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**MBA 821: PERSONNEL STAFF EVALUATION – 3 CREDIT UNITS**

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## **MBA 821: PERSONNEL STAFF EVALUATION – 3 CREDIT UNITS**

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## **MANPOWER PLANNING AND ADMINISTRATION**

### **MODULE 1**

Unit 1 Introduction to the Nature of Manpower Planning System  
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#### **Unit 1 Introduction to the Nature of Manpower Planning System**

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#### **1.0 Introduction**

The term “manpower planning” at organizational or corporate level is also known as human resources, personnel administration or personnel management refers to same activities with managing people at work. Therefore, the term can be used interchangeable in the course

of this course. Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization. Human Resource Planning has to be a systems approach and is carried out in a set procedure. In this unit, you will learn the definition and meaning of manpower, objectives of manpower, its rational in an organization and manpower planning process.

## **2. 0 Objectives**

By the time you read through this unit, you must have been equipped with the following:

- Definition of manpower planning
- Understanding the necessity of manpower planning
- Manpower planning process.

## **3.0 Main Content**

### **3.1 Meaning and Definition of Manpower Planning**

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization. Human Resource Planning has to be a systems approach and is carried out in a set procedure. The procedure is as follows:

1. Analysing the current manpower inventory
2. Making future manpower forecasts

3. Developing employment programmes

4. Design training programmes

Walker, (1980) defines manpower planning as a process of analyzing an organizational human resources needs under changing conditions and developing the activities necessary to satisfying these needs.

Teresa (1999) defines it as a process of forecasting the future human resources needs of an organisation so that steps should be taken to ensure these needs are met.

From these definitions, we can deduce that man power planning is not a static, it is an going; it is a process that has to be refined to meet organisation needs as at when due.

As a plan, it is embedded with implementation programmes designed to ensure availability of adequate qualified persons. Such implementation programmes include recruitment and selection (employment) of required skilled personnel to perform jobs that will allow the organisation meet corporate and individual goals. The plan implementation programme also entails training and development of personnel and performance appraisal as well as other related personnel administration functions.

### **3.2 Objectives of Personnel Management:**

These are classified into two:

**(a) General Objectives:** These reveal the basic philosophy of top management towards the labour force engaged on the work and its deep underlying conviction as to the importance of the people in the organisation. The following are the most important objectives.

**(i) Maximum individual development:** The employer should always be careful in developing the personality of each individual. Each individual differs in nature and therefore management should recognise their individual ability and make use of such ability in an effective and make use of such ability in an effective manner.

**(ii) Desirable working relationship between employer and employees:** It is the main objective of personnel management to have a desirable working relationship between employee and employees so that they may co-operate the management.

(iii) Effective molding of human resources as contrasted with physical resources: Man is the only active factor of production, which engages the other factors of production to work.

**(b) Specific objectives: Following are some of the important activities:**

(i) Selection of right type and number of persons required to the organisation.

(ii) Proper orientation and introduction of new employees to the organisation and their jobs.

(iii) Suitable training facilities for better job performance and to prepare the man to accept the challenge of higher job.

(iv) Provision of better working conditions and other facilities such as medical facilities.

(v) To give a good impression to the man who is leaving the organisation.

(vi) Maintaining good relations with the employees.

### **3.3 Rational of Manpower Planning**

In the traditional management approach to manpower administration, management assumed that it could always obtain the personnel it required whenever it needed them and therefore had no need to engage in formal manpower planning. In modern complex organisation which experience fast changes in technology, products, market and internal structural reorganization and utilises a lot of high talent personnel, a formal personnel planning is essential for vitality and survival of the organisation in a dynamic and competitive business environment.

Some reasons for systematic manpower planning in organisations include:

- a). To determine and ensure future personnel needs.
- b). To cope with changes in competitive forces, market, technology, product and government regulations on personnel administration.
- c). To ensure that the organisation continue to maintain adequate stock of scarce, skilled and experience manpower through deliberate personnel procurement and development policies, motivation, integration, utilization and succession plans.
- d). Manpower planning is necessary in organisations as an integrate part of corporate strategic planning processes in that organisation strategic plan defines the corporate mission, goals, strategies, evaluate the business challenges, organisation, strength and weakness.
- e). Manpower planning provides a necessary basis for designing and implementating personnel functions such as recruitment.

### **3.4 Needs for Manpower Planning in Organizations**

Major reasons for the emphasis on Manpower Planning at the Macro level:

- 1) Employment-Unemployment Situation:** Though in general the number of educated



unemployment is on the rise, there is acute shortage for a variety of skills. This emphasizes on the need for more effective recruitment and employee retention.

**2) Technological Change:** The changes in production technologies, marketing methods and management techniques have been extensive and rapid. Their effect has been profound on the job contents and job contexts. These changes have caused problems relating to redundancies, retention and redeployment. All these suggest the need to plan manpower needs intensively and systematically.

**3) Demographic Change:** The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background has implications for Manpower Planning.

**4) Skill Shortage:** Unemployment does not mean that the labour market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. A problem arises in an organization when employees with such specialized skills leave.

**5) Governmental Influences:** Government control and changes in legislation with regard to affirmative action for disadvantaged groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labour, etc. have stimulated the organizations to become involved in systematic Manpower Planning.

**6) Legislative Control:** The policies of "hire and fire" have gone. Now the legislation makes it difficult to reduce the size of an organization quickly and cheaply. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labour law relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems.

**7) Impact of the Pressure Group:** Pressure groups such as unions, politicians and persons displaced from land by location of giant enterprises have been raising contradictory pressure on enterprise management such as internal recruitment and promotion, preference to employees' children, displace person, sons of soil etc.

**8) Systems Approach:** The spread of system thinking and advent of the macro computer as the part of the on-going revolution in information technology which emphasis planning and newer ways of handling voluminous personnel records.

### **3.5 Scope of Manpower Planning**

The scope of Manpower Planning (MP) is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of MP.

The major MP activities include MP planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of MP.

The scope of Human Resources Management extends to:

- a). All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- b). All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

## SCOPE OF MP



The scope of MP is really vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves it comes under the purview of MP. American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of MP.

These are given below:

- Human Resource Planning
- Design of the Organization and Job
- Selection and Staffing
- Training and Development
- Organizational Development
- Compensation and Benefits

- Employee Assistance
- Union/Labour Relations
- Personnel Research and Information System

**a) Human Resource Planning:** The objective of MP Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource. Thereupon, MP Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

**b) Design of Organization and Job:** This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by “job description”. Another important step is “Job specification”. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

**c) Selection and Staffing:** This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

**d) Training and Development:** This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfill the future needs of the organization.

**e) Organizational Development:** This is an important aspect whereby “Synergetic effect” is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

**f) Compensation and Benefits:** This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition labour welfare measures are involved which include benefits and services.

**g) Employee Assistance:** Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems everyday. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happy.

**h) Union-Labour Relations:** Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of MP.

**i) Personnel Research and Information System:** Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour.

Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation

#### **4.0 Conclusion**

In this unit, we learnt the meaning of the term “manpower planning” at organizational or corporate level and the different nomenclature it bears which will be used interchangeably in the course of our study. You have also learnt its definitions from different authors and the rationale of human resources planning. The unit concludes with human resource planning

process (HRPP) which determines corporate or organizational goals.

### **5.0 Summary**

The unit gives the definition and meaning of manpower planning and the rationale for its operation in organizational or corporate establishment. Through the discussion, we also realized that manpower planning is necessary for all organizations that need to be viable and survive in a dynamic competitive environment.

### **6.0 Tutor Marked Assignment**

Explain your understanding of manpower planning process in an organisation.

### **7.0 Reference/Further Reading**

Armstrong, M. (1999). A Handbook of Human Resource Management Practice (7th edition), Kogan Page Limited, 120 Pentonville Road, London.

Aswathappa, K. (1999). Human Resource and Personnel Management (2nd edition), Tata McGraw-Hill Publishing Company Ltd., New Delhi.

## **UNIT 2      Manpower Plan Implementation and Administration**

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- 2.0 Objectives
- 3.0 Main Objectives
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  - 3.2 The four phases of HRP
  - 3.3 Nature of HRP
  - 3.4 Objectives of Human Resource Planning
  - 3.5 Need for HRP in Organizations
  - 3.6 Importance of HRP
  - 3.7 Factors Affecting HRP
  - 3.8 The Human Resources Planning (HRP) Process
  - 3.9 Requisites for Successful HRP
  - 3.10 Barriers to HRP
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

### **1.0 Introduction**

As you have learnt in unit one that Manpower planning (MP) otherwise known as Human Resource Planning (HRP) is important for helping both organizations and employees to prepare for the future; hence, its basic goal is to predict the future. Based on these predictions, programmes are implemented to avoid anticipated problems. Also, Manpower planning is the process of examining an organization's or individual's future human resource needs for instance, what types of skills will be needed for jobs of the future compared to future human resource capabilities (such as the types of skilled employees you already have) and developing human resource policies and practices to address potential problems for example, implementing training programmes to avoid skill deficiencies.

## **2.0 Objectives**

At the end of this unit, students are to:

- Define Manpower planning
- Explain the Four-Phased Process of Manpower planning
- State the nature and objectives of Manpower planning
- Identify the Importance of HRP and Factors Affecting HRP
- Understand the Human Resources Planning (HRP) Process

## **3.0 Main Content**

### **3.1 Definition of Human Resource Planning**

According to Vetter, “HRP is the process by which management determines how the organization should move from its current man power position to desired manpower position. Through planning, management strives to have the right time, doing things which result in both the organization and individual receiving maximum long run benefits”.

According to Gordon Mc Beath, “HRP is concerned with two things: Planning of manpower requirements and Planning of Manpower supplies”.

According to Beach, “HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which meet the needs of the enterprise and which provides satisfaction for the individuals involved”

Simply HRP can be understood as the process of forecasting an organization’s future demands for and supply of the right type of people in the right number. In other words HRP is the process of determining manpower needs and formulating plans to meet these needs.



### **3.2 The of Four-Phased Process HRP.**

1. **The first phase** involves the gathering and analysis of data through manpower inventories and forecasts,
2. **The second phase** consists of establishing manpower objectives and policies and gaining top management approval of these.
3. **The third phase** involves designing and implementing plans and promotions to enable the organization to achieve its manpower objectives.
4. **The fourth phase** is concerned with control and evaluation of manpower plans to facilitate progress in order to benefit both the organization and the individual. The long run view means that gains may be sacrificed in the short run for the future grounds. The planning process enables the organization to identify what its manpower needs is and what potential manpower problems required current action. This leads to more effective and efficient performance.

### **3.3 Nature of HRP**

Human resource planning is the process of analyzing and identifying the availability and the need for human resources so that the organization can meet its objectives. The focus of HR planning is to ensure that the organization has the right number of human resources, with the right capabilities, at the right times, and in the right places. In HR planning, an organization must consider the availability and allocation of people to jobs over long periods of time, not just for the next month or the next year<sup>1</sup>.

HRP is a sub system in the total organizational planning. Actions may include shifting employees to other jobs in the organization, laying off employees or otherwise cutting back the number of employees, developing present employees, and/or increasing the number of

employees in certain areas. Factors to consider include the current employees' knowledge, skills, and abilities and the expected vacancies resulting from retirements, promotions, transfers, and discharges. To do this, HR planning requires efforts by HR professionals working with executives and managers.

### **3.4 Objectives of Human Resource Planning**

Basically, the objectives of human resource planning may be summarized as below:

1. **Forecasting Human Resources Requirements:** HRP is essential to determine the future needs of HR in an organization. In the absence of this plan it is very difficult to provide the right kind of people at the right time.
2. **Effective Management of Change:** Proper planning is required to cope with changes in the different aspects which affect the organization. These changes need continuation of allocation/reallocation and effective utilization of HR in organization.
3. **Realizing the Organizational Goals:** In order to meet the expansion and other organizational activities the organizational HR planning is essential.
4. **Promoting Employees:** HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.
5. **Effective Utilization of HR:** The data base will provide the useful information in identifying surplus and deficiency in human resources. The objective of HRP is to maintain and improve the organizational capacity to reach its goals by developing appropriate strategies that will result in the maximum contribution of HR.

### 3.5 Need for HRP in Organizations

Major reasons for the emphasis on HRP at the Macro level:

- 1) Employment-Unemployment Situation:** Though in general the number of educated unemployment is on the rise, there is acute shortage for a variety of skills. This emphasizes on the need for more effective recruitment and employee retention.
- 2) Technological Change:** The changes in production technologies, marketing methods and management techniques have been extensive and rapid. Their effect has been profound on the job contents and job contexts. These changes have caused problems relating to redundancies, retention and redeployment. All these suggest the need to plan manpower needs intensively and systematically.
- 3) Demographic Change:** The changing profile of the work force in terms of age, sex, literacy, technical inputs and social background has implications for HRP.
- 4) Skill Shortage:** Unemployment does not mean that the labour market is a buyer's market. Organizations generally become more complex and require a wide range of specialist skills that are rare and scarce. A problem arises in an organization when employees with such specialized skills leave.
- 5) Governmental Influences:** Government control and changes in legislation with regard to affirmative action for disadvantaged groups, working conditions and hours of work, restrictions on women and child employment, casual and contract labour, etc. have stimulated the organizations to become involved in systematic HRP.
- 6) Legislative Control:** The policies of "hire and fire" have gone. Now the legislation makes it difficult to reduce the size of an organization quickly and cheaply. It is easy to increase but difficult to shed the fat in terms of the numbers employed because of recent changes in labour

law relating to lay-offs and closures. Those responsible for managing manpower must look far ahead and thus attempt to foresee manpower problems.

**7) Impact of the Pressure Group:** Pressure groups such as unions, politicians and persons displaced from land by location of giant enterprises have been raising contradictory pressure on enterprise management such as internal recruitment and promotion, preference to employees' children, displace person, sons of soil etc.

**8) Systems Approach:** The spread of system thinking and advent of the macro computer as the part of the on-going revolution in information technology which emphasis planning and newer ways of handling voluminous personnel records.

**9) Lead Time:** The log lead time is necessary in the selection process and training and deployment of the employee to handle new knowledge and skills successfully.

### **3.6 Importance of HRP**

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company's objective for the future and determines the appropriate means for achieving those objectives. The importance of HRP is elaborated on the basis of the key roles that it is playing in the organization.

**1. Future Personnel Needs:** Human resource planning is significant because it helps to determine the future personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning.

All public sector enterprises find themselves overstaffed now as they never had any planning for personnel requirement and went of recruitment spree till late 1980's. The problem of excess

staff has become such a prominent problem that many private sector units are resorting to VRS 'voluntary retirement scheme'. The excess of labor problem would have been there if the organization had good HRP system. Effective HRP system will also enable the organization to have good succession planning.

**2. Part of Strategic Planning:** HRP has become an integral part of strategic planning of strategic planning. HRP provides inputs in strategy formulation process in terms of deciding whether the organization has got the right kind of human resources to carry out the given strategy. HRP is also necessary during the implementation stage in the form of deciding to make resource allocation decisions related to organization structure, process and human resources. In some organizations HRP play as significant role as strategic planning and HR issues are perceived as inherent in business management.

**3. Creating Highly Talented Personnel:** Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization. Even the existing staff hope the job so frequently that organization face frequent shortage of manpower. Manpower planning in the form of skill development is required to help the organization in dealing with this problem of skilled manpower shortage

**4. International Strategies:** An international expansion strategy of an organization is facilitated to a great extent by HR planning. The HR department's ability to fill key jobs with foreign nationals and reassignment of employees from within or across national borders is a major challenge that is being faced by international business. With the growing trend towards global operation, the need for HRP will as well will be the need to integrate HRP more closely with the organizations strategic plans. Without effective HRP and subsequent attention to

employee recruitment, selection, placement, development, and career planning, the growing competition for foreign executives may lead to expensive and strategically descriptive turnover among key decision makers.

**5. Foundation for Personnel Functions:** HRP provides essential information for designing and implementing personnel functions, such as recruitment, selection, training and development, personnel movement like transfers, promotions and layoffs.

**6. Increasing Investments in Human Resources:** Organizations are making increasing investments in human resource development compelling the increased need for HRP. Organizations are realizing that human assets can increase in value more than the physical assets. An employee who gradually develops his/ her skills and abilities become a valuable asset for the organization. Organizations can make investments in its personnel either through direct training or job assignment and the rupee value of such a trained, flexible, motivated productive workforce is difficult to determine.

Top officials have started acknowledging that quality of work force is responsible for both short term and long term performance of the organization.

**7. Resistance to Change:** Employees are always reluctant whenever they hear about change and even about job rotation. Organizations cannot shift one employee from one department to another without any specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.

**8. Uniting the Viewpoint of Line and Staff Managers:** HRP helps to unite the viewpoints of line and staff managers. Though HRP is initiated and executed by the corporate staff, it requires the input and cooperation of all managers within an organization. Each department

manager knows about the issues faced by his department more than anyone else. So communication between HR staff and line managers is essential for the success of HR Planning and development.

**9. Succession Planning:** Human Resource Planning prepares people for future challenges. The 'stars' are picked up, trained, assessed and assisted continuously so that when the time comes such trained employees can quickly take the responsibilities and position of their boss or seniors as and when situation arrives.

**10. Other Benefits:** (a) HRP helps in judging the effectiveness of manpower policies and programmes of management. (b) It develops awareness on effective utilization of human resources for the overall development of organization. (c) It facilitates selection and training of employees with adequate knowledge, experience and aptitudes so as to carry on and achieve the organizational objectives (d) HRP encourages the company to review and modify its human resource policies and practices and to examine the way of utilizing the human resources for better utilization.

### **3.7 Factors Affecting HRP**

HRP is influenced by several factors. The most important of the factors that affect HRP are (1) type and strategy of organization (2) organizational growth cycles and planning (3) environmental uncertainties (4) time horizons (5) type and quality of forecasting information (4) nature of jobs being filled and (5) off loading the work.

**1. Type and Strategy of the Organization:** Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial personnel required. HR need is also defined by the strategic plan of organization. If

the organization has a plan for organic growth then organization need to hire additional employees. On the other hand If the organization is going for mergers and acquisition, then organization need to plan for layoffs, as mergers can create, duplicate or overlap positions that can be handled more efficiently with fewer employees.

Organization first decides whether to be reactive or proactive in HRP. Organizations either carefully anticipate the needs and systematically plan to fill the need in advance (proactive) or can simply react to the needs as they arise (reactive). Likewise, the organization must determine the width of the HR plan.

Organization can choose a narrow focus by planning in only one or two HR areas like recruitment and selection or can have a broad perspective by planning in all areas including training and remuneration.

The nature of HR plan is also decides upon the formality of the plan. It can decides to have an informal plan that lies mostly in the minds of the managers and personnel staff or can have a formal plan which is properly documented in writing.

The nature of HR plan is also depended upon the flexibility that is practiced in the organization. HR plan should have the ability to anticipate and deal with contingencies. Organizations frame HRP in such a way that it can contain many contingencies, which reflect different scenarios thereby assuring that the plan is flexible and adaptable.

**2. Organizational Growth Cycles and Planning:** All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage



they feel the need to plan its human resource. At this stage organization gives emphasis upon employee development. But as the organization reaches the mature stage it experience less flexibility and variability resulting in low growth rate. HR planning becomes more formalized and less flexible and less innovative and problem like retirement and possible retrenchment dominate planning.

During the declining stage of the organization HRP takes a different focus like planning to do the layoff, retrenchment and retirement. In declining situation planning always becomes reactive in nature towards the financial and sales distress faced by the company.

**3. Environmental Uncertainties:** Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes. The balance in the organization is achieved through careful succession planning, promotion channels, layoffs, flexi time, job sharing, retirement, VRS and other personnel related arrangements.

**4. Time Horizons:** HR plans can be short term or long term. Short term plans spans from six months to one year, while long term plans spread over three to twenty years. The extent of time period depends upon the degree of uncertainty that is prevailing in an organizations environment. Greater the uncertainty, shorter the plan time horizon and vice versa.

**5. Type and Quality of information:** The information used to forecast personnel needs originates from a multitude of sources. The forecast depends to a large extent upon the type of information and the quality of data that is available to personnel planners. The quality and

accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

**6. Nature of Jobs Being Filled:** Personnel planners need to be really careful with respect to the nature of the jobs being filled in the organization. Employees belonging to lower level who need very limited skills can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion. Organization need to anticipate vacancies far in advance as possible, to provide sufficient time to recruit suitable candidate.

**7. Outsourcing:** Several organizations outsource part of their work to outside parties in the form of subcontract. Outsourcing is a regular feature both in the public sector as well as in the private sector companies. Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing is usually done for non critical activities. Outsourcing of non- critical activities through subcontracting determines HRP.

### **3.8 The Human Resources Planning (HRP) Process**

HRP effectively involves forecasting personnel needs, assessing personnel supply and matching demand – supply factors through personnel related programmes. The HR planning process is influenced by overall organizational objectives and environment of business.

#### **Environmental Scanning:**

It refers to the systematic monitoring of the external forces influencing the organization. The following forces are essential for HRP.

- Economic factors, including general and regional conditions.

- Technological changes
- Demographic changes including age, composition and literacy,
- Political and legislative issues, including laws and administrative rulings
- Social concerns, including child care, educational facilities and priorities.

By scanning the environment for changes that will affect an organization, managers can anticipate their impact and make adjustments early.

**Organizational Objectives and Policies:** HR plan is usually derived from the organizational objectives.

Specific requirements in terms of number and characteristics of employees should be derived from organizational objectives. Once the organizational department must specify its objective with regard to HR utilization in the organization.

### **HR Demand Forecast:**

Demand forecasting is the process of estimating the future quantity and quality of people required to meet the future needs of the organization. Annual budget and long-term corporate plan when translated into activity into activity form the basis for HR forecast.

For example, in the case of a manufacturing company, the sales budget will form the basis for production plan giving the number and type of products to be produced in each period. This will form the basis upon which the organization will decide the number of hours to be worked by each skilled category of workers. Once the number hours required is available organization can determine the quality and quantity of personnel required for the task.

Demand forecasting is influenced by both internal factors and external factors: external factors include competition, economic climate, laws and regulatory bodies, changes in technology and

social factors whereas internal factors are budget constraints, production level, new products and services, organizational structure and employee separations.

Demand forecasting is essential because it helps the organization to:

1. Quantify the jobs, necessary for producing a given number of goods,
2. To determine the nature of staff mix required in the future,
3. To assess appropriate levels in different parts of organization so as to avoid unnecessary costs to the organization,
4. To prevent shortages of personnel where and when, they are needed by the organization.
5. To monitor compliances with legal requirements with regard to reservation of jobs.

Techniques like managerial judgment, ratio- trend analysis, regression analysis, work study techniques, Delphi techniques are some of the major methods used by the organization for demand forecasting.

### **HR Supply Forecast:**

Supply forecast determines whether the HR department will be able to procure the required number of workers. Supply forecast measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work.

Supply forecast is required because it is needed as it

1. Helps to quantify the number of people and positions expected to be available in future to help the organization realize its plans and meet its objectives.
2. Helps to clarify the staff mixes that will arise in future

3. It assesses existing staffing in different parts of the organization.
4. It will enable the organization to prevent shortage of people where and when they are most needed.
5. It also helps to monitor future compliance with legal requirements of job reservations.

Supply analysis covers the existing human resources, internal sources of supply and external sources of supply.

### **HR Programming:**

Once an organization's personnel demand and supply are forecasted the demand and supply need to be balanced in order that the vacancies can be filled by the right employees at the right time.

### **HR Plan Implementation:**

HR implementation requires converting an HR plan into action. A series of action are initiated as a part of HR plan implementation. Programmes such as recruitment, selection and placement, training and development, retraining and redeployment, retention plan, succession plan etc when clubbed together form the implementation part of the HR plan.

### **Control and Evaluation:**

Control and evaluation represent the final phase of the HRP process. All HR plan include budgets, targets and standards. The achievement of the organization will be evaluated and monitored against the plan.

During this final phase organization will be evaluating on the number of people employed against the established (both those who are in the post and those who are in pipe line) and on

the number recruited against the recruitment targets. Evaluation is also done with respect to employment cost against the budget and wastage accrued so that corrective action can be taken in future.

### **3.9 Requisites for Successful HRP**

1. HRP must be recognized as an integral part of corporate planning
2. Support of top management is essential
3. There should be some centralization with respect to HRP responsibilities in order to have co-ordination between different levels of management.
4. Organization records must be complete, up to date and readily available.
5. Techniques used for HR planning should be those best suited to the data available and degree of accuracy required.
6. Data collection, analysis, techniques of planning and the plan themselves need to be constantly revised and improved in the light of experience.

### **3.10 Barriers to HRP**

Human Resource Planners face significant barriers while formulating an HRP. The major barriers are elaborated below:

- 1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization ineffective.

- 2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.
- 3) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.
- 4) There is conflict between quantitative and qualitative approaches to HRP. Some people view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.
- 5) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

#### **4.0 Conclusion**

The unit focuses on Manpower Plan Implementation and Administration. Definition of Human Resource Planning and the nature of HRP were well explained; while Need for HRP in Organizations, importance of HRP as well as factors affecting HRP were elaborated. The unit also focused on the Human Resources Planning (HRP) Process, Requisites for Successful HRP

and Barriers to HRP.

## **5.0 Summary**

Human resource planning is the process of determining the human resources required by the organization to achieve its goals. Human resource planning also looks at broader issues relating to the ways in which people are employed and developed, in order to improve organizational effectiveness. HRP is a decision making process that combines activities such as identifying and acquiring the right number of people with the proper skills, motivating them to achieve high performance and creating interactive links between business objectives and resource planning activities. HRP sets out requirements in both quantitative and qualitative terms. Accurate manpower plan is a dream. A common error of many managers is to focus on the organization's short term replacement needs. Any human resource plan, if it is to be effective, must be derived from the long term plans and strategies of the organization. The various approaches to human resource planning under which a number of major issues and trends in today's work plan that will affect organization and employees are (1) Examine external and internal issues, (2) Determining future organizations capabilities, (3) Determining future organizational needs, and (4) Implementing human resources programmes to address anticipated problems.

Although change is occurring very rapidly in the work world it is important for both organizations and employees to monitor issues and events continuously and consider their potential effects.



## **6.0 Tutor Marked Assignment**

1. Explain the barriers to HRP
2. What are the major roles of HRP process in organizations.
- 3 Describe the various forecasting techniques and how these techniques are being used in human resource planning.

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## **Unit 3            Manpower Recruitment Process**

### **1.0 Introduction**

### **2.0 Objectives**

### **3.0 Main Objectives**

3.2 Recruitment: Meaning and Definition

3.2 Process of Recruitment

3.3 Recruitment Policy

3.4 Factor Affecting Recruitment

3.5 Sources of Recruitment

3.6 Methods of Recruitment

3.7 Philosophies of Recruitment

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor Marked Assignment**

## **1.0 Introduction**

Every organization needs the right people to work in them in order to guarantee organizational maximum performance, hence recruitment is very fundamental when it comes to the issue of work environment. In this unit, you will learn the meaning and definition of recruitment, process of recruitment, recruitment policy, factors affecting recruitment, methods of recruitment and philosophies of recruitment.

## **2.0 Objectives**

At the end of this unit, students are to:

- Understand the meaning of recruitment
- Explain the process of recruitment
- List the factors affecting recruitment

## **3.0 Main Objectives**

### **3.1 Recruitment: Meaning and Definition**

Recruitment forms a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of

people necessary to ensure the continued operation of the organisation. Recruiting is the discovering of potential applicants for actual or anticipated organisational vacancies. As a matter of fact, Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, with appropriate qualifications, to apply for jobs within a business.

**According to Edwin B. Flippo**, “Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.” **Lord**, “Recruitment is a form of competition. Just as corporations compete to develop, manufacture, and market the best product or service, so they must also compete to identify, attract and hire the most qualified people. Recruitment is a business, and it is a big business.”

**In the words of Dale Yoder**, “Recruiting is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.” **According to Werther and Davis**, “Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected.”

**Dales S. Beach writes**, “Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organisation can depend when it needs additional employees.”

Thus, recruitment process is concerned with the identification of possible sources of human resource supply and tapping those sources. In the total process of acquiring and placing human resources in the organisation, recruitment falls in between different sub-processes as shown in

**According to Scott, Clothier and Spriegel** the need for recruitment arises out of the following situations:

- Vacancies created due to expansion, diversification, and growth of business.
- An increase in the competitive advantage of certain concerns, enabling them to get more of the available business than formerly.
- An increase in business arising from an upswing during the recovery period of a business cycle.
- Vacancies created due to transfer, promotion, retirement, termination, permanent disability or death.
- The normal population growth, which requires increased goods and services to meet the needs of the people.
- A rising standard of living, which requires more of the same goods and services as well as the creation of new wants to be satisfied.

### **3.2 Process of Recruitment**

Recruitment process passes through the following stages:

1. Recruitment process begins when the personnel department receives requisitions for recruitment from any department of the company. The personnel requisitions contain details about the position to be filled, number of persons to be recruited, the duties to be performed, qualifications expected from the candidates, terms and conditions of employment and the time by which the persons should be available for appointment etc.
2. Locating and developing the sources of required number and type of employees.
3. Identifying the prospective employees with required characteristics.

4. Developing the techniques to attract the desired candidates. The goodwill of an organisation in the market may be one technique. The publicity about the company being a good employer may also help in stimulating candidates to apply. There may be others of attractive salaries, proper facilities for development etc.
5. Evaluating the effectiveness of recruitment process.

**According to Famularo**, personnel recruitment process involves five elements, viz., a recruitment policy, a recruitment organisation, a forecast of manpower, the development of sources of recruitment, and different techniques used for utilising these sources, and a method of assessing the recruitment programme. The explanation of these is described below:

**1. Recruitment Policy:** It specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme. It also involves the employer's commitment to some principles as to find and employ the best qualified persons for each job, to retain the most promising of those hired, etc. It should be based on the goals, needs and environment of the organisation.

**2. Recruitment Organisation:** The recruitment may be centralised like public sector banks or decentralised. Both practices have their own merits. The choice between the two will depend on the managerial philosophy and the particular needs of the organisation.

**3. Sources of Recruitment:** Various sources of recruitment may be classified as internal and external. These have their own merits and demerits.

**4. Methods of Recruitment:** Recruitment techniques are the means to make contact with potential candidates, to provide them necessary information and to encourage them to apply for jobs.

**5. Evaluation of Recruitment Programme:** The recruitment process must be evaluated periodically.

The criteria for evaluation may consist of cost per applicant, the hiring ratio, performance appraisal, tenure of stay, etc. After evaluation, necessary improvements should be made in the recruitment programme.

### **3.3 Factors Affecting Recruitment**

The factors affecting recruitment can be classified as internal and external factors.

#### **1). The internal factors are:**

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;
- Future expansion and reduction programmes;
- Recruiting policy of the organisation;
- Human resource planning strategy of the company;
- Size of the organisation and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organisation.

## **2). The external factors are:**

- Supply and demand of specific skills in the labour market;
- Company's image perception of the job seekers about the company.

External cultural factors: Obviously, the culture may exert considerable check on recruitment.

For example, women may not be recruited in certain jobs in industry.

- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.
- Political and legal factors also exert restraints in respect of nature and hours of work for women and children, and allied employment practices in the enterprise, reservation of Job for SC, ST and so on.

## **3.4 Sources of Recruitment**

After the finalisation of recruitment plan indicating the number and type of prospective candidates, they must be attracted to offer themselves for consideration to their employment. This necessitates the identification of sources from which these candidates can be attracted. Some companies try to develop new sources, while most only try to tackle the existing sources they have. These sources, accordingly, may be termed as internal and external.

### **a). Internal Sources**

An internal recruitment strategy is characterized by promoting employees from within an organization to fill upcoming positions. Many organization use such devices as job posting

boards, email flashes, intranet posts and fliers to advise existing employees of positions they may vie for. This recruitment may be in the form of creating and shuffling temporary teams to fill certain tasks or may be permanent changes. Internal recruitment may be primarily horizontal or it may be for promotions in which the promoted employee's former position may not be filled.

**Merits of Internal Sources:** The following are the merits of internal sources of recruitment:

- 1). It creates a sense of security among employees when they are assured that they would be preferred in filling up vacancies.
- 2). It improves the morale of employees, for they are assured of the fact that they would be preferred over outsiders when vacancies occur.
- 3). It promotes loyalty and commitment among employees due to sense of job security and opportunities for advancement.
- 4). The employer is in a better position to evaluate those presently employed than outside candidates. This is because the company maintains a record of the progress, experience and service of its employees.
- 5). Time and costs of training will be low because employees remain familiar with the organisation and its policies.
- 6). Relations with trade unions remain good. Labour turnover is reduced.

As the persons in the employment of the company are fully aware of, and well acquainted with, its policies and know its operating procedures, they require little training, and the chances are that they would stay longer in the employment of the organisation than a new outsider would.

- 7). It encourages self-development among the employees. It encourages good individuals who are ambitious.



- 8). It encourages stability from continuity of employment.
- 9). It can also act as a training device for developing middle and top-level managers.

**Demerits of Internal Sources:** However, this system suffers from certain defects as:

- 1). There are possibilities that internal sources may “dry up”, and it may be difficult to find the requisite personnel from within an organisation.
- 2). It often leads to inbreeding, and discourages new blood from entering an organisation.
- 3). As promotion is based on seniority, the danger is that really capable hands may not be chosen. The likes and dislikes of the management may also play an important role in the selection of personnel.
- 4). Since the learner does not know more than the lecturer, no innovations worth the name can be made. Therefore, on jobs which require original thinking (such as advertising, style, designing and basic research), this practice is not followed.

This source is used by many organisations; but a surprisingly large number ignore this source, especially for middle management jobs.

### **External Sources**

DeCenzo and Robbins remark, “Occasionally, it may be necessary to bring in some ‘new blood’ to broaden the present ideas, knowledge, and enthusiasm.” Thus, all organisations have to depend on external sources of recruitment. Among these sources are included:

- 1). Employment agencies.
- 2). Educational and technical institutes.

- 3). Casual labour or “applicants at the gate” and nail applicants.
- 4). Public and private employment agencies. They play a vital role in making available suitable employees for different positions in the organisations. Besides public agencies, private agencies have developed markedly in large cities in the form of consultancy services. Usually, these agencies facilitate recruitment of technical and professional personnel. Because of their specialisation, they effectively assess the needs of their clients and aptitudes and skills of the specialised personnel.

### **Advantages of External Recruitment**

External sources of recruitment are suitable for the following reasons:

- 1). It will help in bringing new ideas, better techniques and improved methods to the organisation.
- 2). The cost of employees will be minimised because candidates selected in this method will be placed in the minimum pay scale.
- 3). The existing employees will also broaden their personality.
- 4). The entry of qualitative persons from outside will be in the interest of the organisation in the long run.
- 5). The suitable candidates with skill, talent, knowledge are available from external sources.
- 6). The entry of new persons with varied expansion and talent will help in human resource mix.

### **Disadvantages of External Sources:**

- 1). Orientation and training are required as the employees remain unfamiliar with the organisation.

