A HUMAN RESOURCES MANAGEMENT STRATEGY
FOR THE DEPARTMENT OF PERSONNEL
GOVERNMENT OF PUNJAB

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EXECUTIVE SUMMARY

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I. Introduction

The Punjab State has 3,50,000 employees on its roll, our of which 10, 800 belong to Group A, 65,000 to Group B , 2, 65, 000 to group C and the remaining belong to Group D. The Department of Personnel is the nodal Department for the overall Human resources Development Strategy and its implementation in the state. In addition, it is also the Head of department and the Government for 250 PCS and 190 IAS officers borne to the Punjab cadre.

II. Mission of the State Government

The state of Punjab has adapted a mission statement which may translate into the following socio-economic objectives: made a
The State government should strive :

1. To increase the availability and widen the distribution of basic life-sustaining goods such as food, shelter, health and protection.

2. To raise levels of living including, in addition to higher incomes, the provision of more jobs, better education and greater attention to cultural and humanistic values, all of which will service not only to enhance material well-being but also to generate greater individual and national self-esteem.

3. To expand the range of economic and social choices available to individuals and nations by freeing them from ..

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servitude and dependence not only in relation to other people and nation-states but also to the forces of ignorance and human misery.

This mission statement is a general expression of the overriding premise of the State Government, which is in line with the values and expectations of its major stakeholders including its employees .It answers the fundamental question raised by Peter Drucker: What business are we in? It is guided by a vision that provides a direction for the state government for next10-20 years.

III. Mission of the Department of Personnel

The Department of Personnel as such has no mission statement as on today. However, keeping in view, the mission of the State Government, the mission of the Department of Personnel may be as follows:

This is an organisation primarily engaged in :(i) Assessment of man power requirement for today and forecasting for future;(ii) Resourcing/Recruitment of human resources; (iii) Performance Appraisal systems; (iv) Development of appropriate reward systems; and (v) Development and execution of appropriate training and development programmes. The Department would strive to create the highest possible value for its stake holders, customers, **employees**, and for the community in which its activities take place.

IV. Values and Principles of Department of Personnel

Ordinarily the Department of Personnel should believe in :

- **Ethics and credibility in relationships and in conduct of our activities**
- **Openness in our communications**

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- Personal and professional development of our people within a motivating and innovative environment
- Continuous improvement in management quality

V. The Goals and objectives of Department of Personnel

The Department of Personnel intends to achieve through sustained effort and core competencies, appropriate balance between sustained employees satisfaction and enhancement of stake-holders value and enhancement of citizen-customer satisfaction. The objective of the Department of Personnel is to meet the expectations and build up the capabilities of employees whose skills determine the State's future.

VI. ENVIRONMENTAL ANALYSIS (SCANNING)

Environmental Analysis

Environment scanning is a systematic appraisal of all the external and internal factors that have affected an organisation's performance over a given period. It also takes care of future scenario in addition to the past and present internal and external factors.

A. Changing Environment and Challenges (The PEST Analysis)

Political Changes

Rise of neo-liberalism has led to reduced role of state and rethinking about public provision of services.

The economic reforms pursued since 1991 has led to amendments in the statutory frameworks governing employment and labour relations. There are specific amendments in the Industrial Disputes Act, 1948 and the Contract Labour Act, 1956 allowing a more flexible labour market. It is now easier for industrial and commercial concerns to exit businesses due to more flexible labour laws. Similarly, it is far easier to have a flexible workforce depending upon market demand for products and services.

Social Changes

The establishment of Consumer Courts under the Consumer Protection Act, 1986, a vibrant and free press, and increasing consumer awareness is posing the **threat** of increase in customer expectations. There is growing demand for synergy among the interests of individual workers, the organisation and the society in the developed world. Job-sharing, paternity leave, and child-care facilities for working mothers are now common in these countries. Similar demands are being voiced in India

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too due to rapid convergence of communication, broadcasting and information technologies.

The changing profile of work force:

- More qualified and educated workforce warrants a new set of work standards. The traditional methods of supervision co-ordination are no more valid today. The managerial concerns of motivating and rewarding highly professional and educated workforce are quite different from those of the past.
- Flexible labour market (amendment to the Contract Labour Act),
- Entry of women to male bastions of work,
- Multi-lingual work force coming from diverse cultural backgrounds, (India being a vast country).
- Demand for better Quality Of Work Life (QWL).
- The exchange relationship between employer and employees and between top executives and other staff is now based on commonality of interests. Negotiation, which is hallmark of conflictual system of bargaining relations, is giving way to co-option and co-operation.

Economic Changes

(i) Increasing competition:
- Economic liberalisation in India since 1991.
- A more open and competitive industrial and business sector.

Global competition provokes an increasing concern for efficiency through control of costs, and maximising productivity of all factors of production including labour.

