it takes a lot of courage to do so, not all can reach this fourth stage easily.

Upanishads

The exact number of Upanishads is not determined. But, ten Upanishads are widely accepted as the most important. Among the ten, “*the Kathopanishad*” (*Katha* meaning stories) contains the concept of “finding the things that are substantial and not to catch shadows”. It was told through the legendary *nachiketa*. *Nachiketa*, was consigned to death by his father, in a fit of anger. The obedient son approaches *Yama*, the God of death.

Yama was pleased with his earnestness and hence, grants him three boons. Using the first boon to remove his father’s misery and the second boon for imparting of knowledge of that fire which enables one to reach the place of perfect bliss, he wanted the third one to initiate him to the knowledge of human soul. Yama declined to answer the question and instead offered him of high value material things like gold. *Nachiketa* refused and still was in determined pursuit of question. At this point, Yama enlightens the boy. Here the substantial thing is referred to knowledge and shadows are materialistic things.

Dear learners, you would be wondering by now about the message of the story. Right? What we interpret from these stories is left to us many times. It depends on the level of mental status and social status a person live in. It is almost like the steps of motivation theory. What we need, that we like to see as the message in the story. I leave it you, to associate the story with the life and work.

Now, let us see some *mahavakyas* (great sentences) that throws light on how performance of job and duties are approached in Indian ethos.

"Atmano Mokshartham, Jagat Hitaya Cha "

All work is an opportunity for doing good to the world and by thus gaining materially and spirituality in our lives is the meaning of this sentence. Performance of any job assigned should be thought as an opportunity to do good to someone or to the society. Spiritual inclination is the base of any duty performed.

"Atmana Vindyate Viryam"

-Strength and inspiration for excelling in work comes from the Divine, God within, through prayer, spiritual readings and unselfish work.

Again, here it is stressed that, no matter what we do as our work or job, we should think that the strength comes from divine. Whatever be the achievement in the work, again it is emphasised that, the inspiration for success came from the God within.

"Yogah karmashu Kaushalam, Samatvam Yoga Uchyate"

-He who works with calm and even mind achieves the most.

We have discussed about anxiety and stress in the previous units with scientific terms. This is about looking it in the Indian Ethos way. Calm mind is the key to everything. Here, we differ from the western thoughts, as in west, it is appreciated if the mind is kept active and brainstorming techniques are more popular. But, in India, meditation and mind tranquillity is considered as high level virtues and a way to attain bliss.

"Yadishi bhavana Yasya Siddhi Bhavati Tadrishi "

As we think, so we succeed, so we become. Attention to means ensures the end.

This concept stresses the fact of self confidence and perseverance to attain the goals. The normal work environment in this competitive world requires both the attributes to stay as a performer.

"Parasparam Bhavayantah Shreyah Param Bhavapsyathah"

-By mutual cooperation, respect and fellow feeling, all of us enjoy the highest good both material and spiritual.

The concept of team simply said. The team spirit, building and culture of team should be mutual cooperation, respect and fellow feeling. with this we move to next topic - the three ingredients to live a motivated, effective work life.

Icha shakthi, gnana shakthi, kriya shakthi

The process of work needs three steps –

- Desire to perform, - Icha shakthi
- Knowledge to perform - Gnana shakthi
- Strength/courage to perform (real action) - Kriya shakthi

In our beliefs, we give these names to the three goddesses of our culture.

- Goddess of wealth – Wealth accumulation, desire to work
- Goddess of Knowledge and Wisdom – Acquiring skills and knowledge to do the work
- Goddess of Power – To get the shakthi (power) Physically and mentally to do the work

The hidden philosophy is to unite all the three internal powers to perform the duty sincerely and dedicatedly, as it would take us to the destination of spirituality.

Thirukural

Thirukural is considered as one of the best administration literature. In the two line hymns, a total of 1330, methods of administration and conduct of work are explained. It is accepted as an extraordinary work by an individual named Tiruvalluvar. Let us see some of the verses that shows path for a good management.

**Money and means, time, place and deed
Decide these five and then proceed.**

– Verse 675

This phrase explains the importance of planning before any job. If we apply this to performance management, it is deciding the

- Compensation for the job
- Job specifications and description
- Time of the job
- Placement
- Personality of the employee

If these are rightly done while recruiting the employee, the job performance would be as desired.

Those who dread (apprehension / anxiety) derision (scornful ridicule / mockery) and Disgrace (loss of reputation as the result of a dishonorable action) will not commence a task that is unclear

- Verse 464

This verse tells us the importance of the outcomes of any job performance. Any action which has consequences of unpleasant happenings should not be commenced at all.

Is there any task too difficult for the man who acts at the right time and employs the proper means?