- 2). It is more expensive and time-consuming. Detailed screening is necessary as very little is known about the candidate.
3. If new entrant fails to adjust himself to the working in the enterprise, it means yet more expenditure on looking for his replacement.
- 4). Motivation, morale and loyalty of existing staff are affected, if higher level jobs are filled from external sources. It becomes a source of heart-burning and demoralisation among existing employees.

### **3.6 Methods of Recruitment**

Methods of recruitment are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into the following categories:

#### **1. Direct Methods**

These include sending recruiters to educational and professional institutions, employees, contacts with public and manned exhibits. One of the widely used direct methods is that of sending of recruiters to colleges and technical schools. Most college recruiting is done in co-operation with the placement office of a college. The placement office usually provides help in attracting students, arranging interviews, furnishing space, and providing student resumes.

For managerial, professional and sales personnel campus recruiting is an extensive operation. Persons reading for M.Sc. or other technical diplomas are picked up in this manner. For this purpose, carefully prepared brochures, describing the organisation and the jobs it offers, are distributed among students, before the interviewer arrives. Sometimes, firms directly solicit information from the concerned professors about students with an outstanding record. Many companies have found employees contact with the public a very effective method. Other direct methods include sending recruiters to conventions and seminars, setting up exhibits at fairs, and using mobile offices to go to the desired centers.

## **2. Indirect Methods**

The most frequently used indirect method of recruitment is advertisement in newspapers, journals, and on the radio and television. Advertisement enables candidates to assess their suitability. It is appropriate when the organisation wants to reach out to a large target group scattered nationwide. When a firm wants to conceal its identity, it can give blind advertisement in which only box number is given. Considerable details about jobs and qualifications can be given in the advertisements. Another method of advertising is a notice-board placed at the gate of the company.

## **Self-Assessment**

1. Define recruitment and identify the various factors which affect recruitment.

## **3. Third-Party Methods:**

The most frequently used third-party methods are public and private employment agencies. Public employment exchanges have been largely concerned with factory workers and clerical

jobs. They also provide help in recruiting professional employees. Private agencies provide consultancy services and charge a fee. They are usually specialised for different categories of operatives, office workers, salesmen, supervisory and management personnel. Other third-party methods include the use of trade unions. Labour management committees have usually demonstrated the effectiveness of trade unions as methods of recruitment.

Several criteria discussed in the preceding section for evaluating sources of applicants can also be used for assessing recruiting methods. Attempts should be made to identify how the candidate was attracted to the company. To accomplish this, the application may consist of an item as to how the applicant came to learn about the vacancy. Then, attempts should be made to determine the method which consistently attracts good candidates. Thus, the most effective method should be utilised to improve the recruitment programme.

### **3.7 Philosophies of Recruitment**

There are basically two philosophies of recruitment:

1. Traditional
2. Realistic

**The traditional philosophy** is to get as many people as possible to apply for the job. As a result of this, a large number of job seekers apply for the job, which makes the final selection process difficult and can often result in the selection of wrong candidates. Wrong selection can, in turn, lead to employee dissatisfaction and turnover in the long run.

**In realistic philosophy**, the needs of the organisation are matched with the needs of the applicants, which enhance the effectiveness of the recruitment process. In realistic approach,

the employees who are recruited will stay in the organisation for a longer period of time and will perform at higher level of effectiveness.

#### **4.0 Conclusion**

The unit has examined recruitment as a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organization. Based on this, every organization should ensure the appointment of right people.

#### **5.0 Summary**

Recruitment is the process of selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organisation. Methods of recruitment are different from the sources of recruitment. Sources are the locations where prospective employees are available. On the other hand, methods are way of establishing links with the prospective employees. Various methods employed for recruiting employees may be classified into direct methods, indirect methods and third party methods. The bottom line is that every organization should adopt the right methods based on their culture.

## **7.0 Tutored Marked Assignment**

1. Discuss the steps of recruitment process. How will you reconcile the internal and external sources of recruitment?
2. Write short notes on following.
  - (i) Advantages and disadvantages of internal sources of recruitment.
  - (ii) Advantages and disadvantages of external source of recruitment.

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## **Unit 4                      Manpower Selection Process**

1.0 Introduction

2.0 Objectives

3.0 Main Contents

    3.1 Meaning and definition of Selection of employees

    3.2 Selection Decision Outcomes

    3.3 Placement – Orientation - Socialization

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignments

7.0 References/Further Readings

### **1.0 Introduction**

Human resource selection is the process of choosing qualified individuals who are available to fill positions in an organization. In the ideal personnel situation, selection involves choosing the best applicant to fill a position. There are different positions in an organization, each position needs skill/professional workers, hence, selection of workers has to be made. Selection is the process of choosing people by obtaining and assessing information about the applicants with a view to matching these with the job requirements. In this unit, you will learn the meaning and definition of Selection of employees, selection decision outcomes, placement, orientation and socialization of employees.

### **2.0 Objectives**

After completing this unit, you will be able to:

- Understand and define selection and its process.
- Understand the selection process so as to make it effective.
- Explain how the final selection decision is made.
- Point out the outcomes of selection decision.



- Understand in brief about placement and orientation.
- Develop a selection decision process.

### **3.0 Main Contents**

#### **3.1 Meaning and definition of Selection of employees**

Human resource selection is the process of choosing qualified individuals who are available to fill positions in an organization. It involves a careful screening and testing of candidates who have put in their applications for any job in the workplace. It is the process of choosing the most suitable persons out of all the applicants. The purpose of selection is to pick up the right person for every job.

According to Dale Yoder, “Selection is the process in which candidates for employment are divided into two classes-those who are to be offered employment and those who are not”.

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

In the words of Michael Jucius, “The selection procedure is the system of functions and devices adopted in a given company for the purpose of ascertaining whether or not candidates possess the qualifications called for by a specific job or for progression through a series of jobs.”

According to Keith Davis, “Selection is the process by which an organisation chooses from a list of screened applicants, the person or persons who best meet the selection criteria for the position available.”

Thus, the selection process is a tool in the hands of management to differentiate between the qualified and unqualified applicants by applying various techniques such as interviews, tests etc. The cost incurred in recruiting and selecting any new employee is expensive (Adenuga,

2011). The cost of selecting people who are inadequate performers or who leave the organisation before contributing to profits proves a major cost of doing business. Decenzo and Robbins write, “Proper selection of personnel is obviously an area where effectiveness - choosing competent workers who perform well in their position-can result in large saving.”

According to them, selection has two objectives: (1) to predict which job applicants would be successful if hired and (2) to inform and sell the candidate on the job and the organization. Satisfaction of employee needs and wants as well as the fullest development of his potential are important objectives of selection.

### **3.2 Difference between Recruitment and Selection**

Difference between recruitment and selection has been described by Flippo as, “Recruitment is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation. It is often termed positive as it stimulates people to apply for jobs, selection on the other hand tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired.” Recruitment and selection differs in following manner:

**1. Difference in Objective:** The basic objective of recruitment is to attract maximum number of candidates so that more options are available. The basic objective of selection is to choose best out of the available candidates.

**2. Difference is Process:** Recruitment adopts the process of creating application pool as large as possible and therefore. It is known as positive process. Selection adopts the process through which more and more candidates are rejected and fewer candidates are selected or sometimes

even not a single candidate is selected. Therefore, it is known as negative process or rejection process.

**3. Technical Differences:** Recruitment techniques are not very intensive, and not require high skills. As against this, in selection process, highly specialised techniques are required. Therefore, in the selection process, only personnel with specific skills like expertise in using selection tests, conducting interviews, etc., are involved.

**4. Difference in Outcomes:** The outcome of recruitment is application pool which becomes input for selection process. The outcome of selection process is in the form of finalising candidates who will be offered jobs.

### **3.3 Selection Procedure**

The selection procedure is concerned with securing relevant information about an applicant. This information is secured in a number of steps or stages. The objective of selection process is to determine whether an applicant meets the qualification for a specific job and to choose the applicant who is most likely to perform well in that job. Selection is a long process, commencing from the preliminary interview of the applicants and ending with the contract of employment.

The selection procedure consists of a series of steps. Each step must be successfully cleared before the applicant proceeds to the next. The selection process is a series of successive hurdles or barriers which an applicant must cross. These hurdles are designed to eliminate an unqualified candidate at any point in the selection process. Thus, this technique is called “Successive Hurdles Technique”. In practice, the process differs among organisations and between two different jobs within the same organisation.

It is important to note that selection procedure for the senior managers is usually long drawn and rigorous, but it is simple and short while hiring lower level employees.

**The major factors which determine the steps involved in a selection process are as follows**

- 1) Selection process depends on the number of candidates that are available for selection.
- 2) Selection process depends on the sources of recruitment and the method that is adopted for making contact with the prospective candidates.

**Various steps involved in as selection process are as follows:**

**1. Application Pool:** Application pool built-up through recruitment process is the base for selection process. The basic objective at the recruitment level is to attract as much worthwhile applications as possible so that there are more options available at the selection stage.

**2. Preliminary Screening and Interview:** It is highly not economical to administer and handle all the applicants. It is advantageous to sort out unsuitable applicants before using the further selection steps. For this purpose, usually, preliminary interviews, application blank lists and short test can be used. All applications received are scrutinised by the personnel department in order to eliminate those applicants who do not fulfill required qualifications or work experience or technical skill, his application will not be entertained. Such candidate will be informed of his rejection.

Preliminary interview is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and the organisation. Necessary information is obtained from the candidates about their education, skills, experience, expected salary etc. If the candidate is found suitable, he is elected for further screening. This type of interview is

called courtesy interview. And it helps the department screen out obvious misfits. Preliminary interview saves time and efforts of both the company and the candidate. It avoids unnecessary waiting for the rejected candidates and waste of money on further processing of an unsuitable candidate. Since rejection rate is high at preliminary interview, the interviewer should be kind, courteous, receptive and informal.

**3. Application Blank or Application Form:** An application blank is a traditional widely accepted device for getting information from a prospective applicant which will enable the management to make a proper selection. The blank provides preliminary information as well as aid in the interview by indicating areas of interest and discussion. It is a good means of quickly collecting verifiable (and therefore fairly accurate) basic historical data from the candidate. It also serves as a convenient device for circulating information about the applicant to appropriate members of management and as a useful device for storing information for, later reference. Many types of application forms, sometimes very long and comprehensive and sometimes brief, are used. Information is generally taken on the following items:

**(a) Biographical Data:** Name, father's name, date and place of birth, age, sex, nationality, height, weight, identification marks, physical disability, if any, marital status, and number of dependants.

**(b) Educational Attainment:** Education (subjects offered and grades secured), training acquired in special fields and knowledge gained from professional/technical institutes or through correspondence courses.

**(c) Work Experience:** Previous experience, the number of jobs held with the same or other

employers, including the nature of duties, and responsibilities and the duration of various assignments, salary received, grades, and reasons for leaving the present employer.

**(d) Salary and Benefits:** Present and expected.

**(e) Other Items:** Names and addresses of previous employers, references, etc. An application blank is a brief history sheet of an employee's background and can be used for future reference, in case needed.

The application blank must be designed from the viewpoint of the applicant as well as with the company's purpose in mind. It should be relatively easy to handle in the employment office.

Application form helps to serve many functions. These are:

1. It provides information for reference checking, good interviewing, and correlation with testing data.
2. It helps to weed out candidates who are lacking in education, experience or some other eligibility traits.
3. It helps in formulating questions to be asked in the interview.
4. Data contained in application form can be stored for future reference.
5. It also tests the candidate's ability to write, to organize his thoughts, and to present facts clearly and succinctly.
6. It indicates further whether the applicant has consistently progressed to better jobs. It provides factual information.

### **Weighted Application Blanks (WAB)**

Some organisations assign numeric values or weights to the responses provided by the applicants. This makes the application form more job related. Generally, the items that have a strong relationship to job performance are given higher scores. For example, for a sales representative's position, items such as previous selling experience, area of specialisation, commission earned, religion, language etc. The total score of each applicant is then obtained by adding the weights of the individual item responses. The resulting scores are then used in the final selection. WAB is best suited for jobs where there are many employees especially for sales and technical jobs. It can help in reducing the employee turnover in future.

However, there are several problems associated with WAB, viz:

- a. It takes time to develop such a form.
- b. The WAB would have to be updated every few years to ensure that the factors previously identified are still valid products of job success.
- c. The organisation should be careful not to depend on weights of a few items while finally selecting the employee.

**4. Selection Tests:** Many organisations hold different kinds of selection tests to know more about the candidates or to reject the candidates who cannot be called for interview etc. Selection tests normally supplement the information provided in the application forms. Such forms may contain factual information about candidates. Selection tests may give information about their aptitude, interest, personality, which cannot be known by application forms.

### **Types of tests**

Types of tests and rules of good of testing are discussed below:

**A. Aptitude Tests:** These measure whether an individual has the capacity or talent ability to learn a given job if given adequate training. These are more useful for clerical and trade positions.

**B. Personality Tests:** At times, personality affects job performance. These determine personality

traits of the candidate such as cooperativeness, emotional balance etc. These seek to assess an individual's motivation, adjustment to the stresses of everyday life, capacity for interpersonal relations and self-image.

**C. Interest Tests:** These determine the applicant's interests. The applicant is asked whether he likes, dislikes, or is indifferent to many examples of school subjects, occupations, amusements, peculiarities of people, and particular activities.

**D. Performance Tests:** In this test the applicant is asked to demonstrate his ability to do the job. For example, prospective typists are asked to type several pages with speed and accuracy.

**E. Intelligence Tests:** This aim at testing the mental capacity of a person with respect to reasoning, word fluency, numbers, memory, comprehension, picture arrangement, etc. It measures the ability to grasp, understand and to make judgement.

**F. Knowledge Tests:** These are devised to measure the depth of the knowledge and proficiency in certain skills already achieved by the applicants such as engineering, accounting etc.

**G. Achievement Tests:** Whereas aptitude is a capacity to learn in the future, achievement is concerned with what one has accomplished. When applicants claim to know something, an achievement test is given to measure how well they know it.



**H. Projective Tests:** In these tests the applicant projects his personality into free responses about pictures shown to him which are ambiguous.

### **Rules of Good Personnel Testing**

Personnel testing is a serious business hence strict rules must be followed while setting, adopting and adapting any choice test. No matter the test to be developed, their validity and reliability for a given purpose should be established before they are used. The following rules subside:

1. Adequate time and resources must be provided to design, validate, and check tests.
2. Tests should be designed and administered only by trained and competent persons.
3. The user of tests must be extremely sensitive to the feelings of people about tests.
4. Tests are to be uses as a screening device.
5. Reliance should not be placed solely upon tests in reaching decisions.
6. Tests should minimize the probabilities of getting distorted results. They must be 'race-free'.
7. Tests scores are not precise measures. They must be assigned a proper weight.

**5. Interview:** An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even

managerial employees. It involves two-way exchange of information; the interviewer learns about the applicant and the candidate learns about the employer.

**Objectives of Interviews:** Interview helps:

1. To obtain additional information from the candidate.
2. Facilitates giving to the candidate information about the job, company, its policies, products etc.
3. To assess the basic suitability of the candidate.

The selection interview can be:

- One to one between the candidate and the interviewer:
- Two or more interviewers by employers representatives-sequential;
- By a panel of selections, i.e., by more than representative of the employer.

The sequential interview involves a series of interviews; each interviewer meeting the candidate separately.

The panel interview consists of two or more interviews meeting the candidate together.

**Types of interviews:** Interviews can be classified in various ways according to:

- (A) Degree of Structure
- (B) Purpose of Interview
- (C) Content of Interview

**(A) Degree of Structure**

**(1) Unstructured or non directive:** in which you ask questions as they come to mind. There is

no set format to follow.

**(2) Structured or directive:** in which the questions and acceptable responses are specified in advance. The responses are rated for appropriateness of content.

Structured and non-structured interviews have their pros and cons. In structured interviews all applicants are generally asked all required questions by all interviewers. Structured interviews are generally more valid. However structured interviews do not allow the flexibility to pursue points of interests as they develop.

**(B) Purpose of Interview:** A selection interview is a type of interview designed to predict future job performance, on the basis of applicant's responses to the oral questions asked to him.

**A stress interview** is a special type of selection interview in which the applicant is made uncomfortable by series of awkward and rude questions. The aim of stress interview is supposedly to identify applicant's low or high stress tolerance. In such an interview the applicant is made uncomfortable by throwing him on the defensive by series of frank and often discourteous questions by the interviewer.

**(C) Content of Interview:** The content of interview can be of a type in which individual's ability to project a situation is tested. This is a situation type interview.

**In job-related interview,** interviewer attempts to assess the applicant's past behaviours for job related information, but most questions are not considered situational.

**In a behaviour interview** a situation is described and candidates are asked how they behaved in the past in such a situation. While in **situational interviews** candidates are asked to describe

how they would react to situation today or tomorrow. In the behavioural interview they are asked

to describe how they did react to the situation in the past.

### **Principles of Interviewing**

To make it effective, an interview should be properly planned and conducted on certain principles; Edwin B. Flippo has described certain rules and principles of good interviewing to this end:

- 1). Provide proper surroundings. The physical setting for the interview should be both private and comfortable.
- 2). The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.
- 3). Plan for the interview by thoroughly reviewing job specifications and job descriptions.
- 4). Determine the specific objectives and the method of the interviewing.
- 5). Inform yourself as much as possible concerning the known information about the interviewee.
- 6). The interviewer should possess and demonstrate a basic liking and respect for people.
- 7). Questions should be asked in a manner that encourages the interviewee to talk.
- 8). Make a decision only when all the data and information are available. Avoid decisions that are based on first impressions.
- 9). Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.
- 10). Maintain some written record of the interview during or immediately after it.

- 11). Listen attentively and, if possible, protectively.
- 12). Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.
- 13). 'Body language' must not be ignored.
- 14). The interviewer should make some overt sign to indicate the end of the interview.

Interviewing is largely an art, the application of which can be improved through practice.

**6. Background Investigation:** The next step in the selection process is to undertake an investigation of those applicants who appear to offer potential as employees. This may include contacting former employers to confirm the candidate's work record and to obtain their appraisal of his or her performance/ contacting other job-related and personal references, and verifying the educational accomplishments shown on the application.

The background investigation has major implications. Every personnel administrator has the responsibility to investigate each potential applicant. In some organization, failure to do so could result in the loss of his or her job. But many managers consider the background investigation data highly biased. Who would actually list a reference that would not give anything but the best possible recommendation? The seasoned

personnel administrator expects this and delves deeper into the candidate's background, but that, too, may not prove to be beneficial. Many past employers are reluctant to give any information to another company other than factual information (e.g., date of employment).

Even though there is some reluctance to give this information, there are ways in which personnel

administrators can obtain it. Sometimes, for instance information can be obtained from references once removed. For example, the personnel administrator can ask a reference whose name has been provided on the application form to give another reference, someone who has knowledge of the candidate's work experience. By doing this, the administrator can eliminate the possibility of accepting an individual based on the employee's current employer's glowing recommendation when the motivation for such a positive recommendation was to get rid of the employee.

**7. Physical Examination:** After the selection decision and before the job offer is made, the candidate is required to undergo physical fitness test. Candidates are sent for physical examination either to the company's physician or to a medical officer approved for the purpose. Such physical examination provides the following information.

- 1). Whether the candidate's physical measurements are in accordance with job requirements or not?
- 2). Whether the candidate suffers from bad health which should be corrected?
- 3). Whether the candidate has health problems or psychological attitudes likely to interfere with work efficiency or future attendance?
- 4). Whether the candidate is physically fit for the specific job or not?

Policy on these physical exams has changed today. Dale Yoder writes, "Modern policy used the physical examination not to eliminate applicants, but to discover what jobs they are qualified to fill. The examination should disclose the physical characteristics of the individual that are significant from the standpoint of his efficient performance of the job he may enter or of those jobs to which he may reasonably expect to be transferred or promoted. It should note

deficiencies, not as a basis for rejection, but as indicating restrictions on his transfer to various positions also.”

**8. Approval by Appropriate Authority:** On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department. Though such a committee or personnel department may have authority to select the candidates finally, often it has staff authority to recommend the candidates for selection to the appropriate authority. Organisations may designate the various authorities for approval of final selection of candidates for different categories of candidates. Thus, for top level managers, board of directors may be approving authority; for lower levels, even functional heads concerned may be approving authority.

**9. Final Employment Decision:** After a candidate is finally selected, the human resource department recommends his name for employment. The management or board of the company offers employment in the form of an appointment letter mentioning the post, the rank, the salary grade, the date by which the candidate should join and other terms and conditions of employment. Some firms make a contract of service on judicial paper. Usually an appointment is made on probation in the beginning. The probation period may range from three months to two years. When the work and conduct of the employee is found satisfactory, he may be confirmed. The personnel department prepare a waiting list and informs the candidates. In case a person does not join after being selected, the company calls next person on the waiting list.

**10. Evaluation:** The selection process, if properly performed, will ensure availability of competent and committed personnel. A period audit, conducted by people who work independently of the human resource department, will evaluate the effectiveness of the selection process. The auditors will do a thorough and the intensive analysis and evaluate the employment programme.

### **5.3 Selection Decision Outcomes**

Selection has two objectives, viz:

- (1) to predict which job applicants would be successful if hired and
- (2) to inform and sell the candidate on the job and the organization.

Unfortunately, these two objectives are not always compatible putting a job candidate through hours of filling out forms, taking tests, and completing interviews rarely endears the organization to the candidate. These are tiresome and often stressful activities. Yet if the selection activities place too great an emphasis on public relations, obtaining the information needed to make successful selection decisions may be subordinated. Hence a manager's dilemma in selection is how to balance the desire to attract people with the desire to gather relevant selection data.

### **5.4 Placement – Orientation - Socialization**

After an employee has been recruited he is provided with basic background information about the employer, working conditions and the information necessary to perform his job satisfactorily. The new employee's initial orientation helps him perform better by providing him information of the company rules, and practices.



**According to Pigors and Myers,** “Placement consists in matching what the supervisor has reason to think the new employee can do with what the job demands (job requirements), imposes (in strain, working conditions, etc.), and offers (in the form of pay rate, interest, companionship with other, promotional possibilities, etc.)” They further state that it is not easy to match all these factors for a new worker who is still in many ways an unknown quantity. For this reason, the first placement usually carries with it the status of probationer.

**A few basic principles should be followed at the time of placement of an employee on the job.**

**These may be enumerated as below:**

- 1). The job should be offered to the man according to his qualifications. The placement should neither be higher nor lower than the qualifications.
- 2). While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.
- 3). The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.
- 4). Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man next, should be the principle of placement.
- 5). The placement should be ready before the joining date of the newly selected person.

6). The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do better justice.

**In the words of John M. Ivancevich**, “Orientation orients, directs, and guides employees to understand the work, firm, colleagues, and mission. It introduces new employees to the organisation, and to his new tasks, managers, and work groups.” **According to John Bernardin**, “Orientation is a term used for the organizationally sponsored, formalized activities associated with an employee’s socialisation into the organisation.”

**Billimoria has defined orientation as**, “Induction (orientation) is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies, and purposes of the organisation.”

Orientation is one component of the new employee socialization process. Socialization is the ongoing process of instilling in all new employees prevailing attitudes, standards, values, patterns of behaviour that are expected by the organisation and its departments.

Thus, orientation is a process through which a new employee is introduced to the organisation. It is the process wherein an employee is made to feel comfortable and at home in the organisation. The new employee is handed over a rulebook, company booklets, policy manuals, progress reports and documents containing company information which are informational in nature. It is responsibility of the human resource department to execute the orientation programme.

## **5.5 Summary**

Selection is the process of picking up individuals out of the pool of the job applicants with requisite qualifications and competence to fill jobs in the organisation. Proper selection can minimize the costs of replacement and training, reduce legal challenges, and result in a more productive work force. The discrete selection process would include the following: application Pool, preliminary screening and interview, application Blank or Application Form, selection Tests, Interview, Background Investigation, Physical Examination, Approval by Appropriate Authority, Final Employment Decision, and Evaluation. Selection process involves mutual decision making. The organisation decides whether or not to make a job offer and how attractive the job offer should be. The candidate decides whether or not the organisation and the job offer is according to his goals and needs. Selection of proper personnel helps the management in getting the work done by the people effectively. To be an effective predictor, a selection device should be reliable, valid, predict a relevant criterion.

## **5.0 Tutored-Marked Assignment**

1. What do you understand by selection process? Discuss various steps involved in it.
2. What is application blank? What purpose does it serve? Explain the contents of an application blank.
3. Discuss the characteristics of a good test. Explain various types of tests used in the selection process.

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## **Unit - 5 Employees' Training**

1.0 Introduction

2.0 Objectives

3.0 Main Contents

3.1 Concept of Training

3.2 Need for Employee Training

3.3 Importance of Training

3.4 Types of Employee Training

3.5 Advantages of On the Job Training Methods

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

### **1.0 Introduction**

In this unit, you will learn about employees' training. Training is a process of learning a sequence of programmed behaviour. It is the application of knowledge that gives people an awareness of rules and procedures to guide their behaviour. It helps in bringing about positive change in the knowledge, skills and attitudes of employees. Thus, training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities.

### **2.0 Objectives**

At the end of this unit, you should be able to:

- Understand various aspects of the training design process;
- Classify the various training methods;
- Point out various factors affecting training decisions;
- Learn and appreciate the significance of employee training;
- Understand difference between on the job and off the job training.

### **3.0 Main Content**

#### **3.1 Concept of Employees' Training**

Training refers to a planned effort by a company to facilitate employees' learning of job related competencies. These competencies include knowledge, skills, or behaviours that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill, and behaviors emphasized in training programs and to apply them to their day to day activities. Training is seen as one of several possible solutions to improve performance. Other solutions can include such actions as changing the job or increasing employee motivation through pay and incentives. Today there is a greater emphasis on Providing educational opportunities for all employees. These educational opportunities may include training programs, but they also include support for taking courses offered outside the company, self-study, and learning through job rotation.

The term training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeships and provides the backbone of content at institutes of technology (also known as technical colleges or polytechnics).

Training is important for the employees' development; employees' development encourage self-fulfilling skills and abilities of the employees, decreased operational costs, limits organizational liabilities and changing goals and objectives (Donald, 2009). It is very difficult for an employee to perform well at the workplace without any pre-training (Garavan, 1997).

Trained employees perform better than the untrained ones (Adenuga, 2011). Hence, employees' training is important for the progress of an organization.

### **Need for Employee Training**

Training of employees takes place after orientation takes place. Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job.

Training process moulds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.

Training is given on four basic grounds:

1. New candidates who join an organization are given training. This training familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.
2. The existing employees are trained to refresh and enhance their knowledge.
3. If any updations and amendments take place in technology, training is given to cope up with those changes. For instance, purchasing new equipment, changes in technique of production, computer impartment. The employees are trained about use of new equipments and work methods.
4. When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job.

Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

- Where is training needed?
- What specifically must an employee learn in order to be more productive?

- Who needs to be trained?

Begin by assessing the current status of the company how it does what it does best and the abilities of the employees to do the tasks. This analysis will provide some benchmarks against which the effectiveness of a training program can be evaluated.

### **Importance Training in an Organization**

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. The benefits of training can be summed up as:

- 1. Improves Morale of Employees-** Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.
- 2. Less Supervision-** A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.
- 3. Fewer Accidents-** Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.
- 4. Chances of Promotion-** Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.



**5. Increased Productivity-** Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

### **Types of Employee Training**

Some commentators use a similar term for workplace learning to improve performance: “training and development”. One can generally categorize such training as on-the-job or off-the-job:

- On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training has a general reputation as most effective for vocational work.
- Off-the-job training takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

The most frequently used method in smaller organizations that is on the job training. This method of training uses more knowledgeable, experienced and skilled employees, such as managers, supervisors to give training to less knowledgeable, skilled, and experienced employees.

OJT can be delivered at the work place in informal manner and is characterized by following points:

1. It is done on ad-hoc manner with no formal procedure, or content
2. At the start of training, or during the training, no specific goals or objectives are developed
3. Trainers usually have no formal qualification or training experience for training
4. Training is not carefully planned or prepared
5. The trainer are selected on the basis of technical expertise or area knowledge

Formal On-the-job Training programs are quite different from informal On-the-job Training. These programs are carried out by identifying the employees who are having superior technical knowledge and can effectively use one-to-one interaction technique. The procedure of formal on the job training program is:

1. The participant observes a more experienced, knowledgeable, and skilled trainer (employee)
2. The method, process, and techniques are well discussed before, during and after trainer has explained about performing the tasks
3. When the trainee is prepared, the trainee starts performing on the work place
4. The trainer provides continuing direction of work and feedback
5. The trainee is given more and more work so that he accomplishes the job flawlessly

### **SELF ASSESSMENT TEST**

Distinguish between training and development.

### **Advantages of On the Job Training Methods**

On the job training method has the following advantages that can be considered:

1. Generally most cost-effective

2. Employees are actually productive
3. Opportunity to learn whilst doing the job
4. Training alongside real colleagues.
5. Training can be delivered on time and at the optimum time.
6. The trainee will have the good opportunities to practice and implement.
7. The trainee will have feedbacks.
8. Trainee builds confidence by working with own speed and productivity.

#### **4.0 CONCLUSION**

Training is a process of learning a sequence of programmed behaviour. It is the application of knowledge that gives people an awareness of rules and procedures to guide their behaviour. It helps in bringing about positive change in the knowledge, skills and attitudes of employees. For any organization to achieve optimum performance, training of the workforce should be taken seriously.

#### **5.0 SUMMARY**

The unit begins with an introduction of the concept and explains the importance of training. It explains the difference between training and development. The need and importance of training, and the benefits of training to the individual and the organization.

#### **6.0 TUTOR MARKED ASSIGNMENTS**

1. Explain the term training and the need of training for organizations.

2. Explain various On the job and off the job training methods in detail.

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## **MODULE 2**

Unit 1 Employee Appraisal I

Unit 1 Employee Appraisal II

Unit 2 Employee movement IN and OUT of the Organization I

Unit 3 Employee movement IN and OUT of the Organization II

Unit 4 Employee movement IN and OUT of the Organization III

Unit 5 Motivation and Integration of Employee

### **Unit 1 Employee Performance Appraisal I**

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#### **1.0 INTRODUCTION**

Performance Appraisal provides a rational medium or instrument for measuring individual

worker contributions to corporate goal achievement and success. It is a complex management function which demand for extra-maturity, fairness and objectivity in assessing individual worker job performance based on explicit job-related criteria. Appraisal results provided vital information about a worker's strength and weaknesses, training needs and reward plan such as advancement, promotion, pay increase, demotion and work or performance improvement plans.

## **2.0 OBJECTIVES**

After studying this unit, you should be able to:

- Understand the meaning and purpose of performance appraisal
- Identify kinds of appraisals
- Know qualities of effective appraisal system
- Understand principles of effective appraisal system

## **3.0 MAIN CONTENT**

### **3.1 Definition and Meaning of Performance Appraisal**

Performance appraisal, which used to be known as merit rating has so many new names such as performance review, personnel review, employee appraisal, service rating, performance evaluation, or efficiency report. Whatever name used, it is defined as:

- (i). The systematic evaluation of the individual with respect to his performance on the job and his potential for development. (Beach, 1980);
- (ii). The process of collecting, analyzing and evaluating data relative to behaviours and results of individuals. It includes periodically assessing as promotion, pay increase, demotion or development of specific plan for work improvement and training.

### **3.2 Types of Appraisals**

There are two basic categories of appraisals. The formal and the informal appraisals. Formal appraisal is the official assessment of employee output conducted systematically based on explicit job-related standard criteria by the superior officer. The informal assessment is a casual ad-hoc assessment based mainly on the boss's intuitive feelings and not based on factual evidence of result. It could be highly sentimental and subjective.

### **3.3 Rationale for Performance Appraisal**

Performance appraisal is an essential instrument of personnel management designed to serve the following purposes:

1. To identify an individual employee's current level of job performance.
2. To identify employee strengths and weakness.
3. To enable employees improve their performances.
4. To provide a basis for rewarding or penalizing employee in relation to the contribution or lack of adequate contribution to corporate goal.
5. To motivate higher performance
6. To identify training and development needs.
7. To identify potential performance
8. To provide information for succession planning.
9. To validate selection process and training programme.
10. To encourage supervisory understanding of the subordinates

### **Who should Appraise Employee Performance?**

Traditionally, performance rating used to be the sole responsibility of the immediate senior officer or head of section or department. Recent development indicates that employee performance appraisals are undertaken in seven basic ways which include:

- (1) Rating of subordinate by superior officer called superior rating;
- (2) Rating done by employee of equal rank called peer rating
- (3) Rating of a senior officer by employee of junior rank called subordinate rating;
- (4) Committee rating usually conducted by a group of senior officials of organization on an

employee.

- (5) Self-appraisal is done by the employee himself on his own performance based on agreed standard of performance;
- (6) Users of service rating is conducted by the customers or consumers of organizations product or service and lastly.
- (7) Contract rating is done by experts assigned by the organization management to conduct employee performance on contract basis and on behave of the organization management

### **3.5 Performance Appraisal Process**

Performance appraisal process is made up of series of interconnected activities that constitute the appraisal system. The process commences with the filling of appraisal form called Annual Performance Evaluation Report (APER) form in Nigeria civil service. After the employee has filled and forwarded the form to the boss or manager or head of the department, the assessment is made and the boss invite the subordinates for post appraisal interview which allow the rate and the rater to reach an agreement on the result of the appraisal.

The process always ends in employee job improvement plans or promotion to another level or higher position and or salary increases.

For an appraisal system and instrument to achieve successful measurement of employee performance, it should fulfill the following conditions:

#### **3.6.1 Reliability and Validity**

A good appraisal system should be reliable and valid. An appraisal system is said to be reliable if several ratings by one person produces similar results or if two different experienced raters obtain similar rating scores on one employee. An appraisal technique is valid when it appraises exactly what it is designed to measure.



### **3.6.2 Determining performance criteria**

An effective appraisal system specify what to measure in the appraisal form such as quality and quantity of output, services and requisite job behaviour, talents and attitudes. Different jobs should have different performance measurement criteria. Care must be taken not to use one system of criteria for measuring performance of different professions and skill like in the civil service where APER form is used as the standard criteria to measure all jobs in the service whether applicable or not, assessment just have to be made.

However, some organizations in the civil service have made concerted efforts to design APER forms that should measure job-related performances of their agencies. Those who have not improve their appraisal instrument should do so in the interest of validity and relevance of measuring instrument.

### **3.6.3 Standardization**

A good appraisal system should establish precise and concise standards such as the forms, procedure and administrative technique to conduct employee appraisal accurately measure job-related performance.

### **3.6.4 Practical Validity**

The appraisal instrument (form) and system should be applicable to measure wide ranging group of jobs and skills, easy to administer, cost effective and effective.

### **3.6.5 Legal Sanction**

The appraisal principles and practices should conform with the legal provisions of every country. The principle of general acceptability of the performance measuring techniques and instruments.