(ii)The changing structure and culture of organisational set-ups:

- The dwindling hierarchy, and the culture of performance.

(iii) Changes in the Labour Market:

- Availability of a more educated workforce.
- Greater employee turnover and labour mobility.
- Opportunities of better employment in the private sector and in
- Computing and software sector for engineering graduates.
- Development of a part-time and contractual labour market.
- Significant increase in pay and remuneration for private sector managerial and executive cadres.

Technological Changes

(i)   The tremendous advancement in information and communication technology (ICT) has altered the way businesses are run today. ICT tools are playing enabling roles for restructuring business processes in a fundamental manner to gain efficiency.

(ii)   Information Management tools have enabled organisations to delayering and downsizing their workforces considerably. The entire rung of middle management cadres has been eliminated. The reactions of fired or retrained labour, displaced workers may

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provoke social unrest. Organisations will be asked to play a key role in maintaining motivation, managing psychological strife and reshaping decision-making in the information age.

(iii)   In the new information society, human capital is replacing dollar capital as the strategic , limiting resources that provides the competitive edge.

(iv)   Techniques like CAD are helping organisations to draw Detailed Project Reports (DPRs) in such manner that it is possible to get projects executed through the Engineering, Procurement and Construction (EPC) mode, eliminating the requirement of huge in-house staff to carry-out these tasks.

(v)   Robotics and computing have made it possible to provide a better work environment to employees and also job satisfaction for career growth and self-actualisation or realising higher levels of achievement.

(vi)   IT revolution has forced organisations to devise new systems of reward, evaluation and training to employees.

Some of the key findings of the above environmental scannining are given bellow:

1. More qualified and educated workforce, flexible labour market, technological advancement in ICT promises significant cost efficiency and quality improvement in delivering services by Government Departments.

2. Emphasis on performance of its work force against set standards and benchmarks is one of the keys to achieve the set objectives.

3. The Department of Personnel and Government of Punjab are required to upgrade the competence levels of its workforce by adopting suitable training and development strategies.

4. Department of Personnel and Government of Punjab need to review and improve its compensation and reward system to attract and retain competent work force in view of the attractive packages offered in the private sector.

B. SWOT Analysis of Department of Personnel.

I. Strengths of Department of Personnel:

1. It has long history of sixty five years since 1937.

2. It has expert knowledge regarding framing of service rules, framing of personnel policies, recruitment policy and training and development of employees.

III. Weaknesses

(i) Lack of competencies

- **Lack of IT competencies**

(an archaic system of collection, storage, communication and processing of data and information; computing illiteracy of 95%; and poor IT infrastructure)

- **Lack of Core or Organisational Competency**

The Department of Personnel, Government of Punjab as such is not known for the letter in framing the policies and implementation of the five prime functions mentions in page 1 of this report. It has not kept abreast with the latest development as the happening in the rest of world of even the cooperate private sector.

- **Lack of strategic management competencies with the executive team**

The executive cadre of the state government and the Department of Personnel does not have competencies to formulate strategic plans nor to modify existing ones depending upon the changing circumstances.
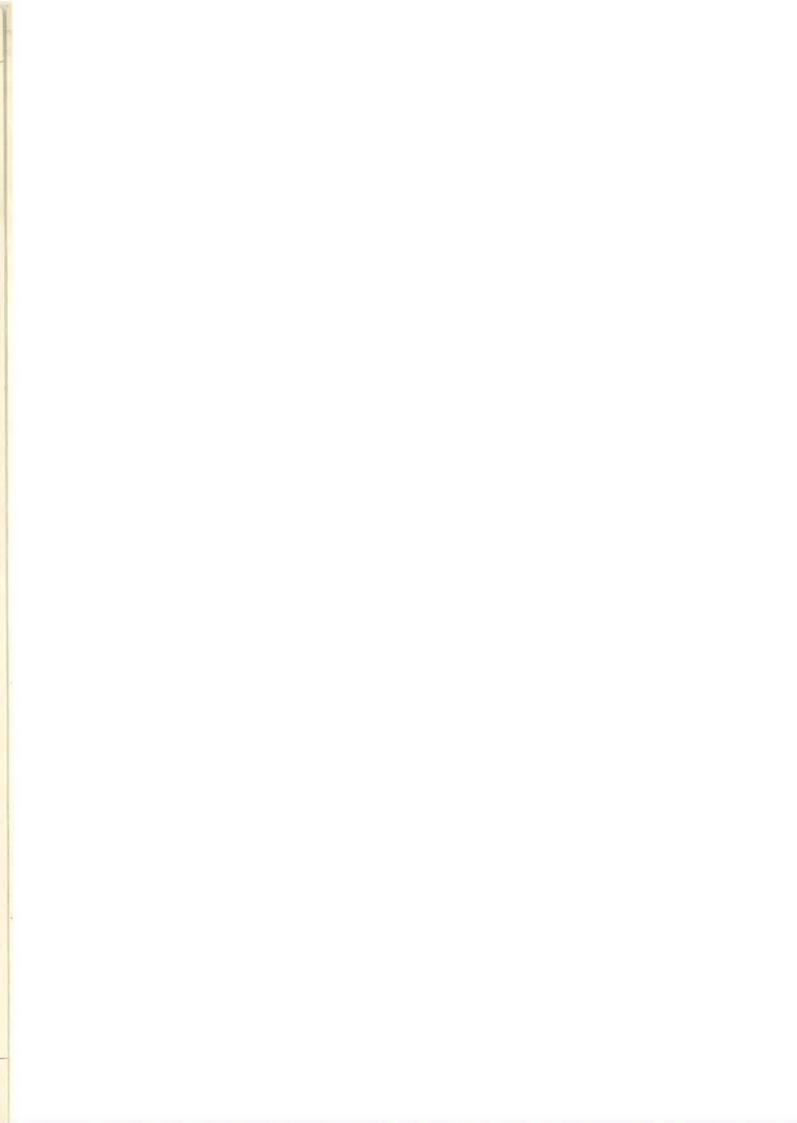
- **Lack of generic management competencies among the Middle Management Cadre**