– Verse 483

This verse is aptly applied for performance. Any job can be well performed if right means applied at the right time. These are small examples of the big ocean. A lot more verses pertaining to the management concepts and individual behaviour are spread over the book. Dear learners, as I told you in the starting, it is your curiosity to explore and be adventurous to look and study further at the intricate ideas of our ethos.

Spirituality at work – Indian way?

This land has identified itself and evolved as highly cultured and spiritual. The satgurus, saints and yogis for thousand years shown us the way to attain the highest level of freedom – self attainment. The paths are different in nature, curious and adventurous many times. But, the interesting segment that is related to our topic is, many saints has suggested the path of

- living the life in its course and
- Giving priority duty and responsibility to. (which is referred to as the essence of Bhagavat Gita)

Indian thoughts has been so deep that when compared to other areas in the world, spirituality at work place like “a small prayer before opening up the day’s work” can be still found in practice in many areas of the country.

Indian thoughts insist on taking up the work, whatever it may be, with dedication. The two basic points that are necessary are

1. Working with sincerity
2. Working with honesty.

Human race have been always seeking the comfort and ease to lead the life, science and technology helping in inventing new products that will clear the hard work and create a platform of comfortable life. The other search of life from the start is the inner freedom.

But the question raised by the great gurus is “the level of comfort is raising, is the level of quality of life increasing?”.

Let us list out the things that are in increase in the present world of Corporates:

- Working time
- Travelling distance to work, due to the company sponsored travel arrangements

- Time spent on travel
- Comforts at the work place
- Perquisites
- And so on....

I don't need to list out the things that we are losing in the present world when compared to the work place three or four decades ago. To start with time at home, time to eat peacefully, time to spend with family, time to spend for the things that really interests us,

To conclude, I would like to quote two great saying of two great personalities

Sri Narayana Guru said that “ whatever may be a man's religion, it is enough if it makes for a better man”.

The mother of Aurobindo Ashram says “One can progress through meditation, but through work- provided it is done in the right spirit- one can progress ten times more”.

Summary

It is to be understood that, the work life is to improve the quality of the personal life, but it also should be imbibed with one's basic values and in return it will reflect in the quality of the living standard- work life as well as personal life.

Lesson 5.2 - Ethical issues and Dilemmas

Business Ethics and HRM

Ethics is creating a frame work of values and principles to help us make a decision of what to do or what ought not to do in different situations posed with moral questions. Ethical issues abound in HR activities. Areas of ethical misconduct in the personal function include employment, remuneration and benefits, labour relation, safety, training and development.

The two core areas in HRM are people and managing people to maintain optimum performance. In other words, people and people who manages them. Ethical issues in performance management are in both sides.

Let us first explore the HRM side. The managers and the concepts of HRM.

It has been a complaint from the day one that, workers are exploited. Even in this book, what all we have explained contemporary thinking on HRM are mostly applicable only to white collar jobs or what we calls as employees in general, not including workers, blue collar people. Industrial relations authors are always raising the ethical issue of workers exploitation.

This question arises when they are provided with a chance to voice out their needs. When we talk about human resource as an asset that is kept as inanimate resource when it comes to workers. Human resource is not weighing human in the same scale.

Human resources are segregated according to the 'value' and treated in different methods. As it is a vast area for discussion, let us see some small examples of ethical issues in India.

Workplace safety: In developing countries like India, the workers who do scavenging work, cleaning drainages are highly prone to risks and still it is a pathetic question that whether the safety equipments are provided to them according to the provisions stated in law.

Diaspora of construction labourers: Groups of people from north and east are fast migrating to other parts of the country to be employed in the growing construction industry. They move on with the projects with their family. The education and future of the children of those families are not a part of the responsibility of the employer.

Gender discrimination: It is said that women constitute a major contributor for the GDP of the nation. The discrimination and workplace violence are major ethical issues in this regard. A recent news article in “the Hindu” stated that the women employees in ‘All India Radio’ are fighting for a committee to hear their grievances of workplace violence.

Wide spread hues and cries are heard, irrelevant of cadre and designation of the women. Whether employer and HRM in all the industries are attending to the ethical issue is again a question mark.

Monetary exploitation: The pay package and wages paid – are they proportional to the profit earned by the corporations is a big question. It is to be based on their performance and job – is the traditional thought.

The Management gurus claim that the profit un-proportionate to the employees pay is not earned by the owners without the support of the employees. Hence, they have a say in the profit.

Ethical Issues and Dilemmas in Performance Management

A performance management system should work on principles of ethical considerations leading to transparency and respect for all. Employees affected by decisions made on their performance should have a right to know the ‘how’ & ‘why’ of the decision thereby leading to transparency.

Procedures should be implemented fairly to avoid bias on any basis and there should be mutual respect for each other’s needs as well as

for every individual of the staff and management side. Business managers often use staffing measurements to conduct performance appraisals, which determine the level of employee performance.