### **3.6.6 Training of Appraisers.**

Since appraisal is a veritable element of personnel management, care should be taken to ensure that the officials assigned to do them have adequate knowledge of the rationale for appraisal and possess adequate knowledge of the subordinate job contents, and have acquired requisite experience to handle appraisals and in conducting appraisal interviews.

### **3.6.7 Open Communication**

A good appraisal system ensures that employees are made conversant or aware of expected work-place behaviour or performance standards or levels. Also, the result of the rating should be openly discussed with the subordinate who should be allowed to ask questions regarding the rating criteria used and the result. This implies that the open system of appraisal where subordinate are shown the rating score and told who the result is obtained is more preferred to the secrete appraisal system where the boss assess and forward result to top management where decisions are taken without the consent of the employee.

### **3.6.8 Post – Appraisal Interview**

A good appraisal system consist of post appraisal interview which grant the employee opportunity to contact the assessors and find out their errors, deficiencies, and strength so as to know the performance level expected of them.

### **3.6.9 Due Process**

A standard appraisal system should establish a formal procedure for employees to register their grievances in situations of in accurate or unfair assessment made on them by their superior officers.

These indeed are comprehensive factors to be put into consideration in establishing effective

appraisal system in organizations.

### **3.7 Guiding Principles for effective appraisal system**

Beach (1980) and Tereza (1999) outline eight principles that can guide supervisors to effectively carryout employee appraisal in private and public organizations. The principles include:

1. Insure to obtain solid and current facts about a given work performance and behaviours expected of employees on the job;
2. Learn how to measure programme and operation performance based on accurate standard;
3. Ensure that each job contribute to organization goals and objectives;
4. Employee performance standard should be jointly set by supervisors and subordinates or subordinate made aware of these standards in case they can't participate in evaluation standard setting;
5. Put in place a system that allow individual employee to grow and develop concurrently with corporate productivity improvement;
6. Assessors should adopt a positive attitude in appraising subordinates instead of a persistently negative and denigrating attitude. Appraiser should be supportive;
7. Ensure that all the staff on supervisory rank have a good working knowledge of activities, process and instruments of appraisal;
8. There should be a clear link between appraisals and corporate compensation system.

### **3.8 Underlying principles of appraisal methods.**

Before we proceed to discuss various methods of appraisal in unit 6, let us first examine the basic principles underlying each of the methods or techniques of appraisal.

1. Appraisals are usually conducted by comparing employee performance against

corporate established standard of performance expected of each personnel on a job. Standard can consist of numerical scales such as rating scale and checklist.

2. Interpersonal Comparism – some appraisals are done by comparing performances of individual

employees. The underlying principles were is to rank an employee (rate) based on a general performance standard which are usually written or stated clearly.

3. Goal Setting – Here, such rate's performance is compared against the standard he has set and

agreed to accomplish himself. This is the principle underlying management by objective as an appraisal technique.

#### **4.0 CONCLUSION**

You have been introduced to the concepts, rationale process, principle and general background of employee performance appraisal as a vital instrument for measuring and improving employee performance. The next unit 6 will expose you to various methods of appraisal.

#### **5.0 SUMMARY**

This unit focuses on definitions, types, rationale, process, kinds and qualities of effective appraisal system. These topics provided you with a sound background of the appraisal system.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

Explain the various features of an effective appraisal system.

#### **7.0 REFERENCES/FURTHER READINGS**

Cole, G. A. (1997) personnel management, 4th Edition letts Educational, long

## **UNIT 2 EMPLOYEE PERFORMANCE APPRAISAL II**

### **1.0 Introduction**

### **2.0 Objectives**

### **3.0 Main Content**

#### **3.1 Methods and Techniques of Employee Appraisals**

##### **3.1.1 Graphic Rating Techniques**

##### **3.1.2 Rank order method**

##### **3.1.3 Paired comparison**

##### **3.1.4 Forced distribution**

##### **3.1.5 Checklist method**

##### **3.1.5.1 Simple checklist method**

##### **3.1.5.2 Weighted checklist**

##### **3.1.5.3 Forced choice**

##### **3.1.6 The Essay form of Appraisal**

##### **3.1.7 Critical Incidence**

#### **3.2 Human Errors (problems) in efficiency rating**

##### **3.2.1 The problem of Reliability and Validity**

##### **3.2.2 Leniency and Strictness**

##### **3.2.3 Halo effect**

##### **3.2.4 Control**

##### **3.2.5 Recency Effect**

##### **3.2.6 Bias**

#### **3.3 Management by objectives (MBO)**

#### **3.4 Post Appraisal Interviews**

##### **3.4.1 Purposes of Appraisal Interview**

##### **3.4.2 Traditional approach to Appraisal interview**

##### **3.4.3 Weakness of the Traditional Approach to Appraisal Interview**

##### **3.4.4 Effective strategy for Appraisal Interview**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor-Marked Assessment**

### **7.0 References/Further Readings**

## **1.0 INTRODUCTION**

Employee performance appraisal needs to measure as accurate as possible the individual staff contribution to corporate success. Effectiveness of an appraisal system is a function of valid method or instrument of appraisal. Validity of appraisal depends largely upon the efficiency of the measuring technique and the experience of the appraisal. Different jobs may demand for different measurement techniques. However, to be cost-effective, a method an organization

chooses should be suitable for a wide ranging categories of jobs in the organization. Generally, appraisals are conducted on the basis of comparing individual's contribution on the job to the agreed set performance standard, interpersonal comparison and comparing individual performance to self-imposed targets.

## **2.0 OBJECTIVES**

After reading this unit, you should be able to:

- \* Understand the diverse methods of employee performance appraisal
- \* Identify human errors usually committed or associated with the process of employee performance appraisal
- \* Understand the significance and process of conducting post- appraisal interviews

## **3.0 MAIN CONTENT**

### **3.1 Methods and Techniques of Employee Appraisal**

The major methods of performance appraisal are discussed below:

#### **3.1.1 Graphic Rating Technique**

This is the oldest and the most commonly used appraisal method known as the conventional rating scale techniques. The rating is usually done by the immediate supervisor of an employee in an officially prepared form, which usually contain traits and characteristics to be rated.

In conventional practice, different categories of employees should be rated using different form bearing distinctive standards or criteria of expected performance. For non-supervisory class or cadre of workers, rating should be on the quantity, quality of work, Job knowledge, cooperativeness, depended ability, initiative, industriousness and attitude. For managerial personnel, typical factors to consider in rating are analytical judgment, leadership, creative

ability, initiative, knowledge of work and emotional stability. (Beach, 1980 P. 296). The Graphic rating technique of appraisal is the method widely used indiscriminately to appraise performance of the entire employee in the service irrespective of the nature of the performance expectation of different jobs. The system called annual performance Evaluation report is an annual event filled by the superior officers annually for each employee.

To measure employee efforts at work, performance in each of the above mentioned traits is given certain points say 1, 2, 3, 4, 5 and the points score of employee under each trait are added to give the overall employee performance and rank. This technique's major advantages are its relative low-cost to design and simplicity, which permit appraisal of many works. This singular factor makes it popular with civil service organizations.

The techniques major disadvantages include

1. The use of subjective criteria of judgment such as cooperative, personality, attitude, and judgment when management concern should be on employee job performance;
2. The numerical scoring create the impression (illusion) of precism, which is not really there;
3. The scale is subjected to errors of halo effects, leniency or strictness, central tendency and interpersonal bias. All these will be discussed under "problems of appraisals in section 3.2.1

Ratings: 1 2 3 4 5

Poor Below average Average Good Excellent

(1) Qualification

(2) Initiative

(3) Judgment

(4) ependency

(5) Leadership quality

**Adopted from Folayan 1997**

### 3.1.2 Rank Order Method

This is an appraisal system that uses interpersonal comparison to rank or determine the level of an employee's performance. Initially the employees are all rated based on global standard and their performance are then compared to determine individual employee rank in the continuum of the best or the worst performance.

To conduct this system of interpersonal comparison called ranking order, the rater (or Supervisor) first find the two employee with the best and the worst performances respectively. The name of the employee with the best performance is recorded on the first line of column 1 (numbered 1) while that of the worst performance is recorded at the bottom of column II on the last number 20 below. After establishing this polar ranking columns, the rater continued to select the next highest and the next lowest until all the employee are fixed into performance ranking scale.

#### Ranking Scale

Column 1 (Best)	Column II (Worst)
1	11
2	12
3	13
4	14
5	15
6	16
7	17
8	18
9	19
10	20



The main problem with this system of appraisal is that the relative performance between two employee tend to be unclear and obscure.

### **3.1.3 Paired Comparison**

This is another system of interpersonal comparison designed to determine the rank of individual employee. It is also known as man-to-man comparison because the techniques require the comparison of each employee with every other employee. In this way, an employee's standing in the final rank order list is based upon the number of times he is chosen over other individual in all the paired comparison.

The problem of this technique is that it does not establish standard of performance, nor does it consider specific component of behaviour. It does not also indicate the degree of difference between persons on the rank scale.

### **3.1.4 Forced Distribution**

Forced distribution technique is designed to correct the usual supervisor's attitude of ranking the subordinate at high or middle of the scale, thereby clustering majority of the employee at either higher rank or middle of the scale. It is a habit or behaviour that portrays arbitrary rating.

To correct this mistake or error of central tendency, forced distribution is designed in such a way that requires the rater to distribute his rating in a pattern to conform with normal frequency distribution. For example, supervisors are expected to allocate 10 percent of the rates to the highest performance category, 20 percent to the next highest performance, 40 percent to the middle range performance, 20 percent to average performance and 10 percent to lowest performance (unsatisfactory performance) level.

Beach (1980) criticizes this technique of being obscure and that it will be a coincidence if actual distribution of performance in an organization conforms to a normal curve. In fact, his last comment on the technique is that it is based on questionable reasoning.

### **3.1.5 Checklist Methods**

Using this method to measure employee performance, a list of statements describing behaviour characteristics and performance rank of employee are given to the rater to indicate the most likely and the least likely behaviour characteristics of the employee on the job. There are three form of checklist methods, which include (i) simple checklist (ii) weighted checklist and (iii) forced choice method

#### **3.1.5.1 Simple Checklist Method**

In this version of checklist a number of statements about employee behaviour on the job are prepared and presented to the rater to indicate where the behaviour of the employee being rated conform (i.e. is positive to the statement or failed to conform (i.e. is negative) to the statements. The employee's performance is rated on the numbers of times the employee behaviour conforms or is positive i.e. the positive check scores of employees.

### **Figure 6.4 Checklist of Qualities**

#### **NDANUMA CERAMIC COMPANY PLC PERFORMANCE APPRAISAL FORM**

Name of Employee \_\_\_\_\_

Resignation \_\_\_\_\_

Department \_\_\_\_\_

Raters Name \_\_\_\_\_

#### **Checklist of Qualities**

#### Behaviour

- i. Is the employee punctual at work? Yes/No
- ii. Does the employee cooperate with other employees? Yes/No
- iii. Does he/she treat customers with courtesy? Yes/No.
- iv. Is the employee always ready to do extra-work Yes/No when required
- iv. Does the employee complete his work on time? Yes/No.
- v. Does the employee make frequent errors? Yes/No
- vi. Is the employee sincere and dependable Yes/No.
- vii. Can the employee work without supervision? Yes/No

#### 3.1.5.2 Weighed Checklist

Here too, a list of descriptive statements about a typical employee behaviour at work are prepared, but this time, each statement has a weight or score attached to it. The weight indicate the relative importance of the behaviour in the performance of specific jobs. The weight are not presented on the rating form, only the staff of personnel unit know the weight of each descriptive statement about employee behaviour.

The problem of this system is basically on its in applicability on diverse jobs. It demands for different format for different cadres of work. In fact, when changes occur based on growth and development on the same job family, the rating standard becomes irrelevant.

#### Weighted Checklist Method

1 2 3 4

Checklist of Qualities Weight

Performance rating (1-5)

## Score

1. Attendance 1.0 Poor, below Excellent
2. Job knowledge 2.0 average, average,
3. Dependability 1.5 above average
4. Customer courtesy 2.5
5. Loyalty to company
- 1.5 policies 2.0
6. Ability to learn 2.0
7. Ability to get along with
- 1.0 others 2.5
8. Quantity of work 1.5
9. Quality of work
10. Leadership potential

### **3.1.5.3 Forced Choice**

In forced choice method, the rater is expected to choose two out of the four statement the employee is “most like” and one that the employee is “least like”. The pairs of four behaviour descriptive statements are usually a mixture of two positive statements. The weight of these checklists of statement is not known to the rater. Out of the two positive statements only one statement describe the characteristic of high performance and if it is found to conform with employee behaviour at work, the employee scores higher mark. On the other hands, if one of the two negative statements is picked as being least descriptive of the employee, the employee gets plus score.

This system is said to have enjoyed validity and thus correct the biases of graphic rating but

organization have refused to apply the technique because it is expensive to apply or install. It is important to note that the score of the rating is not usually disclosed to the supervisor, personnel unit keep the secret.

### **3.1.6 The Essay form of Appraisal**

This is an appraisal method whereby the supervisor writes short essay describing each employee's performance during the rating period. Sometimes a format is prepared with headings under, which supervisor provides relevant comments. However, the rater is not restricted to any format.

### **3.1.7 Critical Incidence**

This is a method whereby the supervisor continuously record subordinate performance throughout the rating period. The supervisor or manager form the habit of recording both high and low performance of the employee whenever, something wonderful (critical) happens, its record is taken down by the manager. The problem with this method is that the supervisor's recordings may likely be seen by the subordinate as the black book not an objective records or measure of the performances overtime.

## **3.2 Human Errors or (problems) in Efficiency Rating**

All the above discussed techniques of employee performance appraisal are subjected to certain human evaluative errors, which usually distort merit rating and job evaluation. The common errors or problems of appraisals are

### **3.2.1 The Problem of Reliability and Validity**

An appraisal instrument or method is said to be reliable if repeated measurement of

performance of one individual produces similar results and. A valid appraisal method is the one that measure accurately what it is designed to measure. Factors that determine or influences reliability of appraisal method or technique are the competence of the supervisors that rate subordinates, the condition under which the appraisal was conducted and criteria being used to assess performance: is it job related or infinitive judgment of the boss based on subjective opinions. On the other hands, an appraisal method's validity depends largely on how accurate the method is in measuring job performance of the employee.

### **3.2.2 Leniency and Strictness**

A common human error committed by most appraisers is the tendency to be too lenient to the subordinate and consequently score them high knowing that appraisal results are to be increases the pay. Some raters (Supervisors) that do not fall into the leniency trap tend to be too strict and hence assess their subordinate low. These two polar trends in rater behaviour are due to supervisor's subjectivity.

### **3.2.3 Halo Effect**

The tendency of most supervisors (raters) to allow their judgment (rating) of the proceeding factor in the assessment form to influence the rating of the following factors is called "halo effect". This can also manifest when rating scores of one subordinate is allowed to influence the rating score of the subordinate that follow.

To avoid this problem, supervisors should rate all the subordinates on one single factor, one after the other before proceeding to the net factor.

### **3.2.4 Control**

Because some raters (supervisors) don't want to be accused by other managers of either being

too lenient by awarding higher scores to subordinate or being too strict by awarding low marks, they tend to rate most of their subordinate along the middle course, neither condemning them nor praising them of higher performance.

### **3.2.5 Recency Effect**

This human error in appraisal manifest when a supervisor allow recent behaviour of subordinate to influence and determine the rating weight or score of the past (Previous) behaviour at work, which might have escaped from his memory. This problem occurs if supervisors don't assess the subordinates on a continuous basis throughout the evaluation period but instead conduct the appraisals at the end of the period. In fact, in civil service, this attitude is more prevalent and sometimes the annual performance evaluation (APER) forms of three consecutive years are filled in a moment at the end of the third year. Here, appraisal is thereby a customary event before promotion exercise.

### **3.2.6 Bias**

Most appraisals suffer this human error and a lot of performance rater's judgments are based on emotional, prejudice and subjective factors. When a supervisor or rater like or dislike a subordinate it often affect his assessment of the subordinate performance scores.

## **3.3. Management by Objectives (MBO)**

MBO is a participate management technique invented by peter Drucker (1954) and popularized by George Ordione and Douglas MC Gregor (1960). As a participative management technique, the system allow subordinates and supervisors of units to jointly determine the objectives (qualitative and quantitative targets) of the organisation along with

the requisite performance measurement criteria. Since both the supervisor and subordinates participate in goal setting, they are both motivated to work toward this goal fulfillment. They don't need an external appraisal to tell them whether they are meeting the targets or not. They are collectively self-aware of their responsibility to goal fulfillment.

Conceptually, MBO is a management device, which places emphasis on decentralization of the entire management process involving planning, decision making, programmes implementations (operations) and performance evaluation. It is a new philosophy of management, which de-emphasizes the role of central planning and control of corporate operations. Instead of central control and supervision of corporate plans and programmes implementation, the MBO favour a decentralized management process where supervisors and subordinate jointly determine corporate goals, objectives, operations and performance appraisal based on these agreed joint objectives and targets. Thus, MBO is a participatory management style embedded with self-appraisal system.

This is the reason why many scholars believe that MBO is basically an appraisal technically. To some extent they could be right, but the truth is that MBO is an alternative management style to management by control orchestrated by Douglas MC Gregor's theory X. Like theory Y, MBO build so much confidence in the subordinate's ability to plan, execute and evaluate their own performance without strict supervision and control but with the support of the supervisor.

The MBO system consists of three important elements:

1. Goal Setting: The goals should be objective and measurable if possible, if not, they should be consistent with corporate objectives;
2. Collective participation in Decision-making: MBO programmes in principles permit subordinate to set goals either by themselves or jointly with their superiors, thus facilitating



internalized motivation;

3. Performance Appraisal: MBO system is embedded with performance appraisal, which is self-evaluation by both subordinate and supervisor against established standards or criteria jointly set to guide their operations.

Usually the atmosphere in an MBO environment is less authoritative or punitive and therefore arouses less anxiety than the conventional management style of control by supervision and appraisal by the supervisor who behave more like a boss than partner in progress. In an MBO system, the supervisor (Boss) becomes less of a judge and more of a coach. The concern of a supportive supervisor is not criticism on previous performance failures but on how errors made last period can be corrected.

MBO process is a two-way traffic. Both, the subordinate's performance and the relationship between the boss and the subordinates are reviewed. In fact Beach (1980) concludes that the major goals of MBO system are to enhance the superior-subordinate relationship, strengthen the motivational climate, and improve performance.

### **3.4 Post Appraisal Interviews**

It is also known as feedback interview or performance interview. The appraisal interview is a feedback forum for discussing with the employee the results of the appraisals. Cole (1997) defines it as the formal face-to-face meeting between the jobholder and his manager, at which the information on the appraisal form is discussed and after which certain key decisions are made concerning salary, promotion and training.

#### **3.4.1 Purpose of Appraisal Interview**

As an essential follow-up of performance evaluation, appraisal interview provide ample opportunity to communicate to the employee the result (feedback on appraisal) and ways by

which employee's performance can be enhanced. However, the major purpose or objectives of appraisal interview should include the following:

- (i) To provide feedback on job performance to employee;
- (ii) To help employees do a better job by clarifying what is expected of them (e.g. encouraging them to uphold present behaviour or advising them to change work behaviour for a better one);
- (iii) To plan opportunities for development and growth by helping to identify specific training programmes to meet identified employee training needs;
- (iv) To improve superior-subordinate working relation and communication;
- (v) To identify potential performance and possibilities for promotion or transfer.

### **3.4.2. Traditional Approach to appraisal Interview**

The traditional approaches for conducting appraisal in corporate entities are presented as follows:

Firstly, the manager supervisor or head of department invite his employees one after the other for the interview. Each employee prepare his mind to hear, to conduct the interview session in a diplomatic manner ensuring not to upset, offend or antagonize the supervisor.

The supervisor start the interview session with a warm welcome of the employees followed by a casual and friendly discussions or chat on weather changes, national events like sports, local and national politics. All these are designed to make the employee feel at home. The boss then proceed to commend the employee on success he recorded in the appraisal he has just conducted and he may ask him to express his opinions on what he feel is responsible or contribute to such wonderful performance success.

The supervisor then tactically tells the subordinate about his weakness and failure on the job

and may also ask him to explain the causes of such blatant failure records.

Lastly, the supervisor explain what steps he feels need be taken to improve subordinate performance and could even ask the employee to suggest ways that could best help to improve his performance on the job.

The above five-step strategy to appraisal interview look diplomatic enough but there are higher tendencies among supervisors, especially in public service, to abuse the process and resort to unnecessary criticisms, judgments and sometimes outright condemnation of employees. This is why appraisal interviews require experienced supervisors to have good knowledge of subordinate jobs and necessary behaviour in conducting appraisal interviews. The supervisor should be supportive and encourages subordinate to improve performance.

### **3.4.3 Weakness of the Traditional Approach to Appraisal Interview**

- (i) The traditional approach put the subordinate or employee (rate) at the defensive and he is cornered on a hot seat to defend his failures, which are being hammered by the boss;
- (ii) Most supervisors resort to bitter criticisms on subordinate performance and behaviour at work. Bitter criticisms threaten the employee's integrity and challenge his self-esteem. The boss becomes a god like figure judging and condemning his subordinates;
- (iii) Large portions of criticisms on employees tend to border on social factors (i.e. personality traits) that may not have direct bearing on the employees's job performance. The boss may for example criticize subordinate's personality or mannarism or looks which may not have significant impact on job performance ability;
- (iv) The traditional approach may not be pleasant for both the supervisor and subordinates. This is because, the subordinate may disagree with the boss's criticism and may react by firing back to protect his integrity and self-esteem is being eroded by the boss;

(v) The system may create subdued and complacent employees.

Gentle employees who fear the implications of firing back at the boss may not react but would remain aggrieved, antagonized and demoralized by the boss's criticisms. This will have negative impact on the productivity of the employees

#### **3.4.4 Effective strategy for Appraisal Interview**

- Like in the preliminary steps of the traditional approach above, the boss may begin in a friendly, casual and intimate atmosphere before proceeding to the real business gradually and with uttermost courtesy;
- The supervisor should know that he is expected to coach and counsel the subordinates;
- Adopt a dynamic approach to the interview. The style of the interview should be determined by the situation, the nature of job, the persons and the goals of the enterprise to be accomplished. The style to adopt with new employee may differ with that of older employees;
- The appraisal of the new employee should be on a continuous basis. As a matter of fact, appraisal of all categories of staff should be on a continuous basis. However, the supervisor should periodically follow-up the performance of new employees so as to identify their problem areas on the job and offer necessary help on work methods, teaching them other aspects of the jobs. The Boss should guide and mould them to organisation standards. This will reduce the rate of mistakes and failures on the job. With this coaching at the backgrounds, the employees are likely to accept the supervisor's criticisms on the job performance in good faith;
- The boss should establish good rapport and work relationship with older employees prior to appraisal interview period. The success of appraisal interview with older workers depends

largely on the kind of interpersonal relations the supervisor has established with the subordinate before appraisal interview. The boss should have built confidence and trust-in his subordinates. The employee should know that the boss is for them not against them. They need to enjoy the boss's support;

- The appraisal session should concentrate on result rather than personality traits criticisms.

#### **4.0 CONCLUSION**

Effective appraisal methods provide management with a reliable and valid instrument for measuring employee performances and contributions to corporate success. Although the graphic rating system remains the most popular method in both private and public sector organizations, it is bedeviled with diverse errors, which other techniques have sought to remedy. For a success in appraisal exercise, the process should however allow post-appraisal interview so as to grant both the subordinate and the boss opportunity to discuss ways to improve performance on the job in order to enhance corporate goal achievement.

#### **5.0 SUMMARY**

This unit has highlighted diverse methods of appraisals and their problems and ways to make them more result-oriented. You have also learnt about many forms of human errors associated with the various appraisal methods and also learnt about the MBO system, which provide alternative system of management embedded with self-appraisal device. At the end of the unit, the significance of post-appraisal interview has been highlighted

#### **6.0 TUTOR-MARKET ASSESSMENT**

Discuss five major human errors (problems) associated with efficiency rating techniques.

## **7.0 REFERENCES/FURTHER READINGS**

Folayan O. (1997) Personnel Management: Theories and Issues, Allied emant company, Lagos.

## **UNIT 3 EMPLOYEE MOVEMENT IN AND OUT OF THE ORGANIZATION**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning of Promotion
    - 3.1.1 Nature or imperative of promotion systems
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    - 3.3 Types of career ladders
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  - 3.6 Qualification for eligibility to promotion
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      - 3.7.2.1 Methods of testing merit of eligibility for promotion
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 INTRODUCTION**

The central goal of every efficient personnel system is the proper utilization of corporate human resources to achieve predetermined goal of improved productivity and profit maximization. Efficient utilization of organization's human resources demands that employees are shifted from one job position to another vertically through promotions and demotion and horizontally through transfers or redeployment within the organization.

Employee movement could be from units or jobs where human resources needs are less to where the needs are higher as in the case of transfers and redeployments. The movement could be from jobs of lower status and responsibility to the higher status jobs as in the case of promotions. It could even be from higher level jobs to lower status jobs as in the case of

demotions resulting from either redundancies or redeployment problem or due to some reasons of in competencies or disciplinary actions.

### **Dismissals and Retirement**

In some extreme cases employees would need to move or be moved out of the organization due to incompetence problems associated with either old age or ill-health.

Personnel system has made provisions for employees who can no longer perform efficiently to leave the organization through various exit doors such as resignation, retirement, retrenchment, termination, dismissals, lay off and other severance methods such as rationalization, downsizing and other several diplomatic method of separating employees from their jobs.

## **2.0 OBJECTIVES**

By the end of this unit you should be able to:

- Know ways organizations shift personnel in organizations to achieve optimum utilization of available labour force.
- Discuss circumstances that may demand for utilization of different policy instrument of manpower movement in an organization.
- Explain each of the manpower shifting strategies designed for efficient human resources utilization and productivity.

## **3.0 MAIN CONTENT**

### **3.1 Meaning of Promotion**

#### **3.1.1 Nature and imperative of promotion systems**

The nature of promotion or career ladder depends largely upon the peculiar characteristics of the jobs it entails and the technology involved. Thus, to design an effective career or promotion ladder, organization management should take stock of jobs and family of jobs skills



required to enable employee move success fully along the chosen career path from the entry point to the highest position on the career ladder.

Since career path or promotional ladder is concerned with the determination of how employee should normally progress from one jobs position to another along a chosen career line, corporate management is faced with the crucial policy decision of putting in place efficient promotion programmes. Some important policy issues that need to be considered before promotions are designed are:

- (i) Should the organization fill vacant positions in the organization primarily by employees within the organization or hire directly from labour market?
- (ii) Should the organization grant increase pay at the time a person is promoted or not? Beach (1980) opines that if promotions are to be incentive for improved performance on present assignments, there must be some financial reward attached to deserving individuals;
- (iii) Organization should prepare clear channels of movement (promotion levels) for different career line along which employees must pass to actualize their aspiration in a career;
- (iv) Ensure that selections for promotion are based on performance appraisal scores or results.

### **3.2 Kinds of Promotion Systems**

There are two basic kinds of career systems namely:

- (i) The rank-in-the-job systems and
- (ii) The rank in the person system

The concept the rank-in-the job implies that in this system of career ladder, the content of the job, the level of skill, effort and responsibility determines pay classification and a place in the hierarchy of jobs. In this system, promotion entails movement from the present job to one of greater demands and responsibility. In some cases a person can earn more money while

retaining his present job. In this system, the minimum and maximum pay allowed for a position are set by the job evaluation and pay grade system.

The rank-in-person otherwise known as the rank-in-corps or rank in individual system is a career system, which is more tie to the person than the job. In this system, the position levels in the career ladder are dependent more upon the level of skills and performance of the professional in both private and government employments especially for university, polytechnics and colleges lecturers. The hierarchy of jobs titles in this kind of career ladder includes assistant lecturer, lecturer II and I, senior lecturer, principal lecturer, Associate professor and professor. Etc. Each of these differing promotion titles, represent the degree of proficiency than differences in basic job content. In actual practice, occupiers of these different positions perform the same job of lecturing. Although to a certain extents in the higher levels where the jobs may become more complex and differ significantly with that of the ranks below, this promotion system will resemble the rank-in-the job system.

### **3.3 Types of Career Ladders**

Different Institutions develop distinct or related career ladder (path) for different category of professions. Relevant examples are:

(i) In police force, everyone was expected to start at the bottom of the career as a recruit (or a rookie) and move up. There has however been a recent effort to bring in university graduates at the higher status of police force, “entering as Assistant superintendent of police (ASP)”.

Thus, the police exhibit a semi-unilinear career path;

(ii) The military traditionally has two career ladder systems. Enlisted personnel (recruit) start as privates and advance as high as warrant officers. Officers start as second lieutenants and may end their career as generals or Admirals. However, there has been increasing

opportunities (though very difficult) in recent years for enlistees to become officers;

(iii) Hospital or medical career exhibit a more distinct and rigid caste- like career system.

Nurses rarely become nurses (unless they quit the jobs and receives nursing training),

nurses may aspire to be head nurses or even superintendent of nurses but may never become

Doctors no matter their level of experiences in the jobs;

(iv) In a typical industry or public service organisations, there could exist divergent career paths such as:

(a) Manual workers hired into unskilled jobs and may be promoted on the bases of seniority to higher paying or assembly and machine tending positions or jobs;

(b) Skilled tradesmen often start as apprentices or helper and may move up to craft classification;

(c) Clerical employees may move from stenographer to receptionist, to secretary and perhaps to executive and administrative cadre;

(d) Managers often start as trainees of assistant supervisor and can of course move to top management level (although most will not). Often there are separate ladders for sales, finance, engineering but all these may converge from the last few steps in the upper management.

### **3.4 Qualities of a Good Promotion Path (Ladder)**

A good promotion or career ladder should have the following qualities that will make it a source of motivation for incumbent to strive and work hard to meet their career aspirations:

(i) Length of the Ladder: -The length of the ladder should be long enough to motivate steady high performance level so that employees can actualize their career aspiration. The longer the ladder the better. The short length ladders will result into dead end-jobs” in which no matter how well personnel perform the job don’t lead anywhere;

(ii) Breath of the ladder: -In most craft and professional works, the paths tend to be “narrow” and the experience obtain is all in a similar function. Modern management circumstances demand that employees are provided with wide ranging exposures to meet new job challenges;

(iii) Permeability of the Ladder: -a good career ladder should also allow external absorption. This is because a persistent policy of promotion from within to fill strategic positions may also have drawback. The long-stays in the service may make insiders excessively homogeneous. To make the career permeable, it is occasionally desirable to bring in the outsiders with fresh viewpoints and skills for higher level appointments. The more permeable the career ladder, the more emphasis are placed on selection in contrast to on-the-job training;

(iv) Predictability and Clarity of the Ladder; -A predictable ladder is one that the line of movement from the bottom ladder to the top is known and clear. Some promotional paths are so predictable that the employee can know as long as ten years ahead who will get what positions. However, high degree of predictability can injure motivation and equally unsatisfactory is total lack of predictability where promotion standards keep on changing and individual executive decisions appear capricious. This kind of situation, give the employee an impression of the management team that is confused, unserious or bias.

(v) Adequate Number of promotions Steps: -There is no optimum number of promotion steps. However, promotional steps should not be too long nor should it be too few. Too few promotional steps may injure morals by reducing opportunities for personnel progress and accomplishment. Too many promotional steps may mean that an excessive amount of time and effort must be spent in selecting candidates and shifting employees.

### **3.5 Essential Conditions for Building Efficient Promotion System**

Willoughby (1927) lay down the following conditions, which form the backbone of a sound

promotion system:

- (i) Adoption of standard specifications setting down the duties and qualifications required for all promotions in the organisation. Thus, job analysis of each position in the organisation will be of much assistance. The criteria should not be unnecessarily influenced or determined by the whims of certain unscrupulous top executive;
- (ii) Structuring of these positions into classes, series, grades and services;
- (iii) The inclusion of all positions, except those of policymaking character, into this classification;
- (iv) The adoption as far as possible, of the principle of recruitment from within for filling up of higher posts;
- (v) The adoption of the principle of merit determining the selection of employees for promotion (Willoughby 1927, Tyagi, 1975);
- (vi) The provision of adequate means for determining the relative merits of employees eligible for promotion;
- (vii) Ensure that promotion system is based in equity and fair play.

### **3.5.1 The Benefits of a Sound Promotion System**

Promotion systems are designed to build efficiency and high morale among employees. Absence of a good promotion system will generate retroactive effect in all the process of personnel administration. It may discourage ambitious and capable workers from seeking employment in the organisation, and may also cause high turnover of highly skilled personnel. Further training on the job will not make sense without any prospects of promotion and management may not be able to effectively maintain a healthy sense of discipline and good will. The major consequence of absence of a good promotion system is of course adverse

reduction in individual and group efficiency and productivity.

An instituted good promotion system attracts, retains and develops skilled manpower in the organisation. A good promotion system ensures that the right person with relevant qualification, efficiency level and good record of performance emerges on top of the organisation hierarchy.

### **3.6 Qualification for Eligibility to Promotion**

A good promotion system specify requisite qualifications employees should possess before they would be allowed to move to the next level just as is prescribed at the entry point of the career. Thus, promotion should not be an automatic rotation of personnel from level to levels.

There are two basic forms of qualifications:

(i) Personal Qualification – These are the requirement on a promotion applicant or candidates.

They include education requirement, training or experience, physical fitness, special and other qualifications. Each post has its educational requirement and requisite experiences. Individual candidate eligibility for promotion to a post depends on his fulfillment of that post's requirements. This is what is meant by an applicant having to qualify himself for promotion to a given position;

(ii) The Second factor determining Eligibility for promotion to a given post is the candidate's service status i.e. position on the career ladder. Employee will qualify for a promotion to a level only if he has been on the next level below the target level for prescribed number of years. To qualify for promotion to Grade level 14, a candidate must have been on GL13 for the prescribed number of years.

### **3.7 Principles determining Selection for Promotion**

The two basic principles that determine employee

eligibility for promotion are:

- Seniority and
- Merit principle

### **3.7.1 Seniority**

Seniority refers to “length of service” of employee in organisation. These are certain rights or benefits attained on the basis of length of service. Historically, seniority is the first criteria in consideration for employee promotions and it is still a very important criteria for promotion because of its simplicity and practical advantages.

Enumerating the diverse advantages of seniority, Mr. Mayers, an American Author of repute says that the length of service of employees determines in great part their technical qualifications. Under this system, internal strife for advancement is eliminated; that those responsible for making promotions are relieved from political or other outside pressures, and the feeling that is engendered in the service that promotions are being made with an even-handed justice tends to promote good feeling and thus, promote general morale... that promotion through seniority principle attract better class of men to the organisation or service and enables organisation retain experienced employees (Tyagi, 1975 p497).