The middle management cadre, consisting of both superintendent and under secretaries and lack the basic and generic management competencies, particularly in competency clusters pertaining to Leadership, HRM, environmental awareness, and financial management fields.

The Management Charter Initiative (MCI), UK has developed management standards for managing (I) activities, (ii) resources, (iii) people, (iv) information, (v) energy, (vi) quality, (vii) projects, and (viii) environment. Most of the PSEB managers and engineers lack the basic generic management competencies. Hence, a management development programme should be developed and the entire cadre should be imparted the following competency clusters :

(i)The Leadership Competency ;

(ii)The Human Resource Management Competency ;

(iii)The Directing Subordinate Competency ;

(iv)The Interpersonal Relationship Competency ;

(v)The Business Awareness Competency ;

(vi)The Self Development /Dynamism ; and

(vii)The Operational Competency .

The details of such competencies are :

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(i)The Leadership Cluster

- self confidence
- presentation skill
- conceptualisation
- logical thought
- providing direction
- attracting and developing talent
- empowering
- motivating others
- developing others
- positioning
- strategic orientation
- organisational development
- managing transition
- developing a vision
- planning the vision
- planning the change
- mastering change
- developing healthy work place

(ii)The Human Resource Management Cluster

- Accurate self assessment
- Self-regard
- Stamina and adaptability
- Perceptual objectivity
- Positive regard
- Managing group processes
- Use of socialised power

- Team building (mentoring, monitoring staff, staff relations, selection, promotion and development of people, encouraging participation, providing performance feedback, valuing diversity).

(iii)The Directing Subordinate Cluster

- Use of Unilateral power
- Developing others
- Spontaneity

(iv)The Interpersonal Relationship Cluster

- Interpersonal sensitivity or empathy
- Team work
- Building and maintaining Relationships
- Integrity
- Flexibility
- Stress Tolerance
- Tenacity
- Cross cultural Awareness
- Networking
- Negotiating
- Diplomacy
- Consensus building
- Being a team player
- Conflict management(resolution)

(v)The Environment Awareness cluster

- Organisational Awareness
- Strategic perspective
- Commercial orientation
- Cross Functional Awareness

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- Innovation
- Career and Self Development
- Financial Management
- Decision making skills

(vi) Self Development /Dynamism Cluster

- Drive
- Initiative
- Persuasiveness
- Decisiveness
- Being self-motivated
- Acting with confidence
- Managing own learning
- flexibility

(vii) Operational Cluster

- Concern for Excellence
- Customer Service Orientation
- Identification and analysis of client needs
- Building partnerships
- Committing to quality
- Performing Office tasks
- Working with Computer technology
- Using other equipment and tools
- Demonstrating professional Expertise
- Working with data and numbers

(ii) Structural Deficiencies

The Department of Personnel and the State Government are highly mechanistic organisation. The problems and tasks of the state organisations are broken into neatly divided specialisation. Each segments role has been clearly specified. The hierarchy of control and responsibilities for overall knowledge and co-ordination lies with the Head of Department. Communication among differentiated units is not horizontal but vertical. Despite high degree of specialisation, standardisation, formalisation and centralisation of a Weberian bureaucracy, it has not emphasised high standards of performance of its employees. Weak work culture combined with corruption shows that it is paradoxically suffering crises of leadership, autonomy, control, and red tape simultaneously.