Managers also use performance appraisals to reward positive employee performance and suggest improvement in areas where employees are lacking. Several measurement options are available for determining staff performance levels. Business owners and managers must act ethically when measuring staff performance because many elements of work life hinge on the results, such as pay increases, promotions, demotions, layoffs and firings.

- The area of performance appraisal is the most attacked victim of ethical issues and dilemmas. Starting from hiring and placing the employees, HR is prone to unethical practices. But, when it comes to recognition of the job done any unethical practice is not well digested by the affected employees. The appraisal system should be effective and error proof to sustain the trust of employees in the performance management system and on the organisation too. Here are some essential characteristics to maintain the ethical character of performance management system.

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 same appraisal technique, their ratings should agree with each other. Appraisals must also satisfy the condition of validity by measuring what they are supposed to measure.

Standardization

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

Legal Sanction

It should have legal compliance with the legal provisions concerned of the country.

Open Communication

Most employees want to know how well they are performing on the job. A good appraisal system provides the needed feedback on a continuing basis. Managers should clearly explain their performance expectations to their subordinates in advance of the appraisals period and try to improve their performance in future.

Employee Access to Results

Employees should receive adequate feedback on their performance. Employees' performance can be improved only if they are also accessible to review the results of their appraisal.

Due Process

Formal procedures should be developed to enable employees to pursue their grievances and having them addressed objectively, who disagree with the appraisal results. Performance appraisal should be used primarily to develop employees as valuable resources only then it could show promising results.

Ethical Dilemmas

Believing Ethical values, practicing ethical values, following ethical values and standing by it at critical situations is all different. The scenario posed in front of an individual is more powerful than the code of conduct believed and followed.

We call this situation as dilemmas. Even, Most of the organisation that boasts of having an ethical code of conduct properly procedurised and followed struggle to decide on certain situations to approach with ethicality.

Most of us would like to think we would behave ethically in any given situation, but the boundaries are not always so clear cut at work. Sometimes, the employees and managers at a work place confronted with ethical dilemmas breakdown or quit, not able to withstand their decisions, to decide whether their decisions are right or wrong.

Let us see some simple ethical dilemmas:

- You have completed the task of your colleague who was hospitalised for a week. During appraisal, superior forgot this and have added that job completion to your friend's job log. What would you do –be a truthful person and inform the superior about the work you have done and be the reason for a remark in friend's appraisal report or keep quiet and let it go?
- You work in Computer processing section and in a position of handling performance reports. A small mouse click of yours can change your colleagues work performance chart to higher levels and give him incentives and increments. Your manipulation can go easily unnoticed as there are thousands of reports in the organisations and the monitoring system is not efficient in your place. Would you do it? Or will you ask for such a favour to your friend?

Area between Theory and Application

The grey area between what we believe in and what we do in certain situations are vast. Sometimes, what we believe in as our individual value system blinds us to see that others obviously see as wrong. The sensitive area like performance appraisals gets severe blows and criticisms due to this blind eye of the manager or the deciding authorities.

I think most of you would remember one incident in the great epic Mahabharatha – Dushasan tried to disrobe Draupadi in the King's court. People who were witnessing this shameful act were not commoners, but the great personas like Pitamagar Bheeshma, great guru Dronacharya and Kripacharya. Still, they didn't condemn the act. The one who raised his voice against the sin is Vidhura. He questioned Bheeshma on his silence, mentioning his nobility and knowledge. But, Bheeshma answered that he was not able to act against the wicked people's inhuman acts.

Vidhura then stated that “ The one who does, the one who encourages, the one who watches, the one who watch and witness in silence and the one who does not express disapproval despite knowing the act is wrong – all these people are equal to the guilty”

You would have heard this in other tones – as a popular quote of Martin Luther King Jr. It goes like this “He who passively accepts evil is as much involved in it as he who helps to perpetrate it. He who accepts evil without protesting against it is really cooperating with it.”

The area between the concepts and values we believe and grow into and the ground reality is always shaded and tough to pass through. It is up to the leaders, decision making managers and the employees of an organisation to create a guiding light in circumstances where ethical dilemmas arise. For example, Tata group of companies has Ethical codes, procedures and policies to enable the people in the organisation to decide when they stand in this grey area.

The system of our lives and the society that adopts us into it is no different from us. It is one and the same. It is us, who has to think and decide on which side we should be and how we want us to be identified.

Here I have tried to construct some scenarios that we face often in our organisations. Hope this will give you a clear picture to understand the grey area better.

CASE SCENARIOS

Read each of the small case under each heading and answer the questions given below:

1. Need and Competency

Venu Rao is a smart young man, coming from an educated and well off background. He completes his tasks on time and labelled as a star performer by his superior. Subash is his team mate, good in learning and job performance though not up to the level of Venu and comes from a rural background. Team leader knows both of them personally, as he believes in bonding of team members. Subash's parents in his village fell

sick and the expectation on Subash's presence and income were growing day by day.