Other advantages of seniority as a yardstick for eligibility to promotion are:

- Seniority principle is impartial because it eliminates any possibility for favouritism influencing the choice of employee to be promoted;
- Selective favouritism, which cause ill-feeling among employee as a result of unfair appraisal cause workgroup disintegration;
- Seniority helps to maintain group solidarity;
- Seniority curtails the unnecessary strive of certain young ambitious employee to supercede

others who senior them in service;

- Seniority is compatible with the cultural expectation of mankind from the beginning of human race, respects are always given elders;
- There are higher tendencies that workers acquire more skills and perform better at jobs as their length of service increase;
- Promotion based on seniority rewards employees for longtime loyalty to the organisation

#### Disadvantages of Seniority Principles

- (i) Promotion based on seniority principle may cause unqualified long-servicemen in organisation to occupy strategic positions in the organisation. If this occurs aversively in the organisation, it may lead to organisation deterioration and mediocrity;
- (ii) It discourages short-service ambitious employee to put further efforts if they know that no matter how hard they work, they will never be given necessary position;
- (iii) If grossly unqualified senior men are assigned positions of influence in organisation, it will undermine the general morale of employee in the organisation;
- (iv) Even if senior men eventually acquire skills to perform at certain level, they may not have adequate knowledge and ability to perform some higher level job demanding intellectual ability.

### **3.7.2 Merit Principle**

Merit as a yardstick for motion eligibility stipulates that employee qualification, competence and performance should be the main determinant of eligibility for promotion. The technique of finding out the merit of an employee is called performance evaluation or appraisal

#### **3.7.2.1 Method of Testing the merits of Eligibility for Promotion**

A reliable method of testing or measuring eligibility for promotion is necessary to safeguard



the merit principle from losing its credibility, check extraneous human frailties like favouritism and corruption in administration. The three methods of judging the merits of candidate for promotion include:

- (a) personal judgment of the head of line agency or department
- (b) promotion examination
- (c) efficiency rating

### **Personal Judgment of the Head**

This is an old system of measuring employee eligibility for promotion by relying upon judgment of the immediate officer of the rate who has been in close contact with the rate and thus has the best knowledge of their personality and the requisite skills of their next positions. Being in charge of the department, the head should know better about the employees. The basic problem with relying on the Head of Department's judgment is that the system would work well in small organisations where it's possible for the head to know every employee. Moreover, the head's judgment may be subjective or be influenced by some extraneous factors.

In order to check these defects in reliance on judgment of the head of the department, three (3) devices or strategies have been put in place, these include:

#### **(i) Promotion Board or Committee System**

This is made up of selected experienced hands or personnel in organisation. This is usually made up of sectional, branch or unit heads who should decide employee eligibility to promotion. The board will review progress reports on employees seeking promotion and promotion decisions are made based on the record of service of employees.

## **(ii) System of Appeal**

Here, the head of departments take promotion decisions based on their assessment of the employee. Employee is however given the right to appeal to superior authorities within or outside the agency for arbitration and such arbitrating authority's decision would be binding upon the organisation's promotion officers or committee. The problem with allowing outside intervention on the personnel system of the organisation is that it adversely affects the discipline and morale of the personnel.

## **(iii) System of Report Form (APER-FORM)**

To make the report of the heads formalized, objective and more scientific, devoid of favouritism and corruption, a system of forms are adopted as a medium for assessing and measuring employee performance. The common performance quality and traits the forms are designed to assess include:

- (1) Knowledge of the branch or department work
- (2) Personality and force of character
- (3) Judgment
- (4) Power of taking responsibility
- (5) Initiative
- (6) Accuracy
- (7) Official's conduct, dress and tact
- (8) Supervising ability
- (9) Zeal, and
- (10) Official conduct

The employee's qualities are assessed in this ranking or grading order: exceptionally well-qualified; highly qualified; qualified and not qualified. Usually special reasons are given for

reports of exceptionally well-qualified and not qualified assessment. (Tyagi 1975. P. 501)

### **(b) Promotion Examination**

Result of written examination is also used to determine employee eligibility for promotion.

Promotion examinations are usually of three types, which include;

- (i) Open competitive examination
- (ii) Limited competitive examination
- (iii) Pass examination

In the open competitive examinations, employee from various departments or outside organisation may participate and compete. The civil service examinations conducted by college of administrative and business studies of Kaduna Polytechnic and Niger State Polytechnic are cases in point. The limited competitive examination is tests designed for lower cadres like typists and secretaries to measure their skills ability and aptitudes. It may also involve test for drivers, machines or plant operators and mechanics in workshops. The pass test only requires candidate's participation in the examination and efforts made to pass the examination and this qualify them for promotion.

### **(c) Efficiency Rating**

This is a method of appraising employee performance through mechanical method of assessing the qualities of employees. Efficiency rating system is based upon scientific classification of all position in organisation and mechanical evaluation of traits of human character and personality. The method is intended to assess traits of employee with mathematical accuracy, so as to use the result of this assessment to determine personnel decisions concerning salary increments, promotion, demotion, dismissal and even transfers.

Three types of efficiency rating devices are used:

- (i) Production record
- (ii) Graphic rating scale and
- (iii) Personality inventory.

#### **(i) Production records**

Production record system is used to assess works that are easily measurable such as the jobs of clerks, typist, mechanics operators, card – punch operators etc. this system thus assess the qualities of employee by the record of their performance.

#### **(ii) Graphic Rating**

Graphic rating is used to assess the performance of administrative and managerial officials. Assessment is made on forms called APER form in Nigeria public service. The form usually contain fifteen traits of human character such as accuracy, industry, initiative resourcefulness, dependability, cooperativeness, effectiveness, meeting others, ability to organize work, physical fitness etc. Personality inventory involving assessing employee against certain personality qualities and traits. See units 5 and 6 for further explanation.

### **SELF ASSESSMENT EXERCISE**

Identify five-career path in any organisation known to you and determine the number of promotion levels and the required qualifications for promotion to each of the levels of these career path or ladder.

### **4.0 CONCLUSION**

This unit has introduced you to various techniques of moving staff in and out of the organisation in order to optimally make use of employee optimally and where the services are

much required.

## **5.0 SUMMARY**

You have been highlighted on some personnel movement strategies ranging from Resignation, Dismissals, retirement, day off and termination. This unit however concentrated on detailed discussions of promotion, kinds of promotion systems and career ladders and qualification condition for promotion in organisation.

## **6.0 TUTOR MARKED ASSIGNMENT**

Define promotion and discuss five qualities of a good promotion path

## **7.0 REFERENCES/FURTHER READINGS**

Tyagi, A.R. (1975) Public Administration principles and practice, Atma Ram New Deehi

Shehu, A. (2007) Fundamentals of Public Administration in Nigeria, Lasad Press Publication, Bida

## **UNIT 4**

### **EMPLOYEE MOVEMENT IN AND OUT OF THE ORGANISATION II**

#### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Definitions and Meaning of Transfer
  - 3.2 Reasons for Employee transfer
    - 3.2.1 Advantages of a good transfer system
    - 3.2.2 Disadvantages of frequent transfer
  - 3.3 Definition of Advancement
    - 3.3.1 Types of Advancement
      - 3.3.1.1 Automatic Advancement
      - 3.3.1.2 Semi-automatic Advancement
      - 3.3.1.3 The conditional Advancement system
  - 3.4 Definition and Reasons for Employee Demotion
    - 3.4.1 Causes of Demotion
- 4.0 Conclusions
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

#### **1.0 INTRODUCTION**

Employee movements IN and OUT of the organisation are strategies designed for efficient utilization of available human resources to attain corporate goal. These forms of movements make personnel available where their services are highly required and ensure that the aged and the unproductive personnel are discharged from the organisation through various exit doors.

#### **2.0 OBJECTIVES**

After studying this unit, you should be able to:

- Define and discuss advantages and disadvantages employee transfer
- Understand nature and types of advancement

- Know the meaning, nature of Demotion, Redundancy and Redeployment
- Explain the meaning, objective and features of retirement and layoff

### **3.0 MAIN CONTENT**

#### **3.1 Definitions and Meaning of Transfer**

Transfer is defined by the following authorities as:

- (i) a change of assignment from one employing agency within an organisation to another in the same jurisdiction, not necessarily involving any change of pay, duties or responsibilities

(White, 1963);

- (ii) Transfer consists of assignment of an employee to another job of similar pay, status, and responsibilities. A transfer is a horizontal movement from one job to another. It is distinguished from promotion, which is a vertical movement from one rank and responsibility to another. Sometimes, a transfer may involve slight change in level of responsibility and status (Beach 1980 p. 344).

These two definitions indicate that transfer entails shifting employee from one job position in an agency to another position within the same agency or organisation. The movement is horizontal and within similar job or rank in the organisation. It may not attract increase of responsibility or and status. Transfer can be temporary or permanent.

#### **3.2 Reasons for Employee Transfer**

Employees may be transferred for diverse reasons, which include:

1. The need of the business – Transfer of employee from one division to another may occur to meet the demand of operation changes in business such as changes in volume of work, which may demand for more hands or workmen. When this occurs in a company or agency division,

workmen may need to be transferred from units where their service is not being optimally utilized to where volume of work has increased. Instead of retrenching personnel whose services are not optimally utilized, management may decide to transfer them to where their need is high. Changes in organisation such as introduction of a new product line may necessitate re-assignment of personnel;

2, Transfer may be initiated or requested by the employee because they feel they would be happier or more productive in a different job.

3. Management may transfer employee with the objective of enhancing their performance as a result of change of environment and job.

### **3.2.1 Advantages of a Good System of Transfer**

1. Change of job and/or environment, which transfer provide often refreshes employee's mind and enhance their efficiency;

2. A good system of inter-service transfer check unnecessary resort to recruitment and layoff when business expands or when recess set in;

3. Transfer broadens employee outlook and enables them undertake their job in the context of general organisation responsibility. It widens employee's scope of experience on the job;

4. Transfer is a necessary adjunct of a good system of promotion

### **3.2.2 Disadvantages of Frequent Transfer**

1. Too much transfer deter employee from acquiring relevant training and experience on a job before being transferred to another similar job, and as the saying goes, rolling stone gather no mose;

2. Transfer based on suggestion or recommendation of the head of department often creates



resentment among employee and also create disharmony in organisation;

3. Most transfers are based on sentimental reasons not an objective or business reasons or considerations;

4. Most transfers tend to be too frequent and often reduce the efficiency of employee.

### **3.3 Definition of Advancement**

(i) Advancement is defined as personnel administrative promotion. It is device which affects the efficiency of work in administration (Tyagi 1975 P.402);

(ii) It is a personnel administrative device, which pertains “to advance in pay by a prescribed increment within the scale of pay appropriate to a given position.

In other words, advancement specifically concern increase in pay associated with increase in step accumulated by yearly increment. This is derived from a compensation plan build on graded scale of salary by which a new employee is appointed on a minimum salary fixed for his job and as he progresses in service and accumulate more experience on the job his salary will increase up the scale of his salary. It is this increment in compensation that is technically called advancement or administrative promotion.

#### **3.3.1. Types of advancement**

Advancement is usually based on two different factors which are:

(i) Length of service in the position

(ii) Efficiency of the employees

This implies that an employee may enjoy advancement based on how long he has stayed in the service or based on how efficient he has been in a position.

In some organisations however, advancement of employees are determined by a mix consideration of length of service and the degree of efficiency of employees. These three basis

of advancement provide us the three category of typology of advancements, which are:

- (i) Automatic advancement system
- (ii) Semi-automatic advancement system
- (iii) The conditional advancement system.

#### **3.3.1.1 Automatic Advancement System**

Under this system the sole criterion of advancement is length of service and once an employee fulfils it, he/she get pay increment automatically on annual basis.

#### **3.3.1.2 Semi-Automatic Advancement**

This system gives equal considerations to the length of service and efficiency of the employee as the criteria for advancement. Here, increment will be made on employee pay only if the head of the department or unit certifies that employee performance is adequate and has met the length of service condition. If his performance is not satisfactory, the increment may be withdrawn for that year until the employee improves performance to a satisfactory level.

#### **3.3.1.3 The Conditional Advancement System**

Here, employee efficiency is the sole criterion for advancement. The problem with this system is that it is open to abuses by the head of the department who may use it to victimize employees working under them. It is thus open to corruption, favouritism and subjective judgment of the head. To safeguard against the mishandling of the system, organisations should establish standard for rating measuring employee efficiency and the head should be responsive and in the interest of the organisation be objective in assessing the employee efforts at work.

### **3.4 Definition and Reasons for Employee Demotion**

Beach (1980 P. 349) defines demotion as the assignment of an employee to a job of lower status and pay. Usually the level of difficulty and responsibility is lower on the new job.

#### **3.4.1 Causes of Demotion**

Employee demotion may be caused by the following reasons:

- (i) Employee may suffer demotion due to business recessions and corporate re-organisation  
resulting from business crisis and consequent retrenchment of some employees may compel those personnel lucky to be retained in the organisation to accept lower-level positions. Re-organisations due to dampen business activities or other political reforms in public service may cause departments to be combined and some jobs eliminated and the consequence is usually large scale layoff which may set in bumping up process;
- (ii) Incompetence or inadequate performance level persistently exhibited by a recently promoted employee who find it difficult to cope with new demand of work may cause demotion;
- (iii) Employees may also be demoted due to their inability to adjust to meet the rising requirement of job resulting from changes in technology, methods and practices;
- (iv) Demotion or stagnation may result if employee fastly gets old and incompetent on their jobs before their retirement age. This type of employees may not necessarily be demoted but may suffer stagnation taking away from their job schedules some of the difficult duties and responsibilities they can't handle efficiently and re-assign them to other colleagues who are capable and should continue to enjoy promotion;
- (v) Demotions are also administered as penalty for violation of organisation's rules of conducts. It is however important to note that it is wrong to use demotion to inflict penalty in

order to make employee change attitude and behaviour at work. If demotion is designed to correct employee negative behaviour at work, it will take a long time to be effective, if it can produce any positive change at all.

This is because the employee demoted for disciplinary purpose would have to first painfully learn to overcome the psychological adjustment resulting from the loss of pay and status and at the same time learn to perform at the expected level. Demotion will first dampen his enthusiasm, morale and take the whole of his persons. The result will be a frustrated worker instead of the desired re-formed and hard-working and disciplined employee envisaged by the demotion exercise.

### **SELF ASSESSMENT EXERCISE**

- (i) Identify five reasons for personnel transfers from your working experience
- (ii) Enumerate circumstances that will lead to employee demotion in organisations known to you

### **4.0 CONCLUSION**

This unit has informed you on the concept, nature, rationale for employment transfers, advancement and demotion exercises in organisation. All these happened in order to reposition the organization.

### **5.0 SUMMARY**

This unit continued to discuss various techniques for employee movement IN and OUT of the organisation. Emphasis are placed here on employee transfers; its concept, rationale, advantages and disadvantages. The unit also discusses employee advancement and demotions.

## **6.0 TUTOR-MARKED ASSIGNMENT**

Define Transfer and Outline four advantages and four disadvantages of frequent transfers of personnel

## **7.0 REFERENCES/FURTHER READINGS**

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## **UNIT 5 EMPLOYEE MOVEMENT IN AND OUT OF THE ORGANIZATION III**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning and Nature of Redundancy
    - 3.1.1 Meaning of Redundancy
    - 3.1.2 Strategies for managing Redundancy problems in organization
  - 3.2 Redeployment and Secondment
- 3.3 Employee exit or separation from organization
  - 3.3.1 Resignation
  - 3.3.2 Meaning and Nature of Retirement
    - 3.3.2.1 Objectives of a good Retirement system
  - 3.3.3 Main features of a good retirement system
- 3.4 Meaning and nature of lay offs
- 4.0 Conclusions
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 INTRODUCTION**

In the interest of efficiency and productivity, a good personnel system ensure that workforce are optimally utilized by moving skilled personnel to where their services are required and ensure that the aged and the inefficient are replaced appropriately. In this unit, you will learn the meaning and nature of redundancy, strategies for managing redundancy problems in organization, redeployment and secondment, employee exit or separation from organization and so on.

### **2.0 OBJECTIVES**

After going through this unit, you should be able to discuss:

- Meaning and nature redundancy
- Methods of managing redundancy problems
- Understand various forms of employee separation from organization.

### **3.0 MAIN CONTENT**

#### **3.1 Meaning and Nature of Redundancy and Redeployment.**

When a business experiences unnecessary severe profit cuts resulting from macro-economic policies affecting the firm's productivity and profit level, management may be constrained to reduce its productions and personnel to cut cost or it could even take the advantage of new technology which may require few people to operate machines. This situation set in chains of personnel management problems such as redundancy, redeployment and secondment of staff.

##### **3.1.1 Meaning of Redundancy**

This is a situation in an organization when certain jobs are no longer necessary or non-existent due to certain economic reasons associated with the business or due to changes in policies, technology, production methods and process. If jobs are no longer necessary or non-existent (i.e. redundant), it means also that the jobholders are no longer relevant or needed and are by implication also redundant.

Redundancies may arise when

- (i) The employer ceased to carry on the business in which the employees were engaged;
- (ii) Stops production at a given business unit;
- (iii) When the work of the employee are no longer relevant.

##### **3.1.2 Strategies for Managing Redundancy Problems**

To manage redundancy crisis situation, management may sets minimum rates payable to redundant employees, decide severance pay package, and consult with employees whose jobs may be terminated. However, before these redundancy management strategies are enforced,

management may adopt some crisis reduction remedies such as:

- a) Restriction on overtime
- b) Dismissal of part-time or short-term contract staff if their crucial experiences and services are no longer needed.
- c) Restrictions on recruitment
- d) Redeployment within the organization if the services of the concerned staff are needed elsewhere in the organization.
- e) Retraining opportunities should be offered to affected staff to make them relevant in other job position.
- f) Retirement of the staff that have passed the normal retirement age.
- g) Early retirement of the staff approaching normal retirement age.
- h) Seeking voluntary redundancies (Cole, 1997).

### **3.2 Redeployment and Secondment**

Redeployment is an offer to be employed elsewhere in the organization at the same or similar work, or on different work (Cole 1997, 168). Secondment shares the same meaning and application with redeployment. The two concepts share similar meaning and serve the same or similar functions. However, redeployment can be considered as a solution to redundancy problems when:

- (i) Alternative jobs are available.
- (ii) Employees have some of the required skills for the new work
- (iii) Retraining facilities are available.

### **3.3 Employee Exit or Separation from Organization**

Staff severance or separation may be at the initiative of the employee (e.g. voluntary



retirement or resignation). It may be due to some uncontrollable circumstances such as ill health, mandatory age provision and the economy of the business. Staff exit may take the form of resignation, retirement, dismissal, retrenchment discharge, termination, rationalization and purges.

### **3.3.1 Resignation**

Resignation is a voluntary withdrawal of service from the organization by the employee due to or either the desire for a better job or dissatisfaction with the present employment conditions.

### **3.3.2 Meaning and Nature of Retirement**

Retirement refers to a time when employee leaves their jobs and stops working at the end of their career or service life. Retirement may be requested for by the employee when due (voluntary retirement and it could be initiated by the organization before the retirement age of the employee (involuntary retirement)

As an essential element of merit system of open personnel administration, a system of superannuating is provided for employees who served a permanent tenure of appointment pension scheme is the most important employee benefit provided by an organization in addition to basic salary or pay monthly after retirement.

#### **3.3.2.1 Objectives of a good Retirement System**

Retirement is a personnel severance strategy designed to stabilize the organization's manpower system by relieving those old employees whose performance has fallen due to old age and replace them with a more competent, energetic workforce.

White, (1963) says that "retirement system for civil employees primarily designed to facilitate the termination of employment of men and women whose powers have failed on account of

old age or disability by granting allowance for past services, to provide benefits to dependents in case of death and to improve the morale of the service by creating a sense of economic security from the point of view of the employees. The retirement system helps to compensate for modest scale of pay, relieves anxiety for the future and furnishes a convenient means of regular saving.

White, while has indeed outlined the basic rationale for retirement system in an efficient personnel system. Tyagi further summarized the objectives and benefits of efficient retirement system in organizations as follows:

- (i) It aim at increasing the efficiency of organizations by eliminating those employee from service who due to old age, or bodily or mental infirmity are unable to perform their duties adequately;
- (ii) Retirement of older employees from highest positions is also essential for maintaining the system of promotion;
- (iii) By retiring older employees, rooms are created for young and capable persons in public service. Retirement system thus helps to inject new blood and fresh ideas in organization;
- (iv) A system of pensions on retirement keeps employee satisfied and contented and thus helps in retention of experienced and capable persons in service. As the employees are assured of an efficient pensions after retirement, corruption and bribery while in service are supposed to be checked;
- (v) A system of pensions helps to attract talented persons to work in an organization by providing a life insurance even after service. Thus, it help the organization to secure the most competent skilled manpower from labour market of an economy

### **3.3.3 Main Features of a good retirement system**

Although countries may have different retirement systems, there are certain features, which are common to all systems.

(i) All countries have fixed compulsory retirement age. In Nigerian, 60 years is the fixed age while 35 years is the fixed number of service year at which civil servant must retire. The retirement age of judges is 70 years old. Thus, a civil servant in Nigeria should retire at the age of sixty whether they have reached thirty-five years in service or not, or whether they are still capable of efficient service or not;

(ii) Retirement can be voluntary at compulsory age or compulsory before the retirement age;

(iii) In all countries, retirement system provides for pensions for retirees and the pensions are not based on contributory principles, as gratuities and other remunerations after retirement are. Government pays the pension wholly and they cannot be claimed as right and they can be withheld at any time by the government when it feels that the pensioner is engaged in any subversive activity against the state.

The following are condition for qualification for pension:

(1) The pension claimant must have been one who was appointed in accordance with rules governing admission in to the service in which he belongs;

(2) The claimant must have been a whole-time employee of the state;

(3) He should have drawn the emoluments on which he is pensionable from the public funds exclusively;

(4) He/she have served for upward of a minimum number of years, usually 10 years;

(5) He should be certified to have served with diligence and fidelity to the satisfaction of the

head of the service or department under which he worked;

(6) He has attained the age of superannuating or if he is under the age of superannuating, he has been certified to be permanently incapacitated from infirmity of mind or body from discharging his official duties or has been removed from office on its cessation; Beside pensions, retiree may enjoy other financial benefits like insurance and provident which are usually partly or wholly contributory. Unlike pensions, these benefits are usually paid in Lump sum on retirement not monthly like pensions.

### **3.4 Meaning and Nature of Layoff**

Economic upheavals or misfortunes affecting business enterprise and public sector organization often result in mass layoff of employee which may be temporary, in which case employee may be recalled if business prospers once again. Layoff may be permanent or indefinite by which the employee may not be recalled at all, probably due to business liquidations.

Beach (1980 P. 345) defines lay off as an indefinite separation from the payroll due to factors beyond the employee's control. Layoffs can take different forms and terminologies which define their different natures include discharge, termination, dismissal, retirement, purges, rationalization and even downsizing.

Discharge is a permanent separation of employee from his job due to poor performance or violation of service rules of conduct. Termination of appointment of an employee will occur under the same condition with discharge. Sometimes terminations are lenient way to punish criminal or severe misconduct of employee which may attract legal action on the employee.

Dismissal is disengagement of employee due to serious misconduct. It's severity is such that the affected employee may never be considered for another appointment in the organization in

the future. A terminated employee may likely gain appointment in another agency of the service especially in public service.

Rationalization is a diplomatic terminology for layoff while “purges” create the impression of removing the unwanted employees from the organization so as to instill efficiency in corporate performance. Downsizing and rightsizing are terms used to refer to layoff situations designed to make the organization efficient and effective.

### **SELF ASSESSMENT EXERCISE**

- (i) Discuss five conditions that qualifies employees to enjoy pension
- (ii) Identify five basic strategies for managing the problems of redundancies in organization.

### **4.0 CONCLUSION**

This unit has helps you to understand the forms and natures of employee movement inside and outside of the organization as a result of redundancy situation. You are informed about the movement designed to resolve redundancy problems so as to re-institute efficiency in corporate management.

### **5.0 SUMMARY**

This unit highlights on the circumstances that will create redundancy problems in an organization and the various form of staff movement in and outside organization designed to resolve redundancy problem. Prominent among these devices (movement) are redeployment, retirement, termination, dismissals, retrenchment and downsizing or rightsizing.

### **6.0 TUTOR MARKED ASSIGNMENT**

Discuss redundancy and redeployment and explain various strategies designed to resolve

redundancy problems in organizations.

## **7.0 REFERENCES/FURTHER READINGS**

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### **ADMINISTRATION MODULE 3**

- Unit 1 Motivation and Integration of Employee
- Unit 2 Administrative Leadership Development
- Unit 3 Wages and Salary Administration
- Unit 4 Code of conduct and discipline in organization
- Unit 5 Managing Employee Grievances

## **UNIT 1 MOTIVATION AND INTEGRATION OF EMPLOYEE**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning and Nature of motivation
  - 3.2 Motivation theories and practices
    - 3.2.1 The paternalistic approach
    - 3.2.2 Scientific management approach
    - 3.2.3 Human relation approach
    - 3.2.4 Participative management approach
  - 3.3 The need to relate reward to efforts
  - 3.4 Methods of employee motivation
  - 3.5 Some managerial incentive plans
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### **1.0 INTRODUCTION**

The goal of every organization is to optimally produce goods and services so as to maximize profit or service delivery. Organizational productivity and service however depend largely on the extent to which employees willingly put their efforts at work, which have direct impact on organization productivity and success. This is the main reason why management is often concerned with what will make (i.e. motivate) the employee to perform without being forced or rigidly monitored to do so. Hence, motivation and integration of the worker has been considered

the central concern of corporate management overtime.

Because of the complexity of human nature and motive, it has been difficult to devise all time theory of motivation that will be applicable to all set of workers. However research has revealed that man accept to work for others so as to fulfill personal needs, which they expect corporate entities to provide in return for their labour. This is why provisions to fulfill human needs have been considered as a strong strategy for worker motivation. The problem however is that human want changes overtime. However, in spite of the dynamism of human want, research has proved that providing employee with their right needs will make them happy and satisfied and it is hoped being happy they will work hard.

## **2.0 OBJECTIVES**

After reading through this unit you should be able to:

- Understand the meaning and significance of motivation to productivity
- Know the main forms of motivation theories
- Identify various methods of motivating employees

## **3.0 MAIN CONTENT**

### **3.1 Meaning and Nature of Motivation**

The word “motivation” is derived from “motive”, which mean “inner state that moves or activate” and direct or channel behaviour toward goals. In other words, “motivation” is a general term applying to the entire class of drives, desires, needs, wishes and similar forces. So when we say that managers motivate their subordinates, we mean they do those things which they hope will satisfy these drives and wishes so as to induce the subordinates to act in a desired manner.

Thus, worker motivation is usually induced through the use or provision of motivators to the



workers. Motivators are those things, which induce all individuals to perform. They include high pay, prestigious title, a name on the office door and a host of other things that give an employee reason to perform. To be specific, while motivation reflects wants, motivators are the perceived rewards, or incentives that sharpen the drive to satisfy these wants. Motivation is a device for inducing personnel to put in extra-effort at work.

### **3.2 Motivation Theories and Practices**

The central concern of all motivation theories and plans are on how to influence the workers to put in their optimum efforts on the job so that both workers and the organisation would achieve collective and personal goals through higher productivity.

So all the times, managers are pre-occupied with how to make the workers work harder and better. In essence, the big question had been what do we do to motivate the workers to perform better and satisfactorily?

The attempt to provide answers to the above question led to the development and adoption of various approaches designed to motivate the workers. Each of these approaches were derived from postulated theories of motivation enunciated by popular organisation theorists of different times and school of thoughts. The approaches, which are based on certain distinct assumptions about workers behaviour and needs are as follows:

- (a) Paternalistic approach
- (b) The scientific management approach
- (c) The human relation approach
- (d) The participatory management approach

#### **3.2.1 The Paternalistic Approach**

In this approach, management of the organisation act like apparent figure to the employee by treating them all kindly with the hope that the employee will appreciate such kind gestures by working harder and performing better and loyalty. This approach was designed based on the assumption that people will be motivated to perform better if they are made satisfied with their jobs by giving them higher rewards. This approach assumes that the more rewards worker receive, the more loyal and productive they would be.

Based on the above assumption, managers often try to give the workers unconditional rewards across the board irrespective of whether they perform or not. The policy guideline is to design and provide certain standardized incentive as worker's entitlement so that they would be grateful and being grateful, it is hoped they will perform better.

Good examples of such motivation packages designed to operate this paternalistic approach are pension plans, group insurance, subsidized education for workers and their family members, recreation facilities, comfortable working condition, across the board wage increase, job security and predictable promotion plan. All these are unconditional rewards provided and made available for the enjoyment of all members of the organisation irrespective of whether they perform or not. This is why the paternalistic approach is not a very effective strategy for motivating workers to put in their optimum efforts. However, in most cases, the strategy provides job satisfaction and might reduce turnover rate in the organisation.

### **3.2.2 Scientific Management Approach**

This approach assumes that personnel would be motivated to work harder and better if rewards and penalties are tied directly to their performance. The approach was traditionally known as “the carrot and the stick” approach and it was the same assumption that Douglas Mc Groger worked upon to formulate his Theory X and Y approaches to worker motivation.

In both “the carrot and the stick approach and Theory X and Y, rewards are contingent and attached to performance in the same way as penalty is attached to non-performance. The policy guideline is that if you work (perform) better, you would be rewarded amply and if you perform below expected standard, you will be reprimanded for poor performance, warned to improve, in some cases, your reward get cut down and in extremely poor performance situation, you get dismissed (fired) for non-performance or non-conformity to organisation or nonconformity to organisation or company standard.

The traditional assumptions that inform the above management practice in controlling the worker is what Douglas Mc Gregor terms the major principles of Theory X which include the believed that:

- (i) The average human being is by nature indolent and has inherent dislike of work and will avoid it if he can;
- (ii) The average human being must be coerced, controlled or threatened with punishment before they work;
- (iii) The workers lack any ambitions, dislike responsibility and prefer to be led by ther;
- (iv) He is inherently self-centred and indifference to organizational needs;
- (v) He is by nature resistant to change;
- (vi) He is gullible, dull and not intelligent.

With the above assumptions about human nature, the traditional manager using scientific management style would adopt a hard and soft or stick and carrot approach in controlling and directing the worker like the old carrot (reward) and stick (penalty) approach used to induce desired behaviours from the workers. Theory X was built on the believe that workers need to be persuaded, rewarded, punished and controlled before management can achieve the objectives set down for the workers to accomplish.

Examples of application of this motivation strategy is an individual wage increased based on performance, promotion based on merit, individual bonus scheme, special commendation, high status and prestigious rewards, management compensation etc. On the other hands, the penalty for non performance or inadequate performance could be lack of recognition, stagnation of promotion etc.

The standards of individual performance is determined and made known to each employee. The effectiveness of this system of motivation is based on consistent allocation of reward to hard work and punishment to poor performance. This motivation system was based upon what psychologist called the law of effect or the principle of reinforcement, which state that if a person undertakes an action and this action is followed by a reward, the probability that the action will be repeated is increased; on the other hands, if a person undertakes an action, which is ignored or followed by a punishment, that behaviour or action is less likely to be repeated.

### **3.2.3 Human Relation Approach**

This approach is preoccupied with the creation of an enabling environment as away of motivating the workers to perform effectively. As a substitute to the traditional approach of work-or-be-fired, human relations oriented managers sought to motivate employees mainly through satisfying their security and social needs. Relevant motivation theories that produce this strategy of motivation are Douglas Mc. Gregor's theory X which emphasizes participative management environment where the employees and their supervisors jointly determine organizational or work objectives and jointly lay down performance measurement criteria in the manner enunciated by Peter Drucker's management by objective.

Another supportive theory to human relation approach is the motivator/ Hygiene factors of Frederick Hertzberg. His research purports to find a two factor explanation to motivation. Hertzberg suggested that the following factors relating to a job content of an employee can motivate performance.

- (1) Opportunity for achievement
- (2) Recognition by supervisors (and fellow) workers
- (3) Challenging work to do
- (4) Increased responsibility for the work produced and
- (5) The opportunity for personal growth and development

If all these are found within the job and its environment, they tend to motivate higher performance.

The second set of factors which Hertzberg says don't motivate directly but may prevent the workers from being dissatisfied is called hygiene factors. In just the same way that water purification doesn't make one healthy but protect one from getting unhealthy or sick. These factors are money, status, and security, interpersonal relationships, working conditions, supervision, and company policies and administration. Research has however revealed that the hygiene factors can have profound impact or influence on worker motivation, even if indirectly.

### **3.2.4 Participative Management Approach**

Participative management approach is a sort of internalized motivation strategy. This approach was based on the assumption that individual can desire satisfaction from doing an effective job. By making the job itself enjoyable not just the work environment like in the case of human

relation approach, the employee will feel satisfied and important do good job. Here, the employee obtains satisfaction through the work itself (i.e. intrinsic satisfaction). This is where Herzberg's job design, job re-design, job enlargement, and job rotation are the most relevant strategy. Also of significant relevance is Peter Drucker's management by objectives because of its recognition and respect to individual worker's suggestions and ideas.

The participative management approach has the following merits over other motivation strategies:

(i) The strategy of participative management to motivation involves the integration of planning and doing by which the employees and their managers jointly set down the broad goal, targets and objectives. The idea of M.B.O. is here orchestrated;

(ii) There is the absence of the use of authority and control as a means of enforcing performance or productivity in the organisation; instead, the manager or supervisor discusses idea with the subordinate, set target together, advise them or guide them. In fact here, the manager is a teacher, consultant as well as colleague but not a boss;

(iii) There is frequent utilization of autonomous work group to influence workers performance; There is absence of the external incentive to motivate the workers, instead the work itself is made more appealing to the worker through such schemes of job enrichment which are:

(a) Job design; (b) Job enlargement; and (c) Job rotation.

### **3.3 The Need to Relate Reward to Efforts**

If human motivation to work is a complex managerial problem, the managerial practice of

refusing to base or tie rewards or incentive strictly to productivity has made the matter more complex. And this has caused the chronic performance problems in both private and public sector where rewards are seldom based on merit but instead, rewards are based on less instrumental factors such as length of service years on posts, sectionals, State of Origin, Local Government Area, Political Affiliation and other irrational considerations. (Oloko, 1977).

Unwillingness to relate reward (promotion and other incentives) to performance has led to a large number of worker in public sector to develop non-challant attitude to work. This is one major cause of inefficiency and ineffectiveness.

### **3.4 Methods of Employee Motivation**

Motivation is a complex management practice and what motivate depends so much on individual worker needs and aspirations. As such, there can be no single best way of motivating staff or employees. However, the following motivation techniques have been applied to motivate staff in various organisations, private and public

#### **(1) The Traditional Approach (fear)**

The traditional form of motivation strategy emphasizes the use of authority and rewards to induce the employees to perform higher. This method sometimes called “be strong” consists of forcing employee to work by threatening to fire them or cut their economic rewards if they don’t. The assumption of this economic man model is that the only reason people work is to earn money and that they will work only if driven to it by fear for losing the jobs. Thus, employee work for fear of losing all rewards and privileges attached to work.

#### **(2) Enabling Work Environment**

As has been highlighted above, employees would perform higher if both the physical and psychological or social environment of work are made conducive. The physical environment involve comfortable office or industry, work place, palacious offices with all necessary facilities that can enhance and boost the morale of the employee. The psychological environment encompasses regards and respect to the employees. The psychological environment encompasses regards and respect to the employees opportunity for employees to participate in crucial work decisions, recognition of employee's roles and appreciation of their efforts.

### **(3) Competition**

Another strategy of employee motivation is competition for pay increase and promotions through outstanding work. Competition furnishes several forms of need satisfaction. The prospect of winning a promotion or a pay increase provides a meaningful reason for increase performance.

### **(4) Participation**

Opportunity for participation in vital decisions and operation's does respond to a number of basic motivators. It appeals to the need for affiliation and acceptance. Above all, a chance to participate gives employee a sense of accomplishment and it is on this believes that MBO is upheld.

### **(5) Internalized Motivation**

By making the work enjoyable, employees will feel comfortable and important to do a good job. Internalized motivation may be provided through (a) job redesign, (b) Participation (c) Good leadership style (d) commitment to subordinate goals (e) Installment of an open system of career – paths



## **(6) Status**

Status also motivate employee. It includes titles, promotions and such symbols as office size and appointments, company car and club membership.

## **(7) Money**

As mentioned earlier in the discussion of the carrot and the stick, money can never be overlooked as a motivation whether in the form of wages, piece work or any other incentive pay, bonus, stock options, company paid insurance, or any of the other things that may be given for performance, money is important. However, for money to be used as an effective motivator, management must take note of the following points.

- (a) Money is likely to be most important to people who are younger and are raising a family than to people who have arrived in the sense that their money needs are not as urgent;
- (b) That money in actual terms can be used as a means of keeping an organisation adequately staffed and not primarily as a motivator. This can be seen in the practice of making wages and salaries competitive between various enterprises so as to attract and hold competent people;
- (c) If money is to be an effective motivator, employees in various positions, even though at a similar level, must be given salaries and allowances that reflect their individual performances.

## **3.5 Some Managerial Incentive Plans**

The following are incentive plans which organisations can adopt to serve as effective strategy of employee motivation to perform optimally:

- (a) Piece-rate System

This is an incentive plan where payment is calculated per unit of output beyond the basic rate. Here, the reward or payment is based on absolute quantity and quality of work achieved by an employee.

(b) Group Bonus System

This is an incentive for groups of workers who collectively decided to put in extra effort or productivity on understanding that the extra-benefit will be distributed among them.

(c) Profit Sharing System

This is an incentive scheme where a certain percentage of profit is shared among its employees as bonus. This is used as a motivation scheme because the better the results or revenue the larger the size of bonus.

(d) Individual Bonus Scheme

This is a productivity improvement plan by which individual employees are given rewards or extra-benefit for unusual performance. This is always in the form of cash awards and other handsome gifts.

(e) Special Commendation

This is a scheme by which an organisation recognizes an individual's performance by giving him special honours such as the newly introduced annual productivity merit award in Nigeria public service

(f) High Status and Prestige Award

This is an incentive plan by which organisations accord outstanding officers' treatments that

are normally reserved for more senior officers.

There are many other forms of incentive schemes which can be found in several management literatures.

### **SELF ASSESSMENT EXERCISE**

Examine the effectiveness of paternalistic approach to worker motivation in organizations known to you.

### **4.0 CONCLUSION**

This unit has highlighted on the significance of motivation as a management instrument for stimulating higher productivity among employee in the organization. It is also emphasized that the goal of all motivation strategies must be to stimulate employee productivity and organization efficiency and effectiveness.

### **5.0 SUMMARY**

The unit discussed the concept, nature, theories and the derivative method of motivation practices in organizations. Various employee motivation plans are also discussed in details.

### **6.0 TUTOR-MARKED ASSIGNMENT**

Define motivation and discuss seven (7) methods of motivation

### **7.0 REFERENCES/FURTHER READINGS**

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## **UNIT 2 ADMINISTRATIVE LEADERSHIP DEVELOPMENT**

## **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning and Nature of Leadership
  - 3.2 Evolution of Leadership theories
- 3.3 Administrative Leadership Styles
  - 3.3.1 Autocratic Leadership style
  - 3.3.2 Democratic Leadership style
  - 3.3.3 Participative/consultative leadership style
- 3.4 Types of Leadership
- 3.5 Ingredients of effective Leadership
- 3.6 Administrative leadership development strategies
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

## **1.0 INTRODUCTION**

Leadership is the most significant tool of management since all collective actions of individuals and groups that make up an organization need a concerted direction which good leadership provides. Planning of programmes and resources would be meaningless in the absence of a planned guidance and supervision of group activities. In the olden days leading involved top down direction in form of command exercised in a dictatorial manner, but in modern democratic society leadership is no longer through directives and command. Leadership in modern organizations consist of the act to discover, encourage, development, persuade those individuals in the organization who possess the rare talent to inspire and lead others to work cooperatively for the attainment of organizational goal. This indeed is the description of administrative leadership process, and it is significantly different from the political or charismatic leadership process, which is identified with a person possessed of certain characteristic habits and occupying rather inertly status position relative to other individuals who are mere slaves or

subordinate of the super ordinate master. Thus, administrative leadership is not a matter of passive status or possession of some combination of certain angelic traits, instead, it is manifested in the form of “a working relationship among members of a group, in which the leader acquire status through active participation and demonstration of his capacity for carrying cooperative tasks through to completion (Ralph M. Strong-hill 1948). Quite all right, administrative leader need some charismatic qualities (traits) such as superior strength, intelligence, knowledge, determination, but these alone cannot make his successful. Administrative leader emerges as consequence of the needs of a group of people and of the nature of the administrative structure within which the group is attempting to operate. It is a product of administrative and other situations and often arises when authority has been settled in office in governmental organization.

## **2.0 OBJECTIVES**

- After having read this unit, you should be able to:
- Clearly define administrative leadership;
- Understand some leadership theories and types;
- Know different leadership styles and when (or situations) they can be effective;
- Know various techniques for administrative leadership development.

## **3.0 MAIN CONTENT**

### **3.1 Meaning and Nature of Leadership**

Leadership has been defined in different ways by scholars. According to Koontz et al (1984) Leadership is the process of influencing people so that they will strive willingly toward the achievement of group goals. They went on to say, “to lead is to guide, conduct, direct and proceed, leaders act to help a group or organization achieve objectives with maximum

application of its capabilities. Leaders do not stand behind a group to push or shout at them. They place themselves before the group as they facilitate progress and inspire the group to accomplish organizational goals. Koontz et al (1984).

Code (1986) seems to offer a clearer insight into the concept and practice of leadership. He defines leadership as a dynamic process in a group whereby one individual influences the others to contribute voluntarily to the achievement of a group task in a given situation. This definition has three basic features of leadership:

(a) That leadership is a dynamic process in that its style should change according to the nature of the situation, tasks and people being led. Thus, it is not static or there is no one best style for all situations.

That the role of the leader is to direct the group towards group goals. This reminds us of the classical functions of chief executive POSDCORB identified by Luther Gulick meaning planning, organization, staffing, directing, coordinating, reporting and budgeting.

That the Leadership type is highly dependent on the nature of the following:

The operational implication of this behavioral definition of leadership is that four basic elements (variables) must be put into consideration to achieve effective Leadership. The 4 variables or elements are:

1. LEADER TASKS/GOALS Skills knowledge personality; (2).SUBORDINATES

3. ENVIRONMENT/SITUATION, and (4). SKILL MOTIVATION

All this implies that effective Leadership is a function of the leader's experience and style, the nature of the followers, and the task to be undertaken and the characteristics of the situation. All these factors interact to produce effective or (ineffective) Leadership.

This behavioural view of Leadership places emphasis on the interaction of many elements that determine Leadership effectiveness in a specific situation. Thus, supervisors can be effective in one situation with one type of followers and ineffective in other situation or with another type of followers.

### **3.2 Evolution of Leadership Theories**

Leadership theories are collection of ideas generated by scholars in the attempt to explain the concept, nature, process and styles of Leadership as a management function. Most of the theories that have been put forward to explain types, behaviour and characteristics, style have been based on the following ranges of assumptions:

That leader is born not made or acquired through education and training. Thus, leadership was thought to be primarily exercised by great men of extraordinary powers or qualities (the great man theory of Leadership or charismatic authority structure). This is also popularly known as trait theory of leadership which involve attempt to identify personality traits which good leaders exhibit. Is there distinct Leadership type? Do leaders as whole possess traits that distinguish them from non-leaders? This theory of leadership was propounded between 1910 and 1940s. The range of traits commonly associated with effective Leadership includes:

- a. Personality traits. These include adaptability, ability to adjust to situational requirements, aggressiveness, dominance, emotional balance, self-control, independence and nonconformity, originality and creativity, integrity age e.t.c.;
- b. Intelligence and ability traits: This includes personal intelligence, judgment and decisiveness, knowledge of work, speech fluency, achievement drive, persistence and initiative;
- c. Social skills trait: this include administrative ability, interpersonal relations, cooperativeness, popularity and prestige, sociability and social participation, tact and diplomacy;



d. Physical traits: include appearance, height, energetic and comportment;

In general, the study of Leadership trait to identify successful leaders has not been a very successful approach in explaining Leadership behavior. It failed because.

Not all leaders possess all the traits and many non-leaders may possess most of the traits. The trait approach gives no guide as to how much of any trait a person should have. Many scholars disagreed as to the question of standard traits to be used to judge a person as a leader.

The behavioural theory of Leadership postulated that successful Leadership is a matter of the leader's behaviors. What effective leaders do and how they behave. These behaviours of leaders should provide information about talents that need to be built into future leaders. The behavioural theory of Leadership generated divergent styles of Leadership such as autocratic, democratic, laissez-faire, people-oriented and task oriented leader. MC Gregor's Theory X manager is a case of tough, autocratic leader who believe in tight controls with punishment, reward systems. His theory Y manager is a benevolent, participative leader who believes in subordinates' self-control (a democratic style). Contingency theory of Leadership postulate that different subordinates or tasks (situations) demand for different style of Leadership. Hence there is no one best style for all situations and tasks.

There are so many more theories of Leadership but the above three approach have been used to shade adequate light on the phenomenon.

### **3.3 Administrative Leadership Styles**

Leaders are seen to apply the following styles in the day to day administration of their organization:

- Autocratic leadership style;
- Democratic leadership style;

- Participative leadership style;
- Expert leadership style.

### **3.3.1 Autocratic Leadership Style**

The autocratic leader is a leader who commands and expects compliance, he's dogmatic and lead by ability to withhold or give rewards and punishment. The autocratic leader is work centered. Autocratic leadership style is of three types: Coercive or tough autocrat. Benevolent autocrat Manipulative autocrat.

#### **(a) Coercive or tough autocrat**

This leader view leadership as a matter of giving orders. The follower's role is to take orders and obey without question. Often tough leadership style is accompanied by a sense of insecurity and a lack of confidence in the employees, this in turn prompts close supervision and swift punishment for failures to perform as directed. Characteristic of tough autocrats:

- Resentment of the leader and his or her methods.
- The right to lead is derived from positional authority.
- They use rewards and punishment to influence followers.

Hides and monopolizes information so as to be the sole source of knowledge.

All work is described in detail and rigid work standards are imposed on the performance of followers.

#### **Favorable Situations For Autocratic Style**

- When subordinate are new on the job and have no experience.
- In an emergency, when decision must be made urgently.
- When the workgroup becomes complacent and need shake up.

- When disciplinary action is required.

On the other hand, an autocratic leadership style is not desirable in the following situations:

- When the employee are experienced experts on the job to be done.
- When the established work group has been successful in meeting the goal.
- When the job required the development of teamwork and cooperation among employees.
- When the supervisor is interested in promoting job satisfaction and high morale among workers.

**Benevolent Autocratic Leadership Style:** The benevolent autocrat often referred to as a paternalistic leader, see his or her role in the workgroup or organization as that of a "parent figure" although he listen considerably to the followers opinion before making a decision, the final decision is his own. All actions by subordinates are evaluated in terms of their agreement with the thinking and wishes of the boss. Disloyalty is capital punishment in the eye of a benevolent leader.

#### **Characteristics of Benevolent Autocrat**

- a. The leader makes all the decision
- b. The style stifle creativity and innovation
- c. Pretends to know all and is concern with details of tasks
- d. Requires that group members come to him or her for advice and approval before taking action.

#### **Favorable Situation for Benevolent Autocratic Style**

- When subordinate are not interested in seeking more responsibility or when they enjoy

strong and friendly Leadership;

- When subordinates are immature and must be closely managed

### **Unfavorable situations for Benevolent Autocratic Style**

- When dealing with mature, strong and independent employee who desire decision participation;
- When Leadership development for future is necessary.

### **Leadership Style**

Manipulative autocratic is a leader that poses as a democrat trying to create the impression that he does not take decision alone. At the organizational level, the leader may head meetings or form committees, pretending those organization members are permitted to take crucial decisions. However, he makes sure that even at committee levels his ideas are upheld.

### **Characteristics of Manipulative Autocratic Style**

- Using or manipulating the employees to reach personal goals of the leader;
- Employee's needs and desires are viewed and used as means of forcing them to perform.

### **Favorable situation for manipulative autocratic style**

- When coordination and cooperation must be achieved on a project execution;
- When a highly motivated employee are needed for project execution.

### **3.3.2 Democratic Leadership Style**

The democratic or free reign Leadership style is often described as no Leadership at all. This type of leader have very little respect for his/her ability to make decisions and therefore depend

on the group or subordinates to reach a verdict on the assumption that all members of the group will then work in support of his decision: discipline and control are not enforced in the hope that employees will act in a mature manner and take care of the situations. Here, group goals are not often stated and there is always confusion among group members.

### **Characteristics of a Democratic Leader**

- There is maximum concern for individual who makes up the group;
- Open discussion and creativity with respect for all Majority rule for making decision.

ADMINISTRATION Favorable situations for Democratic Leadership Style

- (i) When the participants are experts and willing to take independent decision.
- (ii) When the group is small and enjoys problem-solving interactions,
- (iii) When there is plenty of time to make decision.

### **3.3.3 Participative/Consultative Leadership Style**

This style of Leadership emphasizes the need for the leaders to involve the members of the work group, in decisions that affect the group. This can only be achieved if employees are committed to the organization, and that the development of teamwork can earn commitment.

### **Characteristics of consultative Leadership style**

- Delegate a wide range of responsibility to employee;
- Emphasize results instead of action;
- Demonstrate concern for employees in groups;
- Encourage cooperation;
- Define objectives for groups and give them freedom of performance based on established standard;
- Subordinates make all the final decision and accept full responsibility.

### **Favorable situations for consultative style are:**

- When the work force is well trained and experienced;
- When the workgroup have records of cooperation and performance;
- When employees can work independently with out supervision.

### **3.3.4 Expert Leadership Style**

This new Leadership style has developed in part from the complexity of modern organizations. The basis for expert Leadership is the individual leader's knowledge and ability. This style of Leadership often emerge in situations where an individual possess all the information the group requires to reach its objective.

### **Characteristics of Expert Leadership Style**

Collective participation of individuals' talent gives him recognition as the needed situational leader. Leadership skills are not usually transferable.

### **3.4 Types of Leadership**

Different scholars identified different types of Leadership. (Max Weber identified three kinds of Leadership:

(a) Charismatic; (b) Traditional; and (c) Legal rational leader.

In the charismatic type of Leadership, the leader's authority is based on the personal qualities of the leader by virtue of which those he leads see him as endowed with supernatural, superhuman qualities. He is a societal leader not organizational manager or executive. A traditional leader has authority by virtue of the status (position) he has inherited and the extent of his authority is fixed by customs. Legal-rational leader emerges through general consensus.

On the other hands, James D. Mooney and Alan C. Reilly delineated three Leaderships types although unlike Weber's typology, their distinctions were more applicable to organizations than

society generally. They include titular leaders, controller leader and a true organizer. A titular leader follows his staff's advice undeviatingly and hence was not much more than a figurehead (the like of a democratic leader). A controller leader was at the other extreme and he or she refuses to delegate authority to line officers, and usually ignore staff advice (manipulative autocrat). A true organizer leader is one who simply did everything right including of course the paternalistic autocrat.

Etzlani also identified three types of leaders:

- Officials those who occupy positional power to lead,
- Informal leaders command because of their personal charismatic qualities.
- Formal leaders combine both positional authority and informal authority.

Cole (1984) identified five types of leader:

- Situational leader whose influence can only be effective by being in the right place at the right time;
- Appointed leader whose influence arises directly out of his position. This is the bureaucratic type of leadership, where legitimate power springs from the nature and scope of the position within the hierarchy;
- Functional leader who secures his leadership position by what he does rather than by what he is. In other words, functional leader adapts his behaviour to meet the competing needs of his situation.

### **3.5 Ingredients of Effective Leadership**

For an administrative leader to effectively influence the activities of his subordinate, he should have possessed a combination of the following power sources or ingredients:

(i) Reward power To effectively influence the subordinate in a desired way, the leader should possess and control two basic types of rewards:

(a) Commendation reward This include praises, recognition for a job well done; and

(b) pay raises, promotion e.t.c.

(ii) Coercive power: This involves the leader's ability to blame or criticizes poor or non-performance and inflicts punishment on the subordinate as a corrective measure. For leadership to be effective, it must be supported by some measure of power. This is true for both formal work organization and the informal social group. A leader tries to influence this behavior of other people.

He may give instruction, he may coordinate activities of specialists, he may seek to reconcile conflicting views, and he may seek to impel them to greater efforts to achieve higher productivity;

(iii) Legitimate power: This is positional power acquired based on the position occupied by the leader;

(iv) Referent power: This is the power a leader acquires and enjoys because the subordinate admire, and identify with him as a "role model" worth emulating. Indeed, the more a leader has a configuration of these control powers, the more effective he will be able to command his subordinate to do what he wants them to do. However, it must be re-emphasized that the effectiveness of leadership depends so much on the leadership personality, behavior, style and situation.

### **SELF ASSESSMENT EXERCISE**

(i) Identify the appropriate leadership style you would apply if you are to lead and administer the



following set of staff:

- (a) A group of young and inexperienced operators; (b) A group of research officers;
- (c) Students or apprentice; (d) Functional departmental managers.

### **3.6 Administrative Leadership Development Strategies**

We have earlier in this lecture indicated that administrative leadership are not born and that it can be developed through establishment and development of certain institutional and personality factors such as:

(1) Participation: Wide leverage of opportunity granted to subordinates to participate in crucial decisions and activities of the organization serve as a training ground for future leadership development. The MBO strategy or technique can offer this opportunity of Leadership Development;

(2) Effective recruitment: this involves searching for competent applicants to occupy positions of strategic importance in the service. The recruit should possess critical faculties and general mental training which could equip them for administrative task of planning, organizing, devising scheme and comprehending the problems of coordination, staffing, directing e.t.c.;

(3) Training and apprenticeship: Training for leadership development should be a continuous process throughout the entire service period of a civil servant. The training should not be restricted to chosen career but should embrace the whole programme of civil service development from the base to the top for enabling the individual civil servant to meet the present

and future requirements of the public service effectively. In this way, development of immediate subordinate becomes the duty of the directing officers.

The objective of training should be to inculcate wide imagination and human understanding and intellectual ability in the future leaders. The traditional class room lecture method would not be suitable for imparting this type of training. Training for leadership would, for the most part, be on the job. It would be both directed from outside as well as self education for on the job training uses more sophisticated techniques of training, such as syndicate method, role playing, case-study method, delegation of responsibility and succession plans can be used to develop effective leadership in the subordinates. Other strategies for leadership development include:

4. Discipline: A consistent discipline is the bases of a sound system of organization where subordinates feel secure in their posts and superior feel confident to delegate authority to subordinate. For discipline to create dynamic leadership in organization, It must not be based on a fear psychosis. It should be self-imposed. Personal energy, physical endurance, a sense of mission and purpose, enthusiasm and self-confidence, a sense of friendliness and concern for others, keen intelligence and profound knowledge of details, integrity and sense of moral duty and fairness, persuasiveness and judgment i.e. capacity to know strong and weak sides of issues and persons;

5. Political loyalty and sociability;

6. Enabling administrative environment characterized by team spirit, job and psychological security and motivation through adequate remuneration;

7. Effective leading can also develop leadership potential in the subordinates. The leading qualities that can stimulate leadership potential in subordinates includes:

- Positive, effective, humane and mature leadership.
- Purposive goal oriented leadership.
- Leaders who listen
- Leaders who are receptive to subordinate ideas and suggestion
- Leaders who involve subordinates and make them feel important and included
- Show practical top management examples of what to do
- Superior who know the way, show the way and also follow the way.
- Superior who know, develop, and utilizes employees strengths,
- Sensitive to employee needs and aspiration
- Identify and provide opportunity for employees professional growth and development
- Security of tenure e.t.c

#### **4.0 CONCLUSION**

We have discussed administrative leadership; the concept and practice involving meaning of leadership, theories of leadership, styles of leadership as well as factors that enable effective leading and leadership development strategies.

#### **5.0 SUMMARY**

This unit has highlighted on what leading means and involve in administrative environment. It also discussed the conceptual assumptions of leadership theories, leadership types, styles as well as explained circumstances under which the various identified styles can be effectively applied. The unit also suggests techniques for developing administrative leadership potentials among employees.

## **6.0 TUTOR-MARKED ASSIGNMENT**

Discuss five main strategies for developing administrative leadership potentials among young employees in organizations.

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## **UNIT 3      WAGES AND SALARY ADMINISTRATION**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Defining the concept wages and salary
  - 3.2 Aspects of salary administration
  - 3.3 Factors influencing workman compensation system
  - 3.4 Principles involved in the determination of salaries
  - 3.5 Fringe benefits of public service
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 INTRODUCTION**

One of the major concerns of personnel administration is how to determine monetary compensation of employees i.e. how do we determine a fair pay for a fair job done? This is very important to the employer because wages and salaries often constitute the greatest single cost of running business or public functions. Monetary compensation is also important to the employee because their pay is often their sole means of economic survival.

The concern of salary administration has been on how to develop an adequate and practical theory of wages that would help in determining how much pay a man should receive. A good system of salary administration tries to find adequate solutions to the following questions: what is suitable or proper pay for doing a particular job? Should pay be affected by the abilities and quality of the employee? Should it be affected by such factors as geographical location of the job; the size of the employee's family, the cost of living, the ability of the employer to pay and the attitude to the employee? For example, when company or

government department determine that a particular class of workers should receive N1, 800 per month for performing the duties of a particular jobs, how do we know that N1, 800 is the correct amount and not N4, 200 or even N500 a lesser amount?

## **2.0 OBJECTIVES**

After studying this unit, you should be able to:

- Differentiate between wages and salary
- Know factors that influence compensation plan
- Know principles involved in salary determination
- Understand the relationship between compensation and worker performance

## **3.0 MAIN CONTENT**

### **3.1 Defining the Concepts Wages and Salary**

Simply put, wages are payment for work done while salaries are fixed regular payment to persons employed, usually in a non-manual work. The main difference between wages and salaries is that salary is a regular payment while wages depend on the job done. Wages lack unconditional regularity.

### **3.2 Aspects of Salary Administration**

There are four closely related aspects of wage administration:

1. Wage and salary surveys
2. Job evaluation
3. Merit rating and
4. Incentives

1. Wages and Salary Survey:-Are designed to determine the general pay level in the

community and industry, thus the findings will give the company a base for setting its own rates;

2. Job Evaluation; establishes the relationships between wages and various jobs within the organization. Together, wage surveys and job evaluation set the "base" of minimum rates for each job. Job evaluation mainly measures the worth of job through;

a. Job grading, b. The point system c. Simple ranking of job and d. Factor comparison.

3. Instead of fixing one rate for each job many companies establish a series of rates or Steps. New employee normally starts at a base rate for the job, and then as they gain proficiency and seniority, they advance through merit rating to higher steps;

4. Companies with incentive plans pay the base rate only for a "normal" amount of production, as determined by time study. If a worker produces more than normal: he receives an extra incentives bonus. Similarly, salaried personnel may qualify for bonus earning of one kind or another.

### **3.3 Factors Influencing Workman Compensation system**

Some important factors influencing compensation system and process include the following: Market mechanism, ability to pay, level of productivity, Trade unionism and cost of living.

#### **1. Market Mechanism**

Although the commodity approach to labour has often been disputed by human relation school, it is nevertheless true that a wage is a price for services a person rendered. The

employer desires these services, and he must pay the price that will bring forth supply, which is controlled by the individual worker or by a group of worker acting in concert. If labour is priced and bought, it is subjected to the economic law of demand and supply which will determine the competitiveness of wages so that if the demand of a given skill is higher compared to supply, a going-wage rate will rise vice versa.

## 2. Ability to Pay

The ability of an organization to pay its workers in accordance with its compensation policy is a strong factor influencing workman compensation method and process. Thus, in bargaining over wages and salaries, both union:, and employers are often inconsistent in the positions that they take. The reasoning about ability to pay is a case in point. When the organization is weak in time of depressions and unable to pay the going-rate, the union base its argument on the importance of meeting competitive wage rates while the employer argues his inability to pay and consequent need for special considerations. When the company's economic position improves and is able, the union demands for higher pay.

## 3. Level of Productivity

An organization may find itself revising compensation mechanism from time to time depending on the level of productivity. The higher the level of productivity, the higher the rate of compensation. This is because higher productivity is likely to lead to higher profits all things being equal under normal market economy,

## 4. Labour Unions

Given the structure of economic relationships, the labour union attempt to work primarily on



the supply side. If it withhold the supply of labour or reduce it, the wage rate will tend to rise. This is essentially the economic aspects of a strike for higher wage. Labour union's objective is always to obtaining more pay through threaten labour withdrawal.

#### 5. Cost of Living

The cost of living and trade union activities also influence compensation method and process. This often lead to workers agitating for cost of living allowance or pay increase. 'Recent event in Nigerian public sector is a case in point.

#### 6. Competition

Competition in labour relations has been unhealthy so that workers compare their wages to either colleague inside the organization (internal competition) or outside the organization doing similar job (external competition). In both cases, the employer may be constrained to improve their pay package.

### **SELF ASSESSMENT EXERCISE**

Find out if your organization periodically raise level of pay and ascertain the standard criteria they use for these increments.

### **3.4 Principles Involved in the Determination of Salaries**

The most cardinal principle of compensation plan in public personnel administration is that of compensating the position rather than the individual. That means that there should be uniform salary rate based on the-principle of equal pay for equal work. This however, does not mean" equal pay for all"

Another principle involved in setting up a compensating plan is that there should be, instead of a fixed amount of pay for a job, a graded salary, or "a step plan" as it is technically called. Step can be defined as a system of minimum and maximum with a set of rate of increment. This is also called pay scale. Increment may be automatic, semiautomatic or conditional. Grading of salary must be based upon an equitable formula.

### **Advantages of step compensation plan**

1. It serves as good incentive for better work. This is because meritorious work will be recognized by increase salary;
2. It would bring more efficiency in administration as personnel strive to meet the condition for wage increases and step increase;
3. It is more equitable as it recognizes the difference between a new and an old experience hand in service;
4. It gives more stability to administration, as an employee about to receive a step increase may not be inclined to leave the service.

### **3.5 Fringe Benefits of Public Services**

A compensation plan includes not only a rate of pay-but also what are called "fringe benefits", such as increments, leave, transport, house and other allowances, retirement allowances and privileges of the kind. Besides causal and medical leave, public servants are also given the benefit of earned leave and study leave. These help them to refresh their minds and improve their qualifications. Similarly, other benefits help in increasing their efficiency and maintaining social prestige.

#### **4.0 CONCLUSION**

Wages and salaries are the rewards paid to the worker in exchange for their performances on the job. Determination of equity pay for equal work has been a difficult problem in compensation administration. However, management of organizations have widely adopted graded salary based on a step plan, which enable pay to rise as employee progress in seniority.

#### **5.0 SUMMARY**

In this unit, the concept of wages and salary has been discussed along with factors influencing workmen compensation plan.

#### **6.0 TUTOR-MARKED ASSIGNMENT**

Discuss six major factors that influence organizations compensation system.

#### **7.0 REFERENCES/FURTHER READINGSS**

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## **UNIT 4 CODE OF CONDUCT AND DISCIPLINE IN ORGANIZATIONS**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning and nature of code of conduct
  - 3.2 Meaning and nature of discipline
  - 3.3 Some acts of indiscipline in an organization
  - 3.4 Some forms of penalties for indiscipline act
  - 3.5 Who should exercise the right to punish a worker?
  - 3.6 Disciplinary procedure in an organization
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 INTRODUCTION**

Managing human beings of divergent socio-economic background and motives is indeed a Herculean task that demands for clearly stated standard rules and regulations that should govern workers behaviour as well as sanctions for misconduct.

To get uniform acceptable behaviour from people (worker) of divergent home training, social class, interest and motives, a clearly stated rules and regulations need to be written to guide their work process and interpersonal relationship within work environment.

These written rules could complement the established principles of organization on the basis of which the entire frame work of administration has been built. The principles of formal organization provide the initial standard code of conduct and process of administration. Such principles include the scale principle (Hierarchy) the principle of unity of command, span of control, unity of objectives, division of labour and specialization, delegation of authority, esprit de corps etc.

All these principles provide the initial foundation of the conduct of the workers in organization, and the official code of conduct which are later provided to govern the workers behaviour are indeed complementary. The codes of conduct state the rules categorically along with attendant penalties for nonconformity while the principles establish a frame work or desirable official behaviour pattern, process of work and workplace interaction. The sanctions for non-conformity to the dictate of the principles are seriously frowned at and also attract certain level of sanctions.

## **2.0 OBJECTIVES**

After you have read this unit, you should be able to:

- Perceptively discuss the nature of code of conduct and discipline;
- Identify some acts that constitute indiscipline act in an organization;
- Also know some form of penalties for certain indiscipline acts.

## **3.0 MAIN CONTENT**

### **3.1 Meaning and Nature of Code of Conduct**

By way of a definition, codes of conduct are comprehensive body of rules and regulations designed to guide the general conduct of the official worker. In Nigerian Public Sector composed of the Federal Ministries and Parastatals (Federal services), state ministries and parastatals (state services). Local Government and their parastatals (Local Government services), the code of conduct is referred to as the civil service rules.

Since Nigeria operates a Federal System, there are Federal Civil Service Rules and several state civil services rules. The state civil service rule governs each state? And local government services. This arrangement seems to make local government comply with the state

rules and regulations except in few cases where local government bye laws provide directives and laws to take care of local peculiar situations. Since it would not be convenient to present the details of the civil services rules in a book of this nature, we shall examine here below some important basic rules of civil service code of conduct.

The following are some important code of conduct every civil servant should be conversant with and abide by in the process of work and in their private lives as public servants.

1. The first and most imperative duty of the employee is to consciously discharge his office and all duties assigned to him;
2. An employee should obey the official orders of his superiors so far as they do not contradict the law of the land. The subordinate is therefore not permitted" to question the orders of his superior, but he would not be to simply obey as assigned because he won't held responsible for his action but his boss would have to be held accountable. This is in agreement with the requirement of hierarchy" and "Delegation of Authority" principles.

However, to safeguard the subordinate, the superior's orders or command must satisfy the following conditions:

- (a) It must be within the local and material competence of the office.
- (b) It must be within the competence of the subordinate
- (c) It must not be contradicting to the constitution and the laws; and
- (d) It must be regular in form.

3. The employee must carry on his duties with sincerity and probity, with impartiality and integrity and with industriousness and care. He should not think of his personal, communal or political interest. While discharging his official duties. What is required of him is not only that

he should not prejudice personal ends but also that his conduct should be above suspicion;

4. Employees have to be truthful in their official dealings, even when they are under a charge;

5. Respect for superiors inside as well as outside the office, even when the superior is objectionable in character. Courtesy towards subordinates and politeness to the public are among other obligations of the employee;

6. Safeguard and maintenance of the dignity and respect of the organization is another/obligation of the employee. They should not allow an insult, however slight, to the office to pass unnoticed. This is because the official at all times is the concrete representative of the organization and he should preserve the dignity of his office and the entire nation at large;

7. Even in their unofficial and private life, employees are enjoined to so behave as not to affect the dignity, confidence and respect of their office. e.g. They should not lead irregular life, indulge in gambling and sensuous pleasure or contract debts and maintain high standard of moral;

8. Employees are whole-time workers for the organization. They therefore, cannot take any additional office or employment other than their office ones. This implies that employees should not indulge in part-time ventures or what is commonly known as private practice (PP) during the official hours. In fact even the official dependents are not supposed to take such trade that is likely to cause suspicion upon official's integrity and impartiality;

9. The employee must observe official secrecy. He/she has to observe secrecy not only during his active service but also after retirement. In every country this duty forms a comprehensive code of behaviour;

10. Employees have to be punctual in their work, as punctuality is the essence of efficiency.

For further clarifications see the civil service rules and other related documents.

### **3.2 Meaning and Nature of Discipline**

Discipline generally connote assort of training of the mind and character design to produce self-control and habits of obedience and compliance to the behaviour standards and rules of the constituted authority. A disciplined staff is therefore a staff that has trained himself or has been trained by the social system to behave in a desired way by conforming to the written and unwritten orders, norms and policies of an organization or society.

Discipline is an essential condition for the smooth running of any organization be it public or private. This is so because once people (workers) understand what is expected of them they tend to show higher tendencies for complying and behaving in a desired manner. Thus, codes of conduct are meant to instill self-discipline on the workers because self discipline is considered as the most enlightened and civilized form of discipline in social organization.

However, in spite of the rules, human beings have demonstrated higher tendencies for refusing to conform with the rules and because of this, organizations are forced to provide some forms of deliberate procedure for regulating, controlling and coercing (forcing) the worker to obey the rules of the workplace so as to ensure that every staff perform their duties and adjust their conduct to conform to the acceptable standards.

### **EXERCISE**

Identify and discuss the relevance of some code of conduct in your organization.

### **3.3 Some Acts of Indiscipline in an organization**

Chapter of the civil service rules deals with disciplinary measures in its entirety and spells out



various acts of omissions or commission on the part of the employee that call for disciplinary action as well as the procedure that should be adopted in dealing with disciplinary cases.

Other important documents that also spell out detailed procedures for disciplinary action on erring employees are:

- a) The employee commission notes for guidance No. 2 and 5;
- b) Financial regulations also provide guidelines for disciplinary cases such as those involving monetary matters, embezzlement of funds etcetera.;
- c) The stores regulations also enumerate action on loss of store items, damages on transit and loss of government property and vehicles. All these documents offer comprehensive descriptions of acts that may be considered as undisciplined actions” and may warrant certain forms of penalties.

The following are the ranges of actions that may be classified as act of indiscipline in an organization:

- 1. Lateness to office;
- 2. Absence from duty without permission;
- 3. Inefficiency;
- 4. Leaking of official secret;
- 5. Dishonesty, corruption and bribery;
- 6. Drunkenness;
- 7. Fraudulent acts;

8. Financial mismanagement;
9. Embezzlement of public funds;
10. Engaging in private business without clearance from government;
11. Engaging in political activities;
12. Official scandals;
13. Disobedience to carry out lawful orders;
14. Stealing;
15. Falsification of documents;
16. Manipulation or suppression of records accounts;
17. Unauthorized sale of store scraps;
18. Conviction of fighting on duties;
19. Conduct of indecent or immoral nature or any misconduct likely to bring the organization into disrepute.