The team leader got stuck one day when he has to narrow down one of his subordinates for a promotion and transfer. Subash has not requested him for his transfer to the city near his village. Actually, this point is impressive for him on subash characteristic.

Team leader thought it is his responsibility to listen to the just needs of his employees and attend to them. Venu is highly suitable for the promotion but subash is in need of the transfer more than Venu and for that matter also fit for the promotion. Whom to select?

1. What is your suggestion?
2. What are the consequences of selection of
 - a. Venu?
 - b. Subash?
3. Is it unethical to think on employee welfare than organisational effectiveness?
4. What would be the state of Venu if subash is selected?

2. Loyalty and Talent

When there is a question of rewarding promotion, which should be given with importance - Loyalty of the employee or the performance? For example, if there is an employee who is working with the organization for more than 6 years who is competing with a newbie, well talented, what is the result? Should his loyalty of staying with the organisation considered in priority with the performance of the new employee?

3. Social Bitterness

The recently promoted Project Manager is an angry young man. He is straight forward, honest and sincere. But, he vents out his anger and stand on his ground for things he believes strongly. He has developed a mind set of anger towards a particular sector of people in the city he is living in, blaming them for the unrest and violence in his city.

During that year's performance appraisal, he clearly wrote biased reports of employees belonging to that sector. He is not even aware that he may be unethical in writing his reports and further, he justified to himself that "they deserve this".

- What is your opinion on his reports?
- If you are the CEO of the organisation, how will you react to the appraisal reports? If you come to know of the biased-ness, what will you do?

4. Pride and Prejudice

Sivagami is a kind and soft natured HR Manager and finishes her appraisal reports with more of mercy than of strict words. She believes in people and their abilities and always says that giving a long rope will be helpful for the organisation in retaining employees.

The people who perform well sometimes don't like this attitude of hers, as they fall into the same category of average and poor performers because of her "all are good" reports.

One day, she overheard a conversation between two subordinates, commenting on her. The words that hurt her were "she is weak in mind and that's why she can't take strict action on poor performers", "this is the problem with females in the workplace", "she doesn't deserve to be a manager" and "we should also stop working hard and start sabotaging".

Sivagami decided to write the performance appraisal report with iron hands – only to those two. She suggested for disciplinary action against them on the grounds of spending too much time on canteens.

She justified her actions to herself as "gender discrimination and comments based on gender at workplace should be punished". She was not aware that her pride got hurt. She took her reactions of anger and biased report as "to bring back them in line". The reality was she wanted to prove to herself that she can be strong and can handle strict actions.

- Is sivagami thinking unethical?
- What do you think about the employees who commented?
- Is this a result of gender issues in workplace?

5. Individual Value System and Organizational Values

Varuna Mithra is working for the past 5 years with Sohail Marbles and granites, a stone quarrying, polishing and wholesalers of marbles and granites, and her performance as HR manager is a success story. She is well recognized for her sourcing of daily wage labourers.

She has contacts with the Human resource agents in rural parts of the country and brought groups of families who stay in the outskirts of factory premises in makeshift houses, with literally no proper facilities to wash or bath.

Those labourers walked a little less of a kilometer to a small pond of an old quarry to wash and bath. The children of those families often do the small errands like buying tea and biscuits for the employees in the factory. Three incidents happened in the factory within a period of one month which made Varuna Mithra to conduct a self introspection. They are:

Incident 1

A child of one of the family fell fatally ill due to the dust pollution that arises constantly from the stone polishing unit of the factory. The organisation terminated the family from job and sent them back immediately to their native, fearing that if the child dies in the factory, then the organisation may have to pay a huge compensation. The paradox is the laborers' family doesn't even think on these lines, and got shocked when sent back urgently to their village.

Incident 2

In the annual meeting of the organisation's executives, it was clearly visible to varuna mithra that the plan to build common toilets and washrooms for the labourers near the thatched houses they live in is still in early stage and awaiting approval of top management.

She remembered the proposal was submitted two years ago. She had an intuition that the plan will neither be approved nor rejected, but will be kept as it is as an eye wash.

Incident 3

It came as a rude shock to varuna mithra when she came to know about the lump sum money the Human resource agents at the village collect from the labourers for providing them job. She thought that the labourers are being exploited on all the sides.

She had a tough week of battle between her conscience, values and practicality. As she can't convince her conscience of being a witness to these exploitations, she mustered courage and met her superior to discuss the issue.

He coolly cajoled her by stating that "her "work ethic" is to do good performance to the organization. She will fail in her duties if she is not thinking for the benefit of the company".

She got bugged and cannot decide on what is right and what is wrong.

1. What would you do if you are in her position?
2. What comes first – professional ethics or personal ethics?
3. Workplace ethics is an extension of individual value system – do you agree?

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