### **3.4 Some forms of penalties for indiscipline act**

Each of the above mentioned acts of indiscipline attract one form of penalty or the other ranging from counseling, warning, reprimand, interdiction, withholding of yearly increment or promotion, transfer from station, suspension, surcharge, termination of appointment and dismissal etcetera.

However, for analytical convenience, we shall classify penalties into:

- (i) Informal penalties and
- (ii) Formal penalties

Informal penalties are those, which are administered informally and personally in summary way without bringing anything into writing. They may include verbal counseling, warning,

close supervision of the defaulting office's work schedule by the superior, or refusal to consult the discipline in relevant matters, or even transfer to a place with lesser dignity or convenience, these range of penalties are given to the discipline when the superior officer want to be lenient or when it is difficult to establish (prove) the guilt or fault of the defaulter.

Formal penalties on the other hands are those, which are severe in nature, and follow a set procedure. In the case of formal penalties, the defaulter's guilt has been formally and legally established and the penalty may also be classified into two groups:

- (a) The lesser formal penalties: Which include warning, reprimand, loss of seniority right and delay in increment. They are imposed by the head of department, unit or section;
- (b) The severe formal penalties: Include suspension, demotion and dismissals.

A detail on the penalties includes:

Counseling: This consists of personal advice given to the erring officer to desist from acts of indiscipline. It is the beginning stage of disciplinary action;

2) Warning: This consists of verbal and written warning. This is usually done when the superior discovered that the subordinate refuse to heed to the advice given to him the previous counseling sessions. The superior would react to the subordinate's non-challant attitude by writing calling upon the subordinate to submit an explanation as to why disciplinary action should not be taken against him or her. If the explanation of the subordinate does not satisfy the superior officer, such subordinate would be given a written warning but if the explanation satisfies the superior officer, the subordinate may be exonerated. It is important to note that series of written warnings 'served an officer may result in termination or dismissal if the employee does not change;

3). Reprimand: This is a form of exhortation on an officer who has failed to change his misconduct;

4). Withholding of increment/promotion: An officer who continues with his habit of misconduct in spite of serious warning and reprimand may have his promotion withheld for a year or more. This action is to serve as a punitive as well as corrective measures aimed at bringing home to the employee the gravity of his/her behaviour or offence;

5. Suspension: suspension is carried out when guilt has been established against an officer. The officer will cease to perform his function and his salary should be stopped. If suspension period is designed to grant further investigation on the degree of the officer's involvement in the established misconduct. However; if the proceedings against a suspended staff do not result in dismissal or reducing in rank, he shall be granted the full emoluments he would have received if he had not been suspended;

6. Interdiction: If an officer is alleged to have committed gross misconduct such as embezzlement, receipt of gratification, there or other criminal charges have been levied against him; and his head of department considers it in the public interest that he should cease to exercise the powers and functions, such officer is said to be interdicted;

7). Surcharge: a form of penalty inflicted on any staff who had committed an offence of getting Government property either damaged or lost out of negligence or misappropriation. Surcharge refers to the process of requesting the accused staff to make payment for the damaged or lost of government property or fund;

8. Termination: Termination of an employee's appointment is usually done on account of the employee's established cases of inefficiency or gross misconduct. Notice of termination is supposed to be given to the officer concerned. Salary in lieu of notice is supposed to be paid to the staff whose appointment is terminated. He may enjoy pension and gratuity if he is qualified, and the officer may gain another appointment in public service;

9. Dismissal: Dismissal is the most severe penalty and separation process from civil service. It is given to a staff who it has been established through deliberate process of disciplinary investigation to "have indulged in Gross misconduct of criminal nature.

- a. A dismissed officer does not need to be given a notice;
- b. A dismissed officer is not entitled to any benefits such as: Salary, gratuity or pension;
- c. He cannot gain employment anywhere in public service.

### **3.5 Who Should Exercise the Right to Punish a Worker?**

Under the usual civil service rules, the right to take disciplinary action against employee belongs to and must of necessity belong to the departmental head. This is because he is the person who is mainly and immediately responsible for the discipline and efficiency of his department.

However, because most departmental or units heads may misuse the authority to punish, series of administrative procedures are put in place to regulate and control the powers of the unit heads in the process of exercising the authority to punish the subordinate. Thus, it is required that the departmental or unit head must fulfill the following conditions before inflicting punishment on the subordinate staff:

- a) No employee shall be instructed to inflict punishment on a staff, that senior him/her in

service;

- b) No employee should be made to suffer any punishment except if such offences are established (proved) in the constitution or related to public service rules;
- c) Before any disciplinary action is taken on an employee, the employee should be given reasonable opportunity to give his defence against the charge or charges;
- d) The charges against an employee should be set forth in writing (in cases of charges demanding for serious penalties and filled with appropriate officers).

### **3.6 Disciplinary Procedures in an Organization**

Disciplinary procedure refers to the range of disciplinary steps designed to ascertain or prove the guilt of an accused employee so as to determine the nature, degree of involvement and requisite penalty suitable to punish and correct the defaulting officer.

A disciplinary procedure may be instituted as soon as any of the rules and regulations covering the desirable workplace behaviour has been faulted. It is however important to note that it is the duty of every officer to report any form of misconduct that comes to his or her notice to an officer superior to the officer that commit the offence:

1. Once this is done, the accused superior is normally expected to issue a query letter bringing the details of the offence to the officer's notice explaining to him the relevant employee code breeched by the officer's action.
2. Further investigations would be conducted by the superior's officer until it is proved that the officer commit the offence. If it is certain that the officer is guilty, the superior officer should report the matter to the chief executive of the organization who should instruct the

Director of Personnel Management to direct the appropriate staff committee on personnel management to initiate disciplinary proceedings in accordance with the approved employee guidelines on disciplinary procedures.

3. Before handing over the matter to a special disciplinary committee, the Director of Personnel Management should prepare and forward to the accused officer a brief or statement of the fact of which the allegation against him is based and should call him to state in writing within a specified reasonable period, any grounds upon which he relies to exculpate himself.

4. The Director of personnel management would on the expiration of the specified period appoint a special disciplinary committee comprising at least three persons to hold an inquiry into the matter provided that none of the accusers including all members of the relevant personnel management committee (either junior or staff or senior staff) and the Director of Personnel, shall be a member of such disciplinary committee.

5. The committee so appointed shall inform the accused officer in writing that on a specified day, the charge levied against him will be investigated by it and that he will be required to appear before it to defend himself.

6. If witnesses against the accused officer are being examined by the committee, he shall be given the opportunity of being present and of putting questions to such witness, he may also call witnesses in his own defense and such witnesses may be examined by the committee.

7. Having inquired into the matter, the special disciplinary committee shall forward its report

to the appropriate committee accompanied by the records of allegations, the evidence led; the defense given and other proceedings relevant to the inquiry, and its finding of the allegation.

8. If the guilt and degree of involvement of the officer in the matter is determined, reference would be made to the relevant employee rules and regulation so as to determine the nature of the punishment to be met to the affected officer.

#### **4.0 CONCLUSION**

Code of conduct and discipline are at the heart of employee efficiency and corporate productivity. Code of conduct provides written workplace behaviour standard rules, which serve to train the mind of the employee to be disciplined and loyal to corporate philosophy.

Disciplinal staff is the most important asset of the organization while the indiscipline staff are problem to organization productivity and success. Discipline is an essential condition for the smooth running of any organization be it public or private. This is so because once people (workers) understand what is expected of them they tend to show higher tendencies for complying and behaving in a desired manner. Thus, codes of conduct are meant to instill self-discipline on the workers because self discipline is considered as the most enlightened and civilized form of discipline in social organization.

#### **5.0 SUMMARY**

This unit has discussed the concept of code conducts, meaning and nature of discipline and highlighted on some Act of indiscipline and relevant penalties. Meaning and nature of code of conduct was explained; by way of a definition, codes of conduct are comprehensive body of rules and regulations designed to guide the general conduct of the official worker. Nigerian Public Sector composed of the Federal Ministries and Parastarals (Federal services), state



ministries and parastatals (state services). Local Government and their parastatals (Local Government services), the code of conduct is referred to as the civil service rules.

Meaning and Nature of Discipline was also discussed; Discipline generally connote assort of training of the mind and character design to produce self-control and habits of obedience and compliance to the behaviour standards and rules of the constituted authority. A disciplined staff is therefore a staff that has trained himself or has been trained by the social system to behave in a desired way by conforming to the written and unwritten orders, norms and policies of an organization or society.

Some Acts of Indiscipline in an organization was also explained, these include: The following are the ranges of actions that may be classified as act of indiscipline in an organization: these include lateness to office, absence from duty without permission, inefficiency, leaking of official secret, dishonesty, corruption and bribery, drunkenness, fraudulent acts, to mention a few.

## **6.0 TUTOR-MARKED ASSIGNMENT**

Define disciplinary process and describe the major steps in disciplinary procedure in an organization.

## **7.0 REFERENCES/FURTHER READINGSS**

Folayan, O. (1997) Human Resource Management: theory and practical. Allied Emant Company Lagos.

Nicholas, H (2001) Public Administration and Public Affair's prentice Hall New Delhi

## **UNIT 5**

## **MANAGING EMPLOYEE GRIEVANCES**

### **CONTENTS**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Meaning and Nature of Complaints and Grievance
  - 3.2 Sources of grievances in organization
  - 3.3 Rationale for grievance procedure in organization
  - 3.4 Grievance procedure
  - 3.5 Approaches to grievance settlement in an organization
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 INTRODUCTION**

No matter how well managed an organization is the problem of dissatisfaction, discontent, and complaints are never ruled out totally. Employees may feel badly treated by the supervisors, or unjustly denied certain rights which colleagues are given, or unfairly disciplined for no genuine offence.

The above are diverse reason that, may cause employee complaints or grieve that may not be expressed. However, it is necessary that when these complaints are noticed management should endeavour to find out the roots of the matter and ensure to resolve it in the interest the organization efficiency and productivity.

### **2.0 OBJECTIVES**

### **3.0 MAIN CONTENT**

#### **3.1 Meaning and nature of complaints and Grievances**

Complaints are expressed dissatisfaction about something or situation that bother the complainant. On the other hands, Beach (1975) defines grievance as any dissatisfaction or

feeling of injustice in connection with one's employment situation that is brought to the attention of management. This definition considers as grievances only the expressed problems because it will be difficult for management to act on employee problems that are not vocalized.

However, a large amount of employee problems are kept bottled up and unexpressed for many reasons. Because one, some employees have a high degree of tolerance for frustration, secondly they may hope situations may soon change and the problem would be corrected.

Thirdly, experience might have taught them that complaints create more problems or hatred then solve them, finally some would feel that complain may attract unnecessary criticism from others. To solve these problems, management should establish a very reliable official process for employees to ventilate their complaints and grievances.

### **3.2 Sources of Grievance in organization**

Grievance may emanate from the following sources:

- i) Individual and group attitudes;
- ii) Beliefs and perceptions about employee rights;
- iii) Working practice and norms;
- iv) The relationship between parties, the balance of power between the officials and the degree of trust and openness of executives;
- v) The culture of the organization also has a part to play.

### **3.3 Rationale for Grievance procedure in organization**

It is important management establish an open procedure for employee to ventilate their grievance. Management should not assume the immediate supervisors have adequate human relation skills and experience to handle grievance problems and complaints from employee

should not be ignored or tries to suppressed them. These complaints are indications that things are wrong and if ignored, employee satisfaction, morale and motivation will diminish and the effect is disastrous for organization productivity and success in business.

These and other reasons below warrant that official open procedures for grievance resolution are established in an organization operating in a democratic environment:

- 1). Organization operating an democratic business environment need a working grievance procedure because most time immediate supervisors that management expect to handle the initial stages of grievances lack adequate human relation experience to handle grievance problems;
- 2). A procedure is necessary because supervisor may try to suppress their subordinate's grievance in the believe that it is justice to forward such complaints to higher management;
- 3). A procedure is also necessary because some subordinates may not want to pass their grievances to their immediate supervisors especially if the supervisors had been unfriendly to them or discriminated against them;
- 4). A procedure is necessary because a sound procedure brings employee problems to the attention of higher management on time so that the higher management becomes aware of employee frustrations, problems and expectations;
- 5). A good system or grievance handling mechanism serves as an outlet for employee frustrations, discontents and grieves. It operates like a pressure release valve on a steam boiler (Beach, 1975). It provides a legitimate and officially approved way of approaching their

grievances to the higher management;

6). The existence of an effective grievance procedure reduces the likelihood of arbitrary action by supervisor;

7). The right to be heard and actually heard helps to improve the morale of the employee.

### **3.4 Grievance procedure**

Grievance procedures are series of formalized grievance handling mechanism or system.

Most organizations recognized four main steps for grievance resolution. The main stages include:

#### **Stage 1**

Presentation of the grievance vocally or in written to the immediate supervisor.

#### **State 2**

If the grievance is not resolved, the employee should request an interview with the manager within at least one week to discuss the grievance.

#### **Stage 3**

If the manager in stage two failed to resolve the grievance, the employee should raise the grievance with the general management or Director.

#### **State 4**

Subject to the agreement of both parties, if the grievance is not resolved an outside body might be asked to intervene, such as grievance committee or external conciliation or arbitration.

### **3.5 Approaches to Grievance settlement in organization**

There are many approaches open to management of organizations to adopt to resolve

grievances problems in organization. Among them are:

### **1. Open-door-Policy**

The management that adopt this system has full concern for employee morale and as such allow all the aggrieved staff to come direct to the chief executive's office to complaint and the chief executive should personally investigate every grievance and take appropriate action. Although this system look attractive, but it doesn't work well because of the social distance between the chief executive and the lower cadre staff, they may not feel free and courageous enough to present their problem to the chief.

### **2. Inspector General Method**

Private business has here employed the military system of providing a means of correcting injustices by having a representative from the Inspector-General's Office visit each unit once per year to hear and investigate soldiers' grievances. When applied in business, a deputy director may be assigned to visit every decision or subsidiary of a company, at least once per year to find out cases of employee grievance and make necessary efforts to resolve them.

### **3. Ombudsman**

The concept of ombudsman was first used in Sweden in 1809 to process the complaints of citizens against the government. Conceptually ombudsman is an independent and politically neutral officer of governmental legislature. His function is to handle appeals by ordinary citizens against the executive bureaucracy. He has the power to investigate, has access to government documents, has the right to prosecute officials for illegal acts, and can publicize his findings. At present, ombudsman is an officer of government or organization charged with the responsibility of investigating and setting member complaints. This approach has great records

of success in government and has been tried in several business organizations with good track records of success. The Inspector General is the military form of ombudsman.

#### **4. Multi-Step Grievance procedure**

This is the approach where the employee continue to appeal his grievance from the most immediate supervisor to the most highly place manager until the grievance is resolve. This is in line with the grievance procedure analyzed in 3.4 of this unit above.

#### **5. Grievance Committee**

This is an approach where the responsibility for grievance collection and investigation is entrusted to a committee; this is line with personnel management committees of Nigeria public service

### **4.0 CONCLUSION**

Grievance is an inevitable aspect of personnel administration which must be deliberately planned for, to avoid the catastrophe that may result from expulsion of bottled-up grievance. Management must provide official avenue for channeling employee complaints and grievance so that it can serve as a source of increased morale, motivation, organization efficiency and productivity.

### **5.0 SUMMARY**

In this unit, we have discussed the meaning and nature of complaints and grievances. We also discussed rationale for grievance procedure and various approaches that can be adopted to resolve conflict or grievances in organizations: public or private.

## **6.0 TUTOR-MARKED ASSIGNMENT**

Why should an organization as a matter of policy have an open system of grievance procedure?

## **7.0 REFERENCES/FURTHER READINGSS**

This unit draws some part of the materials from the National Open University of Nigeria,  
MBA 723 Human Resources Management

Beach, D. (1975). Personnel: The management of people at work, Macmillan Publisher Co.  
Inc



## **MODULE 4**

Unit 1 Managing Industrial Relations Contents

Unit 2 Assessment Methods in Human Resources I

Unit 3 Assessment Methods in Human Resources II

Unit 4 Test of Validity in Personnel Assessment

Unit 5 Validity Evidence: Associations with other Variables

### **UNIT 1 MANAGING INDUSTRIAL RELATIONS CONTENTS I**

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Meaning of Industrial Relations

3.2 Parties in Industrial Relation

3.2.1 Divergent interested parties in Industrial Relations

3.2.2 Managing Divergent interest of parties in industrial relations

3.3 Managing industrial conflicts

3.4 Collective bargaining process

3.4.1 Collective bargaining strategies

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

### **1.0 INTRODUCTION**

Managing relationship between people of divergent interest and motives, who have converged in the workplace to fulfill their different and sometimes conflictive goals is a herculean task that requires tact, experience and diplomacy.

Although industrial conflict is inevitable in situations of divergent and conflicting goals of different groups working in the industry, industrial harmony is achievable when each group understand and respects each other's interest and are willing to compromise their stake in order to reach an acceptable agreement. This is why it is often said that industrial peace and harmony is not a total absence of conflicts in the industry but a situation of mutual cooperation

where conflict is properly managed through collective bargaining process. This should be the prerogative of every efficient personnel management system in a workplace.

## **2.0 OBJECTIVES**

When you finished studying this unit, you should be able to:

- Understand the complex network of relations between parties in the industry;
- Know the conflicting motives and interests of the parties that often generate conflict;
- Learn how to manage the divergent interest of the groups in the industry;
- Understand the nature of industrial conflicts;
- Be able to manage and resolve conflicts through collective bargaining mechanism.

## **3.0 MAIN CONTENT**

### **3.1 Definitions and Meaning of Industrial Relations**

Industrial Relations commonly referred to as labour-management relations have been severally defined as:

i) Covering collective bargaining and relations of all types between workers and employers, and between workers and workers, personnel administration, worker supervisory training. In fact almost everything that has to do with the atmosphere and climate of the workplace. (Yesufu, 1962), as quoted in Folayan (1998, P.82).

ii) As a web of rule which bind the actors, government, employers and workers, in the workplace (Schregle 1982, Ch I);

iii) The process of interest accommodation by which conditions of work are fixed; relations are regulated and power is shared in the field of labour. Cordova (1980);

iv) Covers show work rules are made and applied, and how decisions are taken to distribute among the producers their share in the rewards of production. Damachi (1986);

v) As an interdisciplinary field that encompasses the study of all aspects of people at work. He went further to say, the field includes the study of individuals, groups of workers who may or may not organize into a union or an association, the behaviour of employer and union organization, the public policy or legal framework governing employment conditions, the economics of employment conditions, the economics of employment problems, and even the comparative analysis of industrial relation system in countries over different time periods.

The above definitions each contribute ideas that describe industrial relation phenomena as a tripartism involving webs of relations between employers, workers and government.

Cole (1980) contends that the key issues of industrial relations are those of conflict, cooperation, rule-making, authority and power, information and communication, and motivation.

### **3.2 Parties in Industrial Relations**

As has been highlighted above by the various definitions, industrial relations concern the regulation of management-employee relations often mediated by government representative.

However, the web of the relationships encompasses divergent interest parties such as:

- a) Managers (representing employers)
- b) Employer's associations' representative
- c) Individual employees whose part in the system has been overshadowed by collective interests which unions represent.
- d) Trade union representatives

- e) Government representatives
- f) Representative so the law.

Describing Actors in industrial relations system Ubeku (1983, P586) identified the following:

- 1) The key Actors – comprise the trade unions, employers (including employer's associations) usually represented by management;
- 2) The interaction of the actors and the conflict they generated;
- 3) The rules and regulations established through public policy and collective bargaining process, to regulate relationship including conflict resolution; and
- 4) The role each actor plays or should play in an industrial relations system.

### **SELF ASSESSMENT EXERCISE**

Identify and discuss the roles and interest of parties in your organizations industrial relation environment and discuss how the protection of these interests shift overtime.

#### **3.2.1 Divergent interests of Parties in Industrial Relations**

Each of the above identified parties or Actors in industrial relations pursue different interests and thrives to ensure that their goals are achieved in the interaction that ensued in the system.

1. Managers of organizations may see industrial relations as one or more of the following:
  - a) Creating and maintaining employee motivation
  - b) Establishing workable and credible channels of communication with employees.
  - c) Negotiating with trade union representative;
  - d) Sharing power with employee representative (not necessarily trade unions) in an organized way.
  - e) Achieving higher levels of efficiency and service by cooperation with employees and their

representatives.

2. Employees may see industrial relations as one or more of the following:

- a) Management's efforts to win them round to their way of thinking;
- b) A genuine attempt by management to adopt a benevolent approach to employees;
- c) A "them-and-us" situation involving management – union meetings and frequent wrangling
- d) An opportunity to participate in shop-floor decision making, and possibly even at board level.

3. The third parties such as government officials, conciliators, arbitrator and judges may see industrial relations situations as one or more of following:

- a) Attempting to achieve mutually harmonious relationship between employers and employees;
- b) Laying down rules of conduct between parties in industrial relations;
- c) Regulating the power struggle between owners and managers on the one side, and employees and organized labour on the other;
- d) Establishing peace-making arrangements between the two sides referred to above, and the protection of interests of the rest of community.

### **3.2.2 Management of the Divergent interests in Industrial Relations**

Two main approaches have been adopted overtime by organization management to handle industrial relation issues.

These approaches are:

- (i) the unitary approach and
- (ii) the pluralistic approach.

In situations where managers perceive their role as motivating employees by means of good human relation and thus adopt a collaborative and paternalistic style of management, industrial relations in such organization would be said to adopt unitary approach. Here, organization is seen as one large, happy family with a generally agreed sense of its common purpose. If the employees happily accept this paternalistic approach, the end result is usually peaceful and harmonious industrial relations.

If employee however begin to get dissatisfied with a paternalistic management style and want to be treated in a more matured way not like a child in the paternalistic environment, then conflict is likely to ensue, unless management give respect and recognition to their independence status. Where existence of separate interests is openly admitted and arrangements are made to resolve the conflict that is seen to be inevitable, the industrial relation style is called a pluralistic approach. This is a style characterized by management officials seeing their role as exercising “managerial prerogatives” while the employees and their representative see their role as challenging this exercise of power and the usual consequences is confrontation situation in industrial relations environment.

### **3.3 Managing Industrial Conflict**

Conflict is an inherent feature of workplace environment, where people have converged to fulfill their mutually conflictive objectives. Thus, conflict is an inevitable feature of organizations and it is not necessarily a bad development because some conflict can bring about positive changes into the organization. This is why efficient conflict management has been preferred to conflict avoidance.

What then is conflict?

The following definitions by different scholars provide clear hindsight on the meaning of the

term “conflict” Kilmann and Thomas (1978, 59-60) define conflicts “as the condition of objective incompatibility between values or goals as the behaviour of deliberately interfering with another’s goals achievement, and emotionally in terms of hostility”. They went on to further describe conflict as objective conflicts of interests, personal styles, reactions to threats, and cognitive distortions”.

Hyman (1997), a renowned sociologist while providing a sociological analysis of industrial relations discussed the dimensions of industrial conflicts as involving the antagonistic relationship between labour and capital; between workers of every kind (manual, technical and clerical) on one hand, and the employers and their agents who seek to control their work activities on the other, and the social and economic system which structures the world of work. Based on the above illustrations, industrial conflict can be said to be synonymous with trade dispute in the Nigeria industry. (Akinmayowa, 2003). The process that has been instituted to allow the parties in conflict to attain their objectives and resolve the conflict amicably is called collective bargaining.

### **3.4 Collective Bargaining Process**

Collective bargaining is defined as the process of resolving conflict over wages and other conditions of work in which unions and employers willingly negotiate directly and reach mutually agreed solutions. It is said the that term was first coined by the webs (1902) to refer to negotiation concerning pay and conditions of employment between trade unions on one hand and either an employer or an employers association on the other hand. Davey (1977) defines collective bargaining as a continuing institutional relationship between an employer entity, (government or private) and labour organization (union or association) representing exclusively a defined group of employees of said employer concerned with negotiation,

administration, interpretation and enforcement of written agreement covering joint understanding as to wages or salaries, rates of pay, hours of work and other condition of employment.

In scope, collective bargaining can cover the entire sector of an economy or an industry e.g. National Union of Teachers. It may cover a small number of workers in a workplace. It may also concern the process of producing substantive agreements on rates or pay, holidays and hours of work, it can also involve setting down procedural agreements such as how discussions should take place and how disagreement can be resolved.

The actual conduct of collective bargaining entails the following fundamental procedures and stages of actions.

- 1) Pre-negotiation Phase
- 2) Negotiators selection
- 3) Designing strategies
- 4) Choosing an appropriate tactics
- 5) Signing contract or agreement

#### **(a) The Pre-negotiation Phase**

This is a preparation stage when negotiation parties must study carefully the issue at stake, the group to bargain with, their backgrounds, experience and previous contracts that has been negotiated before. The knowledge of parties thinking power and their interests. Knowledge of this nature prepares good ground for action i.e. collective bargaining. Preparation helps the parties to be more efficient in the actual bargaining.

#### **(b) Negotiators**

Usually, committee approach is preferred. The company may decide to use the industrial



relations officer or personnel official and some key departmental heads and the company lawyers. It is recommended that all major departmental heads participate on a rotating basis so that they are better educated about bargaining. A lawyer on the team is useful in helping companies evaluate acts and statements of unions, separating feelings, facts, bluffs and conviction. Sometimes experts consider it sound planning to keep the chief executive of the company out of the negotiation process so that they are not forced into giving an instant yes or no in issues that deserve more careful deliberation (Nmadu, T. 199, 215).

### **(c) Bargaining Strategy**

There is the need the organization management work out a basic action plan before entering negotiation hall.

- It must state and outlined the maximum concessions that can be granted to anticipate union demands.
- Avoid conceding any mutual agreement clause to union.
- Management must keep its eye open on the whole package either as the immediate Naira outlay and incremental costs.
- Management must keep its personnel and the public informed of happenings at the bargaining table. The union should not be left as the sole source of information.
- Management must act like they are not afraid of a strike because in the long run neither management nor unions like strikes.

### **d) Choosing and using appropriate tactics in negotiation**

There are many tactics and tricks that people can use to try to take advantage of others. Fisher and Uri (1981) classified Tricky tactics into three categories which are: (1) deliberate deception (2) psychological abuse or warfare and (3) various forms of pressure tactics:

a) Deliberate deception entails trick such as phoney facts, which are false statement designed to support one's argument or position. Ambiguous authority cited to support one's position or argument and dubious intentions act to force the other parties to an agreement

b) Psychological warfare tactics involves (1) creating stressful situations during negotiation to force others to compromise (2) personal attack and (3) acting a good or bad guy to manipulate negotiation (4) threats can also be used to enforce negotiation.

c) Position pressure tactics are designed to create a good situation that will force the other party to make concessions. They include outright refusal to negotiate, making escalating demands, by re-opening issues that are assumed to have been settled, extreme demands, lock-intactics, calculated delays and take it or leave it tactics. A tactics a negotiating party choose should be the one that would be effective in a given bargaining situation.

#### **e) Contract**

The contract is the result of negotiation stipulating in formal terms, the nature of the relationship between management and union over a number of years. Typical contract are of two or three years. Usually, most labour contracts cover union security, grievance procedures, promotions, transfer, layoffs, wages, cost of living, job evaluation, hours of work, absenteeism, holidays, vacations, overtime, incentives, wages, discharges, safety and health etc (Nmdu, T. 1999 P.215)

## **4.0 CONCLUSION**

Industrial Relations is an important aspects of personnel administration which seek to understand the employer-employee relations characterized with perennial conflict in the industry which is resolvable through mutual understanding and respect for the interest of

different parties, which collective bargaining provide acceptable official medium for resolving.

## **5.0 SUMMARY**

The unit discussed definitions and meaning of industrial relations as covering collective bargaining and relations of all types between workers and employers, and between workers and workers, personnel administration, worker supervisory training. In fact almost everything that has to do with the atmosphere and climate of the workplace. (Yesufu, 1962), as quoted in Folayan (1998, P.82). Also the unit highlights parties in industrial relations as Managers (representing employers), Employer's associations' representative, and Individual employees whose part in the system has been overshadowed by collective. The unit further explained two main approaches adopted overtime by organization management to handle industrial relation issues. These approaches are: (i) the unitary approach and (ii) the pluralistic approach. The unit also discussed managing industrial conflict in an organisation and provided explanations on collective bargaining as the process of resolving conflict over wages and other conditions of work in which unions and employers willingly negotiate directly and reach mutually agreed solutions. In scope, collective bargaining can cover the entire sector of an economy or an industry e.g. National Union of Teachers. It may cover a small number of workers in a workplace. It may also concern the process of producing substantive agreements on rates or pay, holidays and hours of work, it can also involve setting down procedural agreements such as how discussions should take place and how disagreement can be resolved. The following fundamental procedures and stages of actions: 1) Pre-negotiation Phase; 2) Negotiators selection; 3) Designing strategies; 4) Choosing an appropriate tactics; 5) Signing contract or

agreement.

## **6.0 TUTOR-MARKED ASSIGNMENT**

Identify and discuss briefly five major activities involved in collective bargaining process.

## **7.0 REFERENCES/FURTHER READINGS**

Agbonifoh B. A et al (ed) (2005) Management; A Nigeria perspective, Malthous Press  
Limited Lagos

## **UNIT 2      ASSESSMENT METHODS IN HUMAN RESOURCES I**

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Assessment Methods

3.2 Criteria for Selecting and Evaluating Assessment Methods

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

### **1.0 Introduction**

Organizations usually compete talent hunting for qualified employees. Many invest an enormous amount of money, time and other resources in advertising and recruiting strategies to attract the best candidates. This is because today's managers understand that one of the most important resources in organizations—if not the most important—is human resources. However, when it comes to actually assessing which job candidates are likely to perform most effectively and make the most significant contributions, a large number of organizations employ rudimentary and haphazard approaches to selecting their workforces.

This represents a serious disconnect for organizations; the disconnect stems from the fact that many organizations fail to use scientifically proven assessments to make selection decisions, even though such assessments have been shown to result in significant productivity increases and cost savings. In this unit, you will be able to learn some selected assessment methods used by personnel managers in organizations.

### **2.0 Objective**

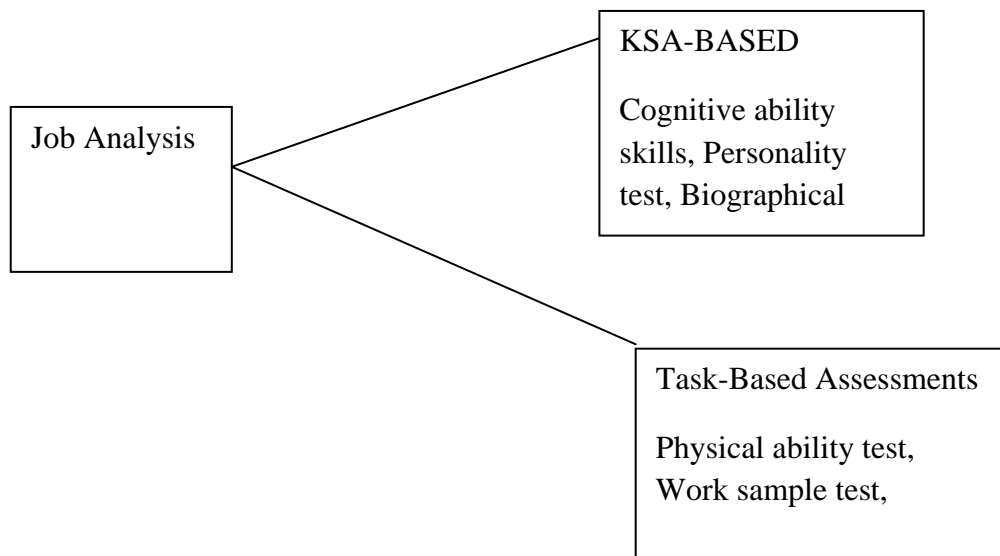
At the end of this unit, you should be able to do the following:

- List different methods used in an organizations;
- Explain the above methods with examples.
- Identify criteria for selecting and evaluating assessment methods

### 3.0 Main Content

#### 3.1 Assessment Methods

There are various assessment methods that can be used by organizations. The methods are dominantly task-based and can be used for internal or external selection. As explained in Unit three “Man Power Recruitment Process”, internal selection refers to situations where an organization is hiring or promoting from within, whereas external selection refers to situations where an organization is hiring from the outside. While some assessment methods are used more commonly for external selection (e.g., cognitive ability tests, personality tests, integrity tests), there are numerous examples of organizations that have used one or more of the following tools for internal selection, external selection or both.



## 1. Cognitive Ability Tests

These assessments measure a variety of mental abilities, such as verbal and mathematical ability, reasoning ability and reading comprehension.

Cognitive ability tests have been shown to be extremely useful predictors of job performance and thus are used frequently in making selection decisions for many different types of jobs. Cognitive ability tests typically consist of multiple-choice items that are administered via a paper-and-pencil instrument or computer.

Some cognitive ability tests contain test items that tap the various abilities (e.g., verbal ability, numerical ability, etc.) but then sum up the correct answers to all of the items to obtain a single total score. That total score then represents a measure of general mental ability. If a separate score is computed for each of the specific types of abilities, then the resulting scores represent measures of the specific mental abilities.

### Sample Cognitive Ability Test Items

#### Verbal ability

Innocuous means the same as:

- a. Harmless,            b. Preventative,            c. Distasteful,            d. Futile

#### Numerical ability

16% of 62.5 is

- a. .844,            b. 8.44,            c. .084,            d. 8.4

#### Reasoning ability

1 3 2 4 3 5 4 6 5 \_\_\_\_

- a. 4,            b. 5,            c. 6,            d. 7

## 2. Reading ability

In Nigerian politics, the concern of each party is to win. This requires gaining the support

of many people with differing views. Political parties often have to build into their programs potentially conflicting objectives that speak to the needs of these different groups in order to win.

As a result, the platforms of major parties typically reflect:

- a. Unified principles
- b. Prejudice
- c. Compromise
- d. Disagreement

### **3. Job Knowledge Tests**

These assessments measure critical knowledge areas that are needed to perform a job effectively.<sup>8</sup> Typically, the knowledge areas measured represent technical knowledge. Job knowledge tests are used in situations where candidates must already possess a body of knowledge prior to job entry. Job knowledge tests are not appropriate to use in situations where candidates will be trained after selection on the knowledge areas they need to have. Like cognitive ability tests, job knowledge tests typically consist of multiple-choice items administered via a paper-and-pencil instrument or a computer, although essay items are sometimes included in job knowledge tests.

### **4. Personality Tests**

Personality tests that assess traits relevant to job performance have been shown to be effective predictors of subsequent job performance. The personality factors that are assessed most frequently in work situations include conscientiousness, extraversion, agreeableness, openness to experience and emotional stability. Research has shown that conscientiousness is the most useful



predictor of performance across many different jobs, although some of the other personality factors have been shown to be useful predictors of performance in specific types of jobs. Personality inventories consist of several multiple-choice or true/false items measuring each personality factor. Like cognitive ability and knowledge tests, they are also administered in a paper-and-pencil or computer format.

**Sample Personality Test Items**

1. It does not make sense to work hard on something if no one will notice.

- a. Definitely true
- b. Somewhat true
- c. Neither true nor false
- d. Somewhat false
- e. Definitely false

2. I tend to let others do most of the talking in conversations.

- a. Definitely true
- b. Somewhat true
- c. Neither true nor false
- d. Somewhat false
- e. Definitely false

3. I have remained calm in situations where others have become upset.

- a. Definitely true
- b. Somewhat true

- c. Neither true nor false
- d. Somewhat false
- e. Definitely false

## **5. Biographical Data**

Biographical data (Bio-data) inventories, which ask job candidates questions covering their background, personal characteristics or interests, have been shown to be effective predictors of job performance. The idea is that the best predictor of future performance is past performance. Thus, bio-data questions focus on assessing how effectively job candidates performed in the past in areas that are identical or highly related to what they will be required to do on the job for which they are being considered. For example, the number of volunteer organizations to which one belonged could be used to assess one's willingness to volunteer to pitch in and help others. The second item could be used to assess one's responsibility and independence. Biographical inventories consist of multiple-choice items that are also administered via paper-and-pencil or computer formats.

### **Sample Biographical Inventory Items**

1. To approximately how many volunteer organizations do you belong?
  - a. 0
  - b. 1
  - c. 2 to 4
  - d. 5 or more
2. Where did most of your spending money come from during your high school years?
  - a. Allowance from family

- b. Own earnings
- c. Partly allowance, partly earnings
- d. Other sources
- e. Had no spending money

Another form of a bio-data inventory is an instrument called an “accomplishment record.” With this type of assessment, candidates prepare a written account of their most meritorious accomplishments in key skill and ability areas that are required for a job (e.g., planning and organizing, customer service, conflict resolution). The candidate also provides the name of an individual, such as a past supervisor, who can verify the accomplishment. Evaluators are trained to score the accomplishments in a consistent manner using standard rating criteria. These types of assessments have been shown to be effective predictors of subsequent job performance.

#### **4.0 CONCLUSION**

The unit deals with various assessment methods used in human resources. Organizations usually compete talent hunting for qualified employees. Many organisations invest enormous amount of money, time and other resources in advertising and recruiting strategies to attract the best candidates. Based on this, it is important for students to be acquainted with these methods in order to engage qualified personnel during selection process.

#### **5.0 SUMMARY**

The unit discussed various assessment methods that can be used by organizations. The methods are dominantly task-based and can be used for internal or external selection. As explained in

Unit three “Man Power Recruitment Process”, internal selection refers to situations where an organization is hiring or promoting from within, whereas external selection refers to situations where an organization is hiring from the outside. The unit also give discussed with measurable some assessment methods used more commonly for external selection (e.g., cognitive ability tests, personality tests, integrity tests).

## **6.0 Tutor-Marked Assignment**

Explain cognitive ability tests, personality tests and integrity tests and give two examples each of them.

## **7.0 References/Further Readings**

- Crocker, L, Algina, J. Introduction to classical and modern test theory. Orlando, FL: Harcourt Brace Jovanovich; 1986:1-527.
- Nunnally, J. C, & Bernstein, I. H. (1994). Psychometric theory. 3rd ed. New York: McGraw-Hill;
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*. 6:297- 334.
- DeVellis, R. F. (2006). Classical test theory. *Med Care*. 44(11, suppl 3):S50-9.
- Cohen J. A coefficient of agreement for nominal scales. *Educ Psychol Meas*. 1960; 20:37-46.
- Marshall, G. N., & Hays, R. D. (1994). The Patient Satisfaction Questionnaire Short-Form (PSQ-18). Santa Monica, CA: RAND.

## **UNIT 3      ASSESSMENT METHODS IN HUMAN RESOURCES II**

### **1.0 Introduction**

### **2.0 Objectives**

### **3.0 Main Content**

#### **3.1 Assessment Methods**

#### **3.2 Criteria for Selecting and Evaluating Assessment Methods**

### **4.0 Conclusion**

### **5.0 Summary**

### **6.0 Tutor-Marked Assignment**

### **7.0 References/Further Readings**

### **1.0 Introduction**

This unit deals with assessment method in human resources II. Test is an assessment intended to measure the respondents' knowledge or other abilities. Test administration procedures are developed for an examination program in order to help reduce measurement error and to increase the likelihood of fair, valid, and reliable assessment. In this unit we shall continue from the previous unit; we shall therefore discuss understanding integrity test, explain interview as means of personnel selection and list criteria for selecting and evaluating assessment methods

### **2.0 Objectives**

At the end of this unit, you are expected to:

- Understand integrity test.
- Explain interview as means of personnel selection.
- List criteria for selecting and evaluating assessment methods

### **3.0 Main Content**

#### **3.1 Integrity Tests**

Integrity tests measure attitudes and experiences that are related to an individual's honesty, trustworthiness and dependability. Like many of the tests discussed here, integrity tests are typically multiple-choice in format and administered via a paper-and-pencil instrument or a computer.

### **Samples of Integrity Test Items**

1. It is alright to misrepresent the truth if being completely honest will create problems that small "white lies" can solve.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
  
2. As long as people follow the spirit of policies and regulations, they don't need to follow them exactly.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree

### **3.2 Structured Interviews**

The interview is the most common selection device used in organizations. Most selection interviews are unstructured. That is, the questions to be asked are left up to the interviewer to decide, and there are no agreed-upon standards for evaluating an applicant's performance during the interview. Research has shown that unstructured interviews are not particularly useful for predicting job performance.

Structured interviews, on the other hand, consist of a specific set of questions that are designed to assess critical KSAs that are required for a job. Structured interview questions can be developed to assess almost any KSA, but they are used most frequently to assess softer skills such as

interpersonal skills, communication skills, leadership, planning, organizing and adaptability, among others. An important characteristic of an effective structured interview is that it provides standardized rating criteria to help interviewers judge the quality and effectiveness of the responses provided by the interviewee.

To work well, interviewers must be trained in how to administer the structured interview properly, probe for additional information and apply the rating criteria accurately and systematically in evaluating job candidates.

### 3.3 Sample Structured Interview Question and Rating Criteria

Tell me about a time when you were able to establish rapport with someone when the situation made it difficult to do so. What were the circumstances? What did you do? What were the results?

1	2	3	4	5
Low	Moderate		High	
Made minimal attempts out understand the person perspective	Attempted to understand the other person's perspective.		Effectively reached to the person and actively sought to understand the person's perspective	

### 3.4 Physical Fitness Tests

Physical fitness tests are used in some selection situations. These tests require candidates to perform general physical activities to assess one's overall fitness, strength, endurance or other physical capabilities necessary to perform the job.

### **3.5 Work Sample Tests**

Work sample tests consist of tasks or work activities that mirror the tasks that employees are required to perform on the job. Work sample tests can be designed to measure almost any job task but are typically designed to measure technically-oriented tasks, such as operating equipment, repairing and troubleshooting equipment, organizing and planning work, and so forth.

Work sample tests typically involve having job applicants perform the tasks of interest while their performance is observed and scored by trained evaluators. Similar to job knowledge tests, work sample tests should only be used in situations where candidates are expected to know how to perform the tested job tasks prior to job entry. If training on how to perform the job will be provided after selection, work sample assessments would not be appropriate to use.

#### **Samples of Work Sample Tests**

##### **Mechanic**

Repairing a problem on a car.  
Reading a blueprint.

##### **Clerical**

Typing test.  
Proofreading.

##### **Cashier**

Operating a cash register.  
Counting money and totaling balance sheet.

##### **Airline Pilot**

Pilot simulator.  
Rudder control test.

##### **Taxi Cab Driver**

Driving test.  
Street knowledge test.

##### **Computer Programmer**



Programming and debugging test.  
Hardware replacement test.

### **3.6 Physical Ability Tests**

Physical ability tests are used regularly to select workers for physically demanding jobs, such as police officers and firefighters. These tests are similar to work sample tests in that they typically require candidates to perform a series of actual job tasks to determine whether or not they can perform the physical requirements of a job. Physical ability tests are often scored on a pass/fail basis. To pass, the complete set of tasks that comprise the test must be properly completed within a specified timeframe.

While perhaps a subtle distinction, physical ability tests usually replicate actual job tasks and evaluate whether individuals can complete these within specified timeframes that mirror how quickly they would need to perform them on the job. Alternatively, physical fitness tests (discussed previously) do not replicate job tasks, per se, but rather require candidates to perform more general physical activities (e.g., running a mile) to assess their overall fitness.

#### **Samples of Physical Ability Tests**

##### **Firefighter**

Climb a ladder while carrying equipment.  
Drag a hose.  
Carry a person down from a building.

##### **Warehouse Worker**

Lift materials of weight required on job.  
Drag materials for distances required on job.  
Roll barrels.  
Carry materials of weight and distance required on job.

### **3.2 Criteria for Selecting and Evaluating Assessment Methods**

Properly identifying and implementing formal assessment methods to select employees is one of the more complex areas for HR professionals to learn about and understand. This is because

understanding selection testing requires knowledge of statistics, measurement issues and legal issues relevant to testing. Accordingly, this section provides guidelines and criteria to help HR professionals make informed decisions about what assessment methods to implement in their organizations. The assessment methods discussed previously and shows their standing on four important criteria:

- 1. Validity**—the extent to which the assessment method is useful for predicting subsequent job performance.
- 2. Adverse impact**—the extent to which protected group members (e.g., minorities, females and individuals over 40) score lower on the assessment than majority group members.
- 3. Cost**—both to develop and to administer the assessment.
- 4. Applicant reactions**—the extent to which applicants react positively versus negatively to the assessment method. For example, the first entry in the table is cognitive ability tests. On the positive side, this type of assessment is high on validity and low on costs. However, it is also high on adverse impact, and applicant reactions are only moderately favorable. Thus, while cognitive tests are inexpensive and very useful for predicting subsequent job performance, minorities score significantly lower on them than whites.

It is important for HR professionals to understand the implications and tradeoffs involved in using different types of assessment methods. There is no simple, formulaic approach for selecting “one best” assessment method, because all of them have advantages and disadvantages. The following sections define and discuss the four criteria for evaluating assessment methods in

detail to help HR practitioners make good decisions about which methods will be most appropriate and practical for their situations.

**Table 2**

<b>Evaluation of Assessment Methods on Four Key Criteria</b>					
Assessment Method	Validity	Adverse Impact	Costs (Develop/ Administer)	Applicant Reactions	
Cognitive ability tests	High	High (against minorities)	Low/low	Somewhat Favorable	
Job knowledge tests	High	High (against Minorities)	Low/low	More favorable	
Personality tests	Low to moderate	Low	Low/low	Less favorable	
Biographical data inventories	Moderate	Low to high for different types	High/low	Less favorable	
Integrity tests	Moderate to high	Low	Low/low	Less favorable	
Structured interviews	High	Low	High/High	More favorable	
Physical fitness tests	Moderate to high	High (against females and older workers)	High/high	More favorable	
Physical ability tests	Moderate to	High (against	High/high	More	

	high	females and older workers)		favorable
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#### **4.0 Conclusion**

Properly identifying and implementing formal assessment methods to select employees is one of the more complex areas for HR professionals to learn about and understand. This is because understanding selection testing requires knowledge of statistics, measurement issues and legal issues relevant to testing. The unit focused on different personnel tests for selection in an organisation. Integrity tests, structured interviews, physical fitness test and work sample tests were discussed with different examples. Also, criteria for selecting and evaluating assessment methods were discussed at length.

#### **5.0 Summary**

This unit deals with assessment method in human resources II. Test is an assessment intended to measure the respondents' knowledge or other abilities. Integrity tests measure attitudes and experiences that are related to an individual's honesty, trustworthiness and dependability. Integrity tests are typically multiple-choice in format and administered via a paper-and-pencil instrument or a computer. Structured interview is the most common selection device used in organizations. Most selection interviews are unstructured. That is, the questions to be asked are left up to the interviewer to decide, and there are no agreed-upon standards for evaluating an applicant's performance during the interview. Research has shown that unstructured interviews are not particularly useful for predicting job performance. Structured interviews, on the other hand, consist of a specific set of questions that are designed to assess critical KSAs that are

required for a job. They are used most frequently to assess softer skills such as interpersonal skills, communication skills, leadership, planning, organizing and adaptability, among others. An important characteristic of an effective structured interview is that it provides standardized rating criteria to help interviewers judge the quality and effectiveness of the responses provided by the interviewee. Physical fitness tests require candidates to perform general physical activities to assess one's overall fitness, strength, endurance or other physical capabilities necessary to perform the job; while work sample tests consist of tasks or work activities that mirror the tasks that employees are required to perform on the job.

#### **6.0 Tutor-Marked Assignment**

1. Construct four different tests on interview structured test, integrity test and work sampled tests.

#### **7.0 References/Further Readings**

- Crocker, L, Algina, J. Introduction to classical and modern test theory. Orlando, FL: Harcourt Brace Jovanovich; 1986:1-527.
- Nunnally, J. C, & Bernstein, I. H. (1994). Psychometric theory. 3rd ed. New York: McGraw-Hill;
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*. 6:297- 334.
- DeVellis, R. F. (2006). Classical test theory. *Med Care*. 44(11, suppl 3):S50-9.
- Cohen J. A coefficient of agreement for nominal scales. *Educ Psychol Meas*. 1960; 20:37-46.
- Marshall, G. N., & Hays, R. D. (1994). The Patient Satisfaction Questionnaire Short-Form (PSQ-18). Santa Monica, CA: RAND.

## **Unit 4            TEST OF VALIDITY IN PERSONNEL ASSESSMENT**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
  - 3.1 Concept of Validity
  - 3.2 Types of Validity
  - 3.3 Validity Evidence: Test Content
  - 3.4 Validity Evidence: Internal Structure of the Test
  - 3.5 Validity Evidence: Response Processes
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

### **1.0 Introduction**

You will learn about validity aspect of personnel assessment test. The most important consideration in evaluating an assessment method is its validity. For the present purposes, validity refers to whether or not the assessment method provides useful information about how effectively an employee will actually perform once she or he is hired for a job. Validity is the most important factor in considering whether or not to use an assessment method, because an assessment that does not accurately identify who will perform effectively on a job has no value to the organization. As we get on this topic, you will learn the following: validity: it's meaning, types of validity, validity evidence: test content and validity evidence: internal structure of the test.

### **2.0 Objectives**

At the end of this unit, you should be able to:

- Understand the meaning of validity and its types.

- Explain validity evidence: test content
- Discuss internal structure of the test validity evidence.

### **3.0 Main Content**

#### **3.1 Concept of Validity**

Imagine that you have applied for your dream job. You have spent time, energy, and perhaps money preparing yourself to be competitive for the position. After all of your preparation, you finally have the opportunity to apply for the job for which you have been working so hard. As part of the hiring process, the company requires that you complete a personality inventory. A week or two after completing the personality inventory and submitting your application, the company informs you that you are not going to be hired. Although they do not say so, you suspect that their decision is partially based on the “results” of the personality inventory. Aside from disappointment and perhaps anger, what kind of reactions would you have?

You would likely have several questions. You might wonder what exactly the personality inventory was supposed to measure. Is there any evidence that the inventory is in fact a good measure of whatever it is supposed to measure? Is there any logical or theoretical reason to believe that scores on the inventory are related to performance in the job that you wanted? Perhaps more importantly, are there any hard data showing that scores on the inventory are actually related to performance in your job?

In response to such questions, the human resources director of the company might suggest that the personality inventory is a worthwhile part of the hiring process. She might state that the company has been using it for years. In addition, she might assure you that, in her

experience, the questionnaire is quite accurate and that it is useful for predicting who will be good employees. However, if she is going to be using the inventory to make such important decisions, then she needs to have stronger evidence than “her experience” testifying to the accuracy and utility of the questionnaire.

Your questions about the personality inventory are questions of validity, which is perhaps the most important issue in psychological measurement. In this chapter, we define validity, we discuss its meaning and implications, and we discuss the kinds of evidence that are necessary for establishing validity in testing. In addition, we describe differences among several perspectives on test validity, we contrast validity with reliability, and we conclude by discussing the importance of validity in testing. As you will see, a test-user’s personal experience is inadequate as evidence for the test’s validity and its use.

## **What is Validity?**

The concept of validity has evolved over more than 60 years, and various definitions of validity have been proposed. A rather basic definition of validity is “the degree to which a test measures what is it supposed to measure.” Although this definition is relatively common and straightforward, it oversimplifies the issue a bit. A better definition, reflecting the most contemporary perspective, is that validity is “the degree to which evidence and theory support the interpretations of test scores entailed by the proposed uses” of a test (AERA, APA, & NCME, 1999, p. 9). This more sophisticated definition has a number of important implications.

First, a measure itself is neither valid nor invalid; rather, the issue of validity concerns the interpretations and uses of a measure’s scores. Consider the Conscientiousness factor on the Revised NEO Personality Inventory (NEO-PI-R, Costa & McCrae, 1992). The NEO-PI-R is a



multi-dimensional personality inventory, providing scores on five relatively independent domains, each of which includes six more narrow “facet” dimensions. One of the factors, or domains, included in the NEO-PI-R is labeled Conscientiousness. The Conscientiousness scale 3 includes 48 items, with each item presenting a statement regarding beliefs, interests, behaviors, and so on. The test authors offer a clear interpretation of the scores derived from the items on the Conscientiousness factor. According to the authors of the NEO-PI-R, high scores on this set of items reflect the tendency toward an “active process of planning, organizing, and carrying out tasks,” and they state that people with high scores on this set of items are “purposeful, strong willed, and determined” (Costa & McCrae, 1992, p. 16).

In terms of validity, the set of items themselves are neither valid nor invalid. Similarly, the scores derived from the 48 items are neither valid nor invalid. However, the authors’ interpretations of the scores might be valid or invalid. Are the authors correct in interpreting scores on the set of 48 items in terms of planfulness, organization, and determination?

Extending this notion beyond the interpretation of the scores, validity is related to the “proposed uses” of the scores. The NEO-PI-R Conscientiousness scale might be used by employers to screen applicants. Experts in human resources might believe that people who have relatively high scores on the Conscientiousness scale will be responsible, hard-working, motivated, and dependable employees. Based on this interpretation of scale scores, employers might use the Conscientiousness scale to identify people with a high level of Conscientiousness and to make hiring decisions based on this information. But is there good reason to believe that scores on the Conscientiousness scale really do provide information that differentiates potentially better and worse employees? That is, scores on the NEO-PI-R Conscientiousness scale might be

interpreted validly as reflecting Conscientiousness, but are they truly predictive of the quality of an employee's future performance?

Psychological measures are like hammers. Someone might tell you that a hammer is a useful tool, but the usefulness of a hammer actually depends on the job to be done. If you need to drive a nail into a surface or if you need to remove a nail from a surface, then a hammer is enormously useful. If you need to hold down a piece of paper while you are working or if you need to break through a piece of sheetrock in a wall, then a hammer might indeed be useful. However, if you need to tighten a screw, saw a piece of wood, change a light bulb, or call a contractor to fix the hole in your wall, then a hammer is completely useless. So, it is somewhat simplistic and inaccurate to say that a hammer is a useful tool without regard to the way in which it will be used. Similarly, it is somewhat simplistic and inaccurate to say that a particular psychological measure, such as the NEO-PI-R Conscientiousness scale, is valid without regard to the way in which it will be interpreted and used. The scale's scores might be interpreted validly as indicators of Conscientiousness, and they might help you select a conscientious contractor, but the scale is not valid as a measure of Intelligence or Extraversion.

Despite our insistence that validity is really about test interpretation and use (not about the test itself), test users often refer to the "validity of a test." For example, you might hear someone state that "the Conscientiousness scale of the NEO-PI-R is valid." There are at least two possible reasons that a test user might make a statement that seems to contradict our definition of validity. First, the test user might not have a sophisticated understanding of validity. Although many copyrighted psychological tests are marketed only to qualified professionals, not every professional has a deep understanding of the concept of validity. The second reason that you might hear such a statement is that it is simply a short-cut. That is, instead of saying "the

Conscientiousness scale of the NEO-PI-R is valid as a measure of Conscientiousness,” we sometimes get a bit lazy and simply state “the Conscientiousness scale of the NEO-PI-R is valid.” Please do not let this confuse you. In measurement, validity is a property of the interpretations and uses of a test, it is not a property of the test itself.

A second important implication of the definition of validity is that validity is a matter of degree, it is not an “all-or-none” issue. That is, the validity of a test interpretation should be conceived in terms of strong versus weak instead of simply valid or invalid. There is no magical threshold beyond which validity is established. For test users, validity should be a deciding factor in their choice of psychological tests. Although such choices are based on a number of practical, theoretical, and psychometric factors, a test should be selected only if there is strong enough evidence supporting the intended interpretation and use. Alternatively, test users might need to choose among a set of possible tests, and they must weigh the relative strengths of evidential bases for the tests being considered. For example, there are a variety of scales that an employer might use to measure dependability, responsibility, motivation, and reliability of job applicants. The NEO-PI-R Conscientiousness scale is a reasonable choice, but employers should consider the relative strengths of alternatives that might be even better measures of the specific characteristics that they wish to assess.

A third important facet of validity is that the validity of a test’s interpretation is based on evidence and theory. In the introduction to this chapter, the hypothetical human resources director stated that, in her experience, the psychological tests were useful. This is not good enough. For a test user to be confident in an interpretation and use of test scores, there must be empirical evidence supporting the interpretation and use. In addition, contemporary views on

validity emphasize the importance of grounding the interpretation and use of a test in a defensible psychological theory.

Although many well-developed psychological measures have strong evidence regarding the validity of their typical interpretations, many supposed psychological measures do not. For example, handwriting analysis is a popular method for “assessing” personality. Despite the popularity and historical tradition of handwriting analysis, there appears to be little peer-reviewed scientific evidence that handwriting reveals anything about personality. Currently, many supposed psychological measures can be found on the internet. One example is variously known as “Color Quiz,” “Colorgenics” or the “Personality Color Test.” These tests are ostensibly based on “color psychology” as developed by Max Luscher (Luscher & Scott, 1969). When you take the “Color Quiz,” you are presented with eight colors and you are asked to select the colors in the order of your preferences (see <http://www.colorquiz.com/>). After completing this procedure twice, you receive a series of interpretations regarding your “sources of stress,” “restrained characteristics,” “desired objectives,” and your “actual problems.” The notion that your color preferences reveal something about your personality is an interesting idea, but is there any validity to this interpretation of color preferences? A quick survey of the scientific literature provides almost no support for the validity of color preferences as a measure of personality characteristics (e.g., Picco & Dzindolet, 1994).

Assuming that there is indeed little scientific support for the validity of color preferences as a measure of personality, it is interesting to examine the “evidence” presented on the Color quiz web site (see <http://www.colorquiz.com/about.html>). The web site poses the question to interested readers, “Is the test reliable?” We suspect that the authors of the web site are not using the term “reliable” in the true psychometric sense outlined in previous chapters. Instead, we

suspect that the authors are intending to pose the question of validity – is the test meaningful and useful as a measure of personality? Given the apparent lack of scientific evidence for color preference as a valid measure of personality, you might not be surprised by the answer provided on the web site. Regarding the quality of the “Color Quiz,” the authors state, “We leave that to your opinion. We can only say that there are a number of corporations and colleges that use the Lûscher test as part of their hiring/admissions processes.” Clearly, the web site implies that the Color Quiz is a valid measure of some aspects of personality and that it is in fact used to make real decisions. However, we suggest that a human resources director using any version of the “Color quiz” should be prepared to defend his or her hiring decisions in court. If the scientific evidence for the validity of “color tests” as measures of personality is as thin as it appears to be, then an applicant who is denied employment because of such a test would have legitimate reason to be angry and litigious.

The contemporary perspective on validity states that there must be psychological theory and empirical evidence supporting a particular interpretation of test scores. For example, are there strong data demonstrating that people who score relatively highly on the NEO-PI-R Conscientiousness scale are actually higher in “Conscientiousness” than those who score relatively lower? Is there evidence that students who perform well on the SAT actually obtain higher grades in college than do students who perform less well on the SAT? Is there anything beyond the assertion that “there are a number of corporations and colleges that use the Lûscher test as part of their hiring/admissions processes” to support the notion that color preferences actually reflect anything about an individual’s personality? Although Lûscher might offer theoretical reasons to suspect that color is somehow related to personality, such theory is not enough to argue that the Color quiz is valid as a measure of personality. For users to have

confidence in the validity of test interpretations, there must be good empirical evidence supporting the interpretations. There must be data obtained from high-quality research, and these data must provide evidence for particular interpretations of test scores.

In the sections that follow, we will examine the kinds of scientific evidence that can be used to support the validity of test interpretations. As mentioned earlier, the concept of validity has evolved over the years. For many years, the fields of psychology and education have seen validity as a three-faceted concept. From this traditional perspective, there are three types of validity

1. content validity,
2. criterion validity, and
3. construct validity.

We will describe these concepts in the three units starting from this unit.

### **3.3 Validity Evidence: Test Content**

One type of validity evidence relates to the match between the actual content of a test and the content that should be included in the test. If a test is to be interpreted as a measure of a particular construct, then the content of the test should reflect the important facets of the construct. The supposed psychological nature of the construct should dictate the appropriate content of the test. Validity evidence of this type is sometimes referred to as **content validity**, but there are two ways that content validity might be compromised.

### **Construct-irrelevant content**

One threat to content validity occurs when a test includes **construct-irrelevant content**. A test should include no content (e.g., items or questions) that is irrelevant to the construct for which the test is to be interpreted. Imagine that you are asked to develop a midterm test for a class in personality psychology, and the test is intended to measure “knowledge of Freud” as covered in the class lectures, discussion, and readings. In the class, three broad topics were covered – the structure of personality (i.e., id, ego, and superego), the stages of personality development, and defense mechanisms. Ideally, the content of the midterm test should include items representing a fair sample of these three topics, no more and no less. For example, biographical questions about Freud’s life should not be included on the test, because they were not covered in class and thus they are irrelevant to the construct of “knowledge of Freud as covered in the class lectures, discussion, and readings.” Test content that reflects issues, characteristics, or concepts that are irrelevant to the construct for which a test is to be interpreted is referred to as construct irrelevant content. Such content is actually extraneous to the core construct for which a test is to be interpreted, and its inclusion would reduce validity.

A second threat to content validity is **construct under-representation**. Although a test should not include content that is beyond its core construct, it should include the full range of content that is relevant to the construct, as much as possible. Again, a test intended to assess “knowledge of Freud as covered in the class lectures, discussion, and readings” should include content relevant to all three topics that were covered in class. A test that included content only relevant to personality structure and personality development would have weak validity measure of “knowledge of Freud as covered in the class lectures, discussion, and readings” because it

fails to cover the content related to defense mechanisms. Such a test would suffer from construct under-representation, meaning that its actual content fails to represent the full scope of the content implied by the construct that it is intended to measure. In sum, a test's content should reflect the full range of the core construct, no more and no less.

Realistically, test developers and test users face a trade-off between the ideal of content validity and the reality of the testing situation. Earlier, we suggested that a test should include items that represent a fair sample of the construct-relevant content, no more and no less. However, there is no clear rule for what constitutes a "fair sample." For practical reasons, a test developer might not be able to include content covering every facet or nuance of the construct to an equally thorough degree. For example, the instructor developing a test to assess "knowledge of Freud as covered in the class lectures, discussion, and readings" must consider the fact that students might have only 50 minutes to complete the test. Therefore, he or she might include questions regarding details of only some of the total content. For example, he or she might include questions on only three stages of Freud's theory of personality development. So, the test might not cover every conceivable facet of the construct, but hopefully the selected items reflect a fair range of elements relevant to the construct. In sum, practical issues such as time, respondent fatigue, respondent attention, and so on place constraints on the amount of content that can be included in a measure.

### **Face validity**

Face validity is closely related to content validity. Face validity is the degree to which a measure appears to be related to a specific construct, in the judgment of non-experts such as test-takers and representatives of the legal system. That is, a test has face validity if its content simply



looks relevant to the person taking the test. Face validity is not usually considered an important psychometric facet of validity – non-experts’ opinions have no direct bearing on the empirical and theoretical quality of a test. Although face validity might not be crucial for test validity from a psychometric perspective, it might have important implications for its use. The apparent meaning and relevance of a test’s content might influence test-takers’ motivation to respond in a serious and honest manner. For example, consider a psychological inventory given to job applicants as part of the hiring process for a law enforcement agency. Applicants might assume that such a measure should include questions about problem solving, social skill, dependability, work ethics, and so on. If the inventory actually included questions about sexual attitudes or family history, then the job applicants might question the legitimacy or relevance of the entire testing procedure. Consequently, many applicants might respond randomly, respond in a way that presents a falsely positive image of themselves, or even refuse to complete the measure altogether. The utility of such a test would be almost entirely compromised. Therefore, a test with high face validity might be much more well-received by test-takers and potential test-users.

### **3.4 Validity Evidence: Internal Structure of the Test**

A second issue related to the validity of a test interpretation concerns the internal structure of a test. A test’s internal structure is the way that the parts of a test are related to each other. For example, some tests include items that are highly correlated with each other, but other tests include items that fall into two or more clusters. As we will discuss, the conceptual basis of a construct has implications for the internal structure of a measure of the construct. Therefore, an important validity issue is the match between the actual internal structure of a test and the structure that the test should possess. For a test to be validly interpreted as a measure of a

particular construct, the actual structure of the test should match the theoretically-based structure of the construct.

For example, we might wish to evaluate measures of self-esteem. The Rosenberg Self-Esteem Inventory (RSEI; Rosenberg,) is perhaps the most commonly-used measure of self-esteem in psychological research. The RSEI is often used as a measure of a single coherent construct – global self-esteem. Global self-esteem is one’s overall evaluation of one’s self-worth, and the RSEI includes ten items such as “I take a positive attitude toward myself” and “At times I think I am no good at all” (note that this item is reverse-keyed). Test users who intend to interpret scores on the RSEI as a measure of global self-esteem should expect to find a particular structure among the ten items. Specifically, if test users theorize that global self-esteem is indeed a single coherent construct and they believe that the RSEI is indeed valid as a measure of global self-esteem, then they should find that all of the items on the RSEI are highly correlated with each other, forming a single tight cluster of items. That is, if the RSEI is indeed valid as a measure of global self-esteem, then responses to the test items should exhibit a specific structure that is consistent with a conceptual definition of the construct.

However, our expectations might be quite different for another measure of self-esteem. The Multidimensional Self-esteem Inventory (MSEI; O’Brien & Epstein, 1988) was designed to measure global self-esteem along with eight components of self-esteem. The test authors state that the conceptual model underlying the MSEI “specifies two primary levels within the hierarchy of self-esteem. The first level corresponds to global self-esteem. This level is concerned with the person’s most basic, widely generalized evaluative feelings about him/herself. The second level corresponds to self-evaluations at an intermediate level of

generality, which are referred to as components of self-esteem” (p.7). This conceptual perspective on self-esteem was based on previous research suggesting that the components of Competence, Likability, Lovability, Personal Power, Moral Self-approval, Body Appearance, and Body Functioning capture many of the events that affect self-esteem. Thus, the authors argue that these components reflect most of the experiences that typically affect self-esteem.

If the MSEI is indeed valid as a measure of these components of self-esteem, then responses to the test items should exhibit a specific structure that is consistent with the multi-dimensional conceptual definition of the construct. That is, the items on the MSEI should form separate clusters, they should not form one large cluster. In fact, the items should more-or-less form one cluster for each of the components.

To evaluate the internal structure of a test such as the MSEI, test-developers often use a statistical procedure called factor analysis. Some items on a test might be more strongly correlated with each other than with other items, and items that are highly correlated with each other form clusters of items, called “factors.” Factor analysis is a tool that can help us identify the presence and nature of “factors” existing within a set of items.

Consider a six-item personality questionnaire. Say the questionnaire includes the following six adjectives describing various personality characteristics: talkative, assertive, imaginative, creative, outgoing, and intellectual. For each item, respondents rate themselves on a 1 to 5 scale, in terms of how much the item describes themselves. There are six items, but how many different aspects of personality are really being measured by this short questionnaire? Do the items reflect six completely different and unrelated aspects of personality, or do they reflect only one or two core dimensions of personality?

Take a moment to think about the six items and group them into clusters that share some common meaning. In other words, group them into clusters of items that more or less seem to mean the same thing. Some of us might suggest that the brief questionnaire really only includes two clusters of items. For example, some might suggest that talkative, assertive, and outgoing are three variations on one basic idea (let's call it Extraversion) and that imaginative, creative, and intellectual are three variations on another basic idea (let's call it Openness to Experience). From this perspective, these six personality adjectives have a two-factor structure – there are two factors underlying these six items. Others might suggest that there are three clusters of items. Talkative, assertive, and outgoing might go together, and imaginative and creative might go together, but “intellectual” is something different from the other five items. From this perspective, the six items have a three-factor structure.

An important difficulty with this approach – an approach only based on our interpretations of the meaning of items – is that there is little way to evaluate which perspective is the best. That is, if you believe that there is a two-factor structure to the questionnaire, but I believe that there is a three-factor structure, then how could we determine who is correct, or if either one of us is correct?

Rather than relying on idiosyncratic interpretations of the meaning of items, test developers and users often prefer to base their arguments on hard data. So, we might give the six-item questionnaire to a sample of 100 respondents, enter their data, and compute the correlations among the six items. We would then use the correlations to help us identify and interpret the way in which the items cluster together.

For example, look at the correlation matrix presented in table XX-1. Notice that three of the items – talkative, assertive, and outgoing – are all strongly correlated with each other. An individual who rates herself as high on one of these three items is likely to rate herself as high on the other two items. We also see that the other three items – imaginative, creative, and intellectual – are strongly correlated with each other. An individual who rates himself as high on one of these items is likely to rate himself as high on the other two. Importantly, we also see that these two clusters of items are quite independent. Notice that the correlation between talkative and creative is zero, as is the correlation between talkative and imaginative, between outgoing and intellectual, and so on. That is, the fact that an individual rates herself as highly assertive, talkative, and outgoing tells us nothing about her level of creativity, imagination, or intellect.

From this pattern of correlations, we would likely conclude that the six-item personality questionnaire has a two-factor structure. Three items cluster together into one factor, the other three cluster into a second factor, and the factors are relatively independent.

By examining the pattern of correlations, we have performed a very basic factor analysis. Unfortunately, such a simplistic “eyeballing” approach rarely works with real data. In real data, there are often many more items to be considered. In the current example, we examined only six items, but many measures include considerably more than six items. For example, the Conscientiousness scale of the NEO-PI-R includes 48 items. Difficulty arises because a larger number of items means a much larger number of correlations to examine. Indeed, even a few more items means many more correlations. In fact, if we were to examine a correlation matrix among 48 items, we would have to inspect more than 1,100 correlations! Obviously, eyeballing such a huge correlation matrix is a nearly impossible task. Aside from the sheer number of correlations in most real data, the pattern of correlations is almost never as clear as it appears to

be in Table XX-1. The made-up correlations in Table XX-1 include a few very strong positive correlations and a few zero correlations, nothing in between. In real data, correlations often are closer to .18 or -.32 than .70. Therefore, the clusters of items in real data are not so readily apparent as they are in Table XX-1, and this makes the process of evaluating internal structure potentially very difficult.

Factor analysis is a statistical procedure that simplifies this process for us. Rather than needing to visually inspect a matrix of dozens or even hundreds of correlations, we use factor analysis to process the correlations for us. The results of a factor analysis allow us to address at least three inter-related issues related to the internal structure of a measure.

(A) First, factor analysis helps us understand the number of factors within a set of items. As described earlier, many social and personality psychologists would theorize that global self-esteem is a single coherent construct. Therefore, if the RSEI is indeed valid as a measure of global self-esteem, then responses to the ten items on the RSEI should form only a single factor. If analyses revealed that the RSEI items formed two or more factors, then we would begin to question the validity of the RSEI as a measure of global self-esteem. Thus, the number of factors is an important facet of evaluating the internal structure of a measure.

(B) A second internal structure issue for which factor analysis is useful is determining which items are linked to which factors. In developing a measure, our conceptual understanding of a construct might lead us to generate specific items to reflect particular aspects of the construct. Thus, to evaluate the quality of the measure, we would need to ensure that, in fact, the items that are intended to reflect a particular factor actually are connected to that factor and to no other factors. For example, the authors of the MSEI report the results of a factor analysis of all the items on their inventory (O'Brien & Epstein, 1988, pp. 14-15). They demonstrated that

nearly every item was connected strongly to the component that it was written to reflect and weakly connected to all other components. For example, the ten items written for the Competence component were clearly connected to it and to no other. Similarly, the ten items written for the Moral Self-approval component were clearly connected to it and to no other. The results were not perfect though. For example, although the ten items written for the Body Appearance component were connected to it and no other, two “Global self-esteem items and three Likability items were also connected to the Body Appearance component. Despite a few imperfections in the internal structure of the MSEI, the authors seem generally satisfied that the factor analysis provides adequate support for the validity of the internal structure of the MSEI.

(C) A third important use of factor analysis is to reveal the associations among several factors. If our theory of self-esteem suggests that all the components of self-esteem are independent, then we should find that the self-esteem scales are uncorrelated with each other. However, if our theory suggests that the components are associated with each other in a particular way, then a factor analysis should reveal that particular pattern of associations. Although the authors of the MSEI do not specify their expectations about the links among the components of self-esteem, they conducted a factor analysis to investigate those associations (O’Brien & Epstein, 1988, pp. 15-16). Their analysis revealed an interesting three-factor structure to the MSEI scales. Some MSEI scales (e.g., Global self-esteem, Competence, Personal Power) clustered together to form an “Overall self-evaluation” factor, which the authors interpreted partly as reflecting the “ability to have an active and direct impact on the world by demonstrating capabilities, leadership abilities, body agility, and self-discipline” (p. 16). Other MSEI scales (e.g., Lovability, Likability) clustered together to form a “Social Self-esteem” factor, which the authors suggest “is dependent on the social feedback and approval or

disapproval received from significant others” (p. 16). Two scales – Moral self-approval and a Defensive self-enhancement scale – clustered together to form a “Defensiveness and private self-evaluation” factor, which the authors suggest has “little in the way of objective or tangible social feedback” (p. 16).

In sum, the internal structure of a test is an important issue in construct validity. A test’s internal structure should correspond with the structure of the construct that the test is intended to measure. Typically, internal structure is examined through the correlations among the items in a test and among the subscales in a test (if there are any), and researchers often use factor analysis in this process.

### **3.5 Validity Evidence: Response Processes**

A third type of validity evidence is the match between the psychological processes that respondents actually use when completing a measure and the processes that they should use. Many psychological measures are based on assumptions about the psychological processes that people use when completing the measure. For example, a researcher developing a measure of Extraversion might include an item such as “I often attend parties,” and this researcher might assume that respondents will read the item, search their memories for the number of times that they have attended parties, and then make a judgment about whether that number qualifies as “often.” If participants do not use such a process, then the measure might not provide scores that are interpretable as the test developer intended.

A recent study of the effect of control deprivation on cognitive performance illustrates the sometimes subtle problem of response processes. Previous research has suggested that people who lack control over their outcomes in one task will show impaired performance on subsequent tasks. In the study, participants first engaged in a task in which some of them were able to exert



control over a noise but others were not. In the “noise control” task, all participants were exposed to a loud buzzing noise, and they were instructed to learn a sequence of keystrokes that would temporarily suppress the noise. During this task, half of the participants were required to learn a very easy sequence, which ensured that they would eventually control the noise. The other half of the participants were required to learn an impossible sequence, which ensured that they would lack control over the noise. After the noise control task, all participants completed a series of word tasks. They were given a list of scrambled words (e.g., pynhm) and were required to identify the correct word (e.g., nymph). Participants were instructed to proceed one word at a time, and to proceed to the next word only after completing the prior word. The total number of words correctly unscrambled was taken as the measure of cognitive performance. The researchers hypothesized that control deprivation on the noise task would impair attention, which would produce lower scores on the word scramble task.

Take a moment to consider the psychological process that participants were assumed to use when responding to the scrambled words. The researchers implicitly assumed that participants would need to devote cognitive attentional resources to the word task. Although cognitive factors such as intelligence and previous experience with word puzzles could also affect performance on the word task, such factors were reasonably assumed to be constant across noise control groups because participants had been randomly assigned to the groups. Thus, the researchers assumed that, if they found a group difference in the mean number of words correctly unscrambled, it would be because control deprivation would impair some participants’ ability to devote full attention to the word task. The impairment of cognitive resources would reduce those participants’ ability to concentrate on the word task, which would in turn decrease their performance on the task.

Results did not support the predictions – participants who had experienced control deprivation on the noise task were able to complete just as many words as were participants who had not experienced control deprivation. Many researchers would have taken this as evidence against the hypothesized effect of control deprivation on cognitive performance. However, the researchers who conducted this study paid careful attention to the participants’ responses to the measure of cognitive performance. When examining participants’ responses, the researchers realized that some participants had not followed the instructions to continue to the next scrambled words only after successfully unscrambling the previous word. That is, some participants either had forgotten the instructions or had consciously chosen to ignore them. Closer inspection revealed a group difference in this “cheating” behavior – more participants in the control deprivation group “cheated,” as compared to the control group.

What does this group difference suggest about the psychological processes that affect the measure of cognitive performance? Although the researchers had assumed that differences in performance would primarily reflect differences in attentional processes, their inspection revealed at least one other process that affected performance. Specifically, “adherence to instructions” also had an effect on performance because participants who “cheated” were able to unscramble more words correctly. It is possible that their hypothesis was actually correct – that control deprivation impairs attention, which reduces cognitive performance – but participants who had experienced control deprivation also cheated which inflated their scores on the measure of cognitive performance.

Hopefully, this example illustrates the important point that construct validity can be evaluated in part by considering the processes involved in responding to a measure. In this example, the word task did not have strong validity as a measure of attention-based cognitive

performance. The researchers' laudable attention to their data revealed that the word task also might have been affected by participants' adherence (or lack thereof) to the task instructions. In sum, their research is inconclusive regarding their original hypotheses, but their attention to response processes raises intriguing issues regarding the association between control deprivation and rule-adherence.

#### **4.0 Conclusion**

The unit discussed the validity of concept of validity, its types, validity of evidence; test content, internal structure of the test and response processes. Validity is defined as the degree to which evidence and theory support the interpretations of test scores entailed by the proposed uses of a test (AERA, APA, & NCME, 1999, p. 9). Validity evidence relates to the match between the actual content of a test and the content that should be included in the test. If a test is to be interpreted as a measure of a particular construct, then the content of the test should reflect the important facets of the construct.

#### **5.0 Summary**

Validity is defined as the degree to which evidence and theory support the interpretations of test scores entailed by the proposed uses of a test (AERA, APA, & NCME, 1999, p. 9). Validity evidence relates to the match between the actual content of a test and the content that should be included in the test. If a test is to be interpreted as a measure of a particular construct, then the content of the test should reflect the important facets of the construct. Also, a second issue related to the validity of a test interpretation concerns the internal structure of a test. A test's

internal structure is the way that the parts of a test are related to each other. For example, some tests include items that are highly correlated with each other, but other tests include items that fall into two or more clusters. For a test to be validly interpreted as a measure of a particular construct, the actual structure of the test should match the theoretically-based structure of the construct. A third type of validity evidence is the match between the psychological processes that respondents actually use when completing a measure and the processes that they should use. Many psychological measures are based on assumptions about the psychological processes that people use when completing the measure. For example, a researcher developing a measure of Extraversion might include an item such as “I often attend parties,” and this researcher might assume that respondents will read the item, search their memories for the number of times that they have attended parties, and then make a judgment about whether that number qualifies as “often.” If participants do not use such a process, then the measure might not provide scores that are interpretable as the test developer intended.

## **6.0 Tutor-Marked Assignment**

1. Give at least two definitions of validity.
2. Construct validity can be evaluated in part by considering the processes involved in responding to a measure of a particular construct, the actual structure of the test should match the theoretically-based structure of the construct. Discuss.

## **7.0 References/Further Readings**

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## **Unit 5            Validity Evidence: Associations with other Variables**

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### **1.0 Introduction**

In this unit, we shall learn about validity evidence as associated with other variables. A fourth type of validity evidence involves the associations between test scores and other variables. The contemporary view of validity emphasizes the theoretical understanding of the construct for which test scores are to be interpreted. If respondents' test scores are to be interpreted as reflecting the respondents' standing on a specific psychological construct, then our theoretical understanding of that construct should lead us to expect that test scores will have particular patterns of associations with other variables.

### **2.0 Objectives**

At the end of this unit, you should be able to:

- Understand associations between test scores and other variables
- Explain convergent evidence of test scores as correlated with tests of related constructs
- List the importance of validity
- Differentiate reliability and validity

### **3.0 Main Content**

#### **3.1 Validity Evidence: Associations with other Variables**

As discussed in the previous unit, a fourth type of validity evidence involves the associations between test scores and other variables. The contemporary view of validity emphasizes the theoretical understanding of the construct for which test scores are to be interpreted. If respondents' test scores are to be interpreted as reflecting the respondents' standing on a specific psychological construct, then our theoretical understanding of that construct should lead us to expect that test scores will have particular patterns of associations with other variables.

For example, if the RSEI is to be interpreted as a measure of global self-esteem, then we should think carefully about the nature of global self-esteem. Specifically, we should consider the way in which global self-esteem is associated with other psychological constructs such as happiness, depression, intelligence, social motivation, assertiveness, and so on. Our theoretical perspective on self-esteem might lead us to believe that people with high levels of self-esteem should be relatively happy, relatively non-depressed, and relatively highly socially motivated. In addition, our theoretical perspective might state that self-esteem is unrelated to intelligence – people with low levels of self-esteem are equally intelligent, on average, as a people with high levels of self-esteem. Thus, our theoretical perspective on self-esteem suggests a particular

pattern of associations between self-esteem and other psychological constructs. If RSEI scores can be validly interpreted as a measure of self-esteem (as we understand it), then we should find a particular pattern of associations between RSEI scores and measures of happiness, depression, social motivation, and intelligence.

Thus, the fourth type of validity evidence involves the match between a measure's actual associations with other measures and the associations that the test should have with the other measures. If a test's pattern of actual correlations with other tests matches the pattern of correlations that our theoretical perspective leads us to expect, then we gain evidence supporting the interpretation of the test as a measure of the construct in question. For example, imagine that we conduct a study in which respondents complete the RSEI along with measures of happiness, depression, social motivation, and intelligence. If we find that the RSEI is indeed positively correlated with happiness and social motivation, negatively correlated with depression, and uncorrelated with intelligence, then we gain confidence that RSEI scores can be interpreted validly as a measure of self-esteem. Conversely, if a test's pattern of actual correlations with other tests does not match the pattern of correlations that our theoretical perspective leads us to expect, then we have obtained evidence against the interpretation of the test as a measure of the construct in question. If we find that RSEI scores are uncorrelated with happiness and social motivation, then we lose confidence that it should be interpreted as a measure of self-esteem.

### **3.2 Convergent Evidence.**

When evaluating the pattern of correlations between a measure and other measures, it is important to consider convergent evidence. Convergent evidence is the degree to which test scores are correlated with tests of related constructs. In the global self-esteem example, our



theoretical perspective states that happiness and social motivation are related to self-esteem. In addition, our theoretical perspective states that depression is related to self-esteem, albeit in a negative direction. Thus, if our research reveals that the RSEI is in fact positively correlated with measures of happiness and social motivation and that it is negatively correlated with measures of depression, then we have obtained convergent evidence.

Often in the process of evaluating the validity of test interpretations, researchers will ask respondents to complete several different measures of the same construct. For example, we might ask our respondents to complete the RSEI, along with other measures of self-esteem such as the Coopersmith self-esteem inventory and MSEI. We would naturally expect to find strong positive correlations between the RSEI and other measures of self-esteem. If we failed to find this, then we would question the validity of the RSEI as a measure of self-esteem. Similarly, researchers might include responses by “informants” to evaluate a test. For example, we might ask each of our respondents to recruit a close acquaintance, and we could ask the acquaintances to rate the self-esteem of the respondents. Although we might not expect to find an extremely high correlation, we would likely expect to find a positive correlation between our respondents’ self-reported RSEI scores and the RSEI ratings provided by their acquaintances. That is, we would expect to find that the respondents who described themselves as having relatively high self-esteem were described by their acquaintances as having relatively high self-esteem. In sum, convergent evidence often comes in the form of correlations among different ways of measuring the same construct.

### 3.3 Discriminant Evidence

When evaluating the pattern of correlations between a measure and other measures, we must also consider discriminant evidence. Discriminant evidence is the degree to which test scores are uncorrelated with tests of unrelated constructs. In the global self-esteem example, our theoretical perspective states that intelligence is unrelated to self-esteem. Thus, our research should reveal that the RSEI is in fact uncorrelated (or only weakly correlated) with measures of intelligence. If we found that RSEI scores were actually positively correlated with intelligence, then the RSEI would lack discriminant validity as a measure of self-esteem. That is, the RSEI would appear to measure more than just self-esteem.

Discriminant evidence is an important but perhaps subtle concept. Whether a measure is being used for research purposes or for applied purposes, test users must be confident that they know exactly which psychological variables are being measured. Consider a study that might be conducted by a developmental psychologist. The researcher might be interested in the association between self-esteem and academic ability. The researcher might recruit a sample of high school students to complete the RSEI, and he might also obtain students' permission to get their standardized academic achievement test scores from their academic records. He computes the correlation between RSEI scores and academic achievement scores, and he finds a correlation of .40. He interprets this as indicating that students who have relatively high self-esteem tend to perform relatively well in school. Based on these results, he might even suggest that schools should devote resources toward increasing students' self-esteem. The conclusions might be considered to have important implications for psychological theory. They might even influence the way that school systems spend money.

Before putting too much confidence in the researcher's conclusions, we should carefully consider the methods used in his study, including the discriminant validity of his supposed measure of self-esteem. Whether his conclusions are correct depends in part upon the degree to which the RSEI has discriminant validity as a measure of self-esteem. If scores on the RSEI are in fact highly correlated with measures of intelligence, then the RSEI lacks discriminant validity and is at least partially a measure of Intelligence. Thus, the correlation found by the researcher might be more accurately interpreted as indicating that students who have relatively high Intelligence tend to perform relatively well in school. Indeed, it is possible that the trait of self-esteem is actually unrelated to academic performance and that the researcher has made a serious error in his conclusions. This error could have harmed psychological theory, and it could lead to wasteful spending of limited school resources.

### **3.4 Concurrent Validity**

Another common distinction related to this type of evidence is the distinction between concurrent validity evidence and predictive validity evidence. Concurrent validity evidence refers to the degree to which test scores are correlated with other relevant variables that are measured at the same time as the primary test of interest. For example, the website of the College Board, the company that administers the SAT, tells students that the SAT Reasoning test “is a measure of the critical thinking skills you'll need for academic success in college” (College Board, 2006). How could we evaluate the validity of the SAT as a measure of skills needed for academic success? One possibility would be to have students complete the SAT during their senior year in high school, and then correlate their SAT scores with their high school Grade

Point Average (GPA). That is, we could examine the correlation between SAT scores and GPA scores that are obtained at more-or-less the same time that students responded to the SAT.

### **3.5 Predictive validity Evidence**

Predictive validity evidence refers to the degree to which test scores are correlated with relevant variables that are measured at a future point in time. For example, another way of evaluating the validity of the SAT is to have students complete the SAT during their senior year in high school, and then correlate their SAT scores with the GPA obtained during their freshman year in college. That is, we could examine the correlation between SAT scores and GPA scores that are obtained a year or more after students responded to the SAT. Although the distinction between concurrent and predictive validity evidence is traditionally important, the larger point is that both refer to the match between test scores and other relevant variables. As we discussed earlier, the match between test scores and other relevant variables is referred to as convergent validity. Therefore, concurrent validity or predictive validity are essentially varieties of convergent validity.

There are many important issues involved in evaluating convergent and discriminant evidence, and such evidence is arguably the most important facet of validity. The current description has focused mostly in their conceptual meaning and importance. Because of the importance of convergent and discriminant evidence, the next chapter will explore many additional issues in greater detail.

### **3.6 Validity Evidence: Consequences of Testing**

As discussed earlier, one key difference between the contemporary perspective on validity and the traditional three-faceted perspective on validity is that the contemporary perspective emphasizes the primacy of construct validity over content validity and criterion validity (more will be said about this later as well). However, an even more radical and contentious difference may be the assertion that the social consequences of testing is a facet of validity.

The Standards for Educational and Psychological Testing states that validity includes “the intended and unintended consequences of test use” (AERA, APA, & NCME, 1999, p. 16). More specifically, Cronbach (1988) states that test developers, users, and evaluators “have an obligation to review whether a practice has appropriate consequences for individuals and institutions and especially to guard against adverse consequences”(p. 6). For example, if a construct and its measurement seem to benefit males more than females in the workplace, then we should be concerned about the use of the test. Are test scores equally valid for males and females as a measure of the intended construct? How large is the difference in the benefits for males and females?

The suggestion that the consequences of testing are linked to construct validity has generated quite a bit of debate. Almost everyone would agree that test users, test takers, and policy makers should be concerned about the possibility that a testing program might unfairly and adversely affect some people more than others. However, not everyone agrees that the consequences of a testing program should be considered a facet of the scientific evaluation of the meaning of test scores. For example, Lees-Haley (1996) considers the assertion that validity includes an assessment of the actual and potential consequences of test use, and he poses the questions, “But whose consequences? And who will decide? Enemy Psychologists? Pacifists?

Generals? Whose social values shall we use to assess the consequential validity of these tests?” (p. 982). Clearly, the infusion of value judgments into an ostensibly objective scientific process raises some interesting issues. Lees-Haley (1996) bluntly states that “Consequential validity is a dangerous intrusion of politics into science” (p. 982).

Proponents of consequential validity would respond by arguing that science can never be separated from personal and social values. The questions that scientists investigate are shaped partially by society’s values and by their own personal values. The theoretical assumptions that scientists make are partially shaped by value judgments, and even the labels that scientists attach to their theoretical concepts are partially shaped by values. As an example based on Messick’s (1993) important work, consider two psychologists who are developing a theory around a 28 personality construct. One psychologist believes that the construct should be called “flexibility versus rigidity” to differentiate people who can adapt their cognitive and behavioral tendencies in response to changing circumstances from people who tend to retain cognitive and behavioral stability. The other psychologist considers the construct and the psychological difference that it is intended to reflect, but she believes that the construct should be called “confusion versus consistency.” Which labels are “scientifically” correct? Should a high level of cognitive and behavioral variability be considered flexibility or should it be considered confusion? Should a low level of cognitive and behavioral variability be considered rigidity or should it be considered consistency?

Similarly, consider the following personality characteristic - the tendency to experience, recognize, monitor, and understand emotional reactions. Imagine that a test developer creates a measure of this characteristic and happens to find that females score higher than males, on average (social scientists seem to love searching for gender differences). What would the test

developer choose to call the test and the construct that it is intended to measure? Knowing that females tend to score higher than males, would the test developer be likely to call it “emotional sensitivity”? If results had indicated that males tended to score higher than females, would the test developer instead choose to call it “emotional intelligence”? Furthermore, imagine that a human resources director was told that you have a high level of “emotional sensitivity.” Would his impression of you be different than if he had been told that you have a high level of “emotional intelligence”? Which label would you prefer? Would you have been hired if the human resources director believed that you were “intelligent” instead of “sensitive?”

The point here is that value judgments have potentially subtle (and sometimes not so subtle) influences on the scientific process. Proponents of consequential validity argue that such influences should be recognized and evaluated as clearly as possible in a testing context.

The issue of test bias will be discussed briefly. Earlier we suggested that consequential validity concerns the possibility that some people are unfairly and adversely affected by a testing program. It is important to recognize the difference between fairness in testing and the consequences of testing. A test can have adverse consequences for a person or a group of people, and yet the test might still be fair. For example, imagine that females tend to score higher than males on measures of Conscientiousness. And imagine that a human resources director uses a Conscientiousness questionnaire in the hiring process, resulting in fewer males being hired than females. Is this fair? Does it constitute “adverse consequences” for males?

In this case, fairness depends on the nature of the gender difference? Why might females and males have different scores on the test? One possibility is that the test is biased. That is, the test does not measure the Conscientiousness equally well for all people – for whatever reason, it

is a good measure of Conscientiousness for females but not for males. This is clearly an issue of validity – the test is not equally valid for all people. Therefore, hiring decisions made partially on the basis of test scores are unfairly biased against males.

A second possibility is that the test is not biased. That is, the test does in fact measure Conscientiousness equally well for females and males, it just so happens that females truly tend to have a higher levels of Conscientiousness than do males. In this case, hiring decisions made partially on the basis of test scores are not unfairly biased against males (assuming that there is empirical data demonstrating that Conscientiousness does predict job performance).

What about the consequences of the testing program? Whether or not the test is fair or biased against males, males are adversely affected by the test scores. However, the test is unfair only if the test is not equally valid for females and males. The existence of a group difference in test scores, by itself, does not tell us whether the test is fair or not, in terms of its validity as a measure of a psychological characteristic.

### **3.7 Other Perspectives on Validity**

So far, this chapter has conceptualized validity in terms of the degree to which test scores can be accurately interpreted as reflecting a particular psychological construct. This perspective assumes a link between test scores and a construct with a clear theoretical basis. Indeed, the types of evidence outlined above hinge on the fit between various aspects of test responses and various aspects of a construct's theoretical basis. This perspective is, in essence, a theory-testing view of validity, but there are at least two alternative perspectives on validity. You might



encounter these alternative perspectives in your readings or discussions, so we briefly describe them here.

### **3.8 Criterion Validity**

Criterion validity is an alternative perspective that de-emphasizes the conceptual meaning or interpretation of test scores. Test users might simply wish to use a test to differentiate between groups of people or to make predictions about future outcomes. For example, a human resources director might need to use a test to help predict which applicants are most likely to perform well as employees. From a very practical standpoint, she might not care about the particular psychological construct that the test might be measuring, and she might not be concerned about the theoretical implications of high and low test scores. Instead, she focuses on the test's ability to differentiate good employees from poor employees. If the test does this well, then the test is "valid" enough for her purposes.

From the traditional three-faceted view of validity, criterion validity refers to the degree to which test scores can predict specific criterion variables. From this perspective, the key to validity is the empirical association between test scores and scores on the relevant criterion variable, such as "job performance." Concurrent validity and predictive validity have traditionally been viewed as two types of criterion validity, because they refer to the association between test scores and specific criterion variables. According to the traditional perspective on criterion validity, the psychological meaning of test scores is relatively unimportant – all that matters is the test's ability to differentiate groups or predict specific outcomes.

Although criterion validity is a relatively common term in psychometrics and has traditionally been viewed as a separate type of validity, the contemporary perspective suggests

that evidence of criterion associations should be subsumed within the larger and more important concept of construct validity (Messick, 1993). From this perspective, criterion validity is not sufficient on its own, even for purely practical or applied contexts such as employee screening. Messick (1993) suggests that “even for purposes of applied decision making, reliance on criterion validity or content coverage is not enough. The meaning of the measure, and hence its construct validity, must always be pursued – not only to support test interpretation but also to justify test use” (p. 17).

Another alternative perspective on validity emphasizes the need to learn what test scores mean, rather than testing specific hypothesis about test scores. That is, instead of assuming that the theoretical basis of a construct is fully formed and then testing specific hypotheses regarding that theory, test developers and users can evaluate a test by assuming that the meaning of test scores is itself an interesting and important question to be addressed. An “inductive” approach to validity proceeds by examining the associations between test scores and a large set of potentially important and relevant psychological variables (Gough, 1965; Ozer, 1989). The perspective emphasized in this chapter has been called a “deductive” approach to validity (Ozer, 1989), because test evaluation proceeds by deducing a particular hypothesis from the theoretical basis of a construct and then empirically evaluating the accuracy of the hypotheses. Whereas the deductive perspective is a theory-testing approach, the inductive perspective is a more exploratory approach. The goal of an inductive approach is to understand the full meaning of test scores, beyond the meaning that might be constrained by reference to a specific construct. From this approach, researchers “allow constructs to evolve and change as a planned part of the test construction process itself” (Tellegen & Waller, in press).

The inductive approach to validity might be most relevant within a research context, and it can be seen as a back-and-forth process. In an applied context, test developers and test users will probably focus on a test for the purposes of a well-specified use, such as predicting job performance. In a research context, test developers and test users might be interested in tackling a new area of interest and developing a theoretical foundation for the area. In such a case, test construction and evaluation goes hand-in-hand with the researcher's evolving understanding of the constructs being measured. For example, Tellegen and Waller (in press) describe the development and evaluation of the Multidimensional Personality Questionnaire (MPQ). In its current version, the MPQ consists of 11 primary personality factor scales (e.g., Social Potency, Achievement, Stress Reaction), which are clustered into 4 broad traits (e.g., Positive Emotional Temperament, Negative Emotional Temperament). The development of the MPQ was motivated by "a desire to clarify and highlight the nature of several unmistakably important or focal 33 dimensions repeatedly emphasized or adumbrated in the personality literature" (p. 10). During the years-long development of the MPQ, items were written, administered, analyzed, and re-written repeatedly. During this process, the researchers refined their understanding of the constructs that seemed to be emerging from the MPQ.

Although the inductive approach to test validity can be informative in terms of expanding our understanding of a measure's theoretical and practical implications, it is not commonly emphasized in the testing literature. Again, tests are typically developed with a focus on fairly specific constructs, and test developers usually spend their energy evaluating test score interpretation with sharp regard to those specific constructs. Less often do test developers spend time and effort examining a more comprehensive view of the test's implications.

### **3.9 Contrasting Reliability and Validity**

With the concept of validity now in mind, it might be useful to contrast validity and reliability. These two concepts are fundamental to a sophisticated understanding of psychometrics, and it is important to understand the difference clearly.

Recall from previous chapters that a test's reliability is the degree to which differences in test scores reflect differences among people in their levels of the trait that affects test scores. At this point, we might add a bit to that definition, and suggest that a test's reliability is the degree to which differences in test scores reflect differences among people in their levels of the trait that affects test scores, whatever that trait might be. That is, we can discuss the reliability of a particular test without even being aware of the potential interpretation of test scores or the nature of the trait being measured by the trait.

On the other hand, validity is intrinsically tied to the interpretation of test scores and the nature of the trait supposedly being assessed by the measure. In a sense, reliability might be considered to be a property of test responses, whereas validity is a property of the interpretation of test scores. That is, reliability is a relatively simple quantitative property of test responses, but validity is an issue more tied to psychological theory and to the implications of test scores.

Even though they are separate concepts, reliability and validity are linked both conceptually and statistically. Conceptually, for many areas of interest in the behavioral sciences, validity requires reliability. For example, Intelligence is usually conceptualized as a psychological trait that is quite stable across time and situations – your true level of Intelligence does not change very much from week to week or month to month. Therefore, a test that is intended to be a measure of Intelligence should result in scores that are reasonably stable across time. That is, a valid test of Intelligence will be reliable. Put another way, if a test's scores are

not stable across time (i.e., if the test does not have test-retest reliability), then it cannot be valid as a measure of Intelligence. Even though validity often requires reliability, the reverse is not true. A measure might have excellent internal consistency and very high test-retest reliability, but we might not interpret it in a valid manner. In sum, a test must be reliable if it is to be interpreted validly, but just because a test is reliable does not mean that it will be interpreted validly.

### **3.10 The Importance of Validity**

We hope that the importance of validity is apparent by this point in the chapter. We hope that the examples convinced you that validity is perhaps the most crucial issue in a test's psychometric quality. In this section, we try to drive this point home by explicitly addressing the role and importance of validity in psychological research and practice. Whenever psychological measurements are conducted for any serious purpose, those measurements are meaningful only if  
35 they have acceptable validity for their intended purpose. Without validity, those measurements are scientifically meaningless and potentially even hazardous.

Our ability to interpret the great bulk of behavioral research hinges on test validity. The goals of scientific research include describing, predicting, or explaining some aspect of our world – be it a physical or psychological aspect. Accurate description, prediction, and explanation depends on the ability to manipulate or measure specific variables that are deemed important. For example, some social psychologists have examined the hypothesis that exposure to violent video games increases one's inclination to behave aggressively (e.g., Anderson & Dill, 2000; Bartholow, Sestir, & Davis, 2005). Research seems to indicate that, indeed, exposure to video violence does affect an individual's aggressive behavior. But we must remain aware that this research partially hinges on the measurement of "inclination to behave aggressively." If this

key variable is measured with good validity, then we should have increased confidence in the conclusion that aggression is increased by exposure to video violence. However, if the “inclination to behave aggressively” is measured with poor validity, then we should have serious doubts about this conclusions. Without test validity, our understanding of the role of video games in teen aggressiveness is obscured.

Thus, validity influences the scientific process in a somewhat abstract sense, in that it affects the accuracy of our understanding of the world. Test validity can have an even more concrete impact on the outcome of the scientific process. As you know, another goal of scientific research is to guide decision-making about various aspects of our social world. Such decisions can be made at the societal level or at the individual level, and test validity has important implications for both kinds of decisions.

Without test validity, decisions about societal issues could be misinformed, wasteful, or even harmful. In June 2006, the U.S. House of Representatives held hearings concerning the level violence depicted in many popular video games. The underlying concern was that exposure to violent video games has dire consequences for those who play the video games, particularly for younger players. Specifically, the hearings were based on the assumption that exposure to violent video games increases aggressive behavior. Of course, the empirical legitimacy of this assumption is a key question. To the degree that there is strong research demonstrating the legitimacy of this assumption, then the Congressional hearings are on a relatively solid foundation. However, if the research is based on tests with poor validity, then we should have serious doubts about the meaning of the research. Consequently, any societal decisions based on such questionable research are themselves questionable. What would the implications be if the

U.S. Congress enacted legislation on the basis of research with questionable validity? Congressional time and attention would be wasted, and misguided laws could be passed. Furthermore, it is conceivable that public funds could be spent to “prevent” aggression by intervening against violent video games. Again, if the research is flawed by poor test validity, then such funds would be wasted. Indeed, to the degree that public funds are diverted from alternative programs that actually would be beneficial to society, then wastefulness might even be harmful to people who would have benefited from those alternative programs. Let us clarify that we are not denigrating the quality of research in the effect of violent video games. Most of this research is indeed well conceived and well-executed. We simply use it to provide a compelling illustration of the fundamental connections between test validity, research quality, and social decision-making.

Finally, without test validity, test-based decisions about individuals could be misinformed or harmful. Decisions that are at least partially based on psychological testing include placing children in specific classes, selecting students for college admissions, hiring employees, making clinical decisions, and placing people in specific organizational roles. Such decisions have potentially life-altering implications for the individuals affected by them, and test validity can have an important impact on those decisions. To the degree that the decisions are based on well-validated measures, they hopefully benefit the test users and test takers. If decisions are based on the appropriate use of well-validated psychological tests, then (hopefully) children are more likely to be placed into appropriate classes, job applicants are more likely to be hired for jobs that fit their interests, skills, and abilities, students are more likely to be admitted to colleges that fit their academic skills, and clinical clients are diagnosed in ways that facilitate effective treatment.

However, it is possible that such decisions are based on poorly-validated tests, or even on the inappropriate use of tests that have been well-validated for different uses. Recall the first chapter of this book, in which we discussed the North Carolina statute that “a mentally retarded person convicted of first degree murder shall not be sentenced to death” (session law 2001-346, senate bill 173). As we mentioned in that earlier chapter, the decisions regarding a person’s status as mentally retarded is based partially on the results from “an individually administered, scientifically recognized standardized intelligence quotient test administered by a licensed psychiatrist or psychologist.” We hope that the term “scientifically recognized standardized” is interpreted largely as a “scientifically validated” and we hope that lawyers are aware of this important issue.

#### **4.0 Conclusion**

This chapter presented the conceptual basis of test validity. As defined in the Standards for Educational and Psychological Testing, validity is “the degree to which evidence and theory support the interpretations of test scores entailed by the proposed uses” of a test (AERA, APA, & NCME, 1999, p. 9). We described several key implications of this way of thinking about validity – validity concerns the interpretation of test scores, it is a matter of degree, and it is based on empirical evidence and theory. Because empirical evidence is a key consideration in evaluating the validity of test scores, we also described five types of evidence that are relevant to test validity – test content, internal structure, response processes, associations with other variables, and the consequences of testing. We then contrasted the contemporary view of validity with traditional perspectives that are still commonly discussed and with reliability. Finally, we



reiterated the importance of validity in terms of its implications for research and for real-world decision-making.

## **5.0 Summary**

The unit focused on validity evidence as associated with other variables. A fourth type of validity evidence involves the associations between test scores and other variables. The contemporary view of validity emphasizes the theoretical understanding of the construct for which test scores are to be interpreted. If respondents' test scores are to be interpreted as reflecting the respondents' standing on a specific psychological construct, then our theoretical understanding of that construct should lead us to expect that test scores will have particular patterns of associations with other variables. We also discussed convergent evidence as the degree to which test scores are correlated with tests of related constructs. In addition, discriminant evidence was also explained as the degree to which test scores are uncorrelated with tests of unrelated constructs. Furthermore, distinction between concurrent validity evidence and predictive validity evidence was also discussed. Concurrent validity evidence refers to the degree to which test scores are correlated with other relevant variables that are measured at the same time as the primary test of interest. Predictive validity evidence was also refers to the degree to which test scores are correlated with relevant variables that are measured at a future point in time.

## **6.0 Tutor-Marked Assignment**

With examples, make a distinction between concurrent validity evidence and predictive validity evidence.

### **7.0 References/Further Readings**

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