(vi)   Poor Organisational culture

- Poor performance management
- Informal groups exerting and welding power
- Poor decision –making culture
- Lack of consultation in the organisation

The Competency of the Supporting Staff

The supporting staff for most managerial and executive cadres is not competent in the basic skills like computing, office automation tools, file management etc. We have separately discussed the requirement for imparting skills in IT and associated applications. Nevertheless, the staff needs to be imparted training to carry out their specific jobs in most efficient manner.

VII. HUMAN RESOURCES MANAGEMENT STRATEGY FOR DEPARTMENT OF PERSONNEL

A. Relationship Between HRM Strategy and Mission of the State Government

Human resources strategy of the State can be related to the Mission of the State Government in two ways:

(i)   There should be fit between the Mission of the State and internal HRM strategy. HRM can not be conceptualised as a stand-alone Departmental issue. Strategically speaking it must flow from and be dependent upon the States Mission statement. The overall Mission of the State Government, because of its specific requirements, demands a unique set of skills, behaviours and attitudes from its employees and (2) certain human resource policies/strategies produce unique set of responses from employees.

(ii)   The second type of relationship between the HR strategy and the Mission of the state comes from the Resource Based View (RSV) of the organisations. It is held that an organisation's human resources could provide a potential source of sustained competitive advantage. It is also possible that organisational strategies might be chosen in the light of existing human resources strengths and experience.

The psychological contract between the employee and the employer should be such that it fosters synergy between 'the

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needs of the organisation for human resources' and 'the individual's needs for personal career growth and development'.

This framework provides an integrated view of the concepts like core competencies, dynamic capabilities, knowledge management and intellectual capital on the one hand, and people management practices on the other.

In view of the adoption of multiple strategies to realise the goals as pert the Mission statement of the state government, almost all the Human Resources Strategic imperatives (for sourcing and deployment, performance appraisal, rewards and training and development are valid for the Department of Personnel. However, the crucial aspect is that for achieving its strategic objectives and leveraging its human resources for achieving the desired results, the Department requires a thorough analysis of the competencies required for today and for future. The competency framework will guide the Department in outlining different components of its HR strategy.

B. HR Objectives of the Department of Personnel

The strategic objectives of the Department of personnel concerning its human resources should be the following:

(i) To help achieve the strategic objectives of the Department of personnel (as outlined above) through effective selection, deployment and retention of adequate number of skilled, committed and motivated workforce .

(ii) To enhance and develop the inherent capabilities of people by providing appropriate learning and continuous development opportunities.

(iii) To foster an environment conducive to teamwork and flexibility, which is the requirement of a futuristic Department. To achieve synergy between the needs of the organisation and career and development needs of the employees, there is need to foster harmonious relationship between employer and the employees on the one hand, and between the management and rest of the employees on the other.

(iv) To ensure that people are valued and rewarded for what they do and achieve in furtherance of the strategic objectives of the Department.

(v) To provide equal opportunities to a diverse workforce that is part of the State Government.

(vi) To nurture and enhance concern for people, and fairness and transparency in dealings with them.

(vii) To maintain and improve physical and mental well being of its employees.

(viii) To transform the employees of the state government into a professional workforce in the field of public service delivery with dynamic capabilities, intellectual capital and knowledge for demonstrable core competencies for the organisation.

C. Various Components of the HR strategy

 (i) Assessment of man power requirement for today and forecasting for future

(ii) Resourcing of human resources

(iii) Perfgormance Appraisal systems

(iv) Development of appropriate reward systems

 (v) Development and execution of appropriate training and development programmes

(i) Assessment of Manpower Requirement

Downsizing and Delayering

The state has 3,50,000 employees on its roll. Almost all of them are in regular and permanent employment of the organisation. To derive cost advantage and efficiency gains, it wants to adapt the following strategic steps:

(i)   Intensification of application of ICT tools and applications;

(ii)   Flexible workforce having proper mix of internal human resources and hired workforce(part-time and contractual);

(iii)   Application of contracting out non-core activities;

(iv)   Empowering the line staff and managers through decentralisation of decision-making and responsibilities; and

(v)   Restructuring the hierarchical organisations into a matrix or network organisation.

After implementation of these strategic decisions, it is estimated that nearly 40 % 0f its support staff will be rendered surplus. Hence, the state government needs a strategy of voluntary retirement, compulsory retrenchment with adequate compensation.

Managing redundancy will be its foremost strategic issue for the next couple of years. The selection of incumbents for redundancy should be carried out following a formal, fair and transparent procedure. Such

procedure should ensure that (a) all employees are treated fairly; (b) hardship to redundant employees is minimised; and (c) management's ability to run business effectively is not affected.

Assessment of Demand and Supply of Critical Skills and Competencies

After careful consideration of the environment of public service delivery in the state we have found that the PSEB is deficient with the following critical skills and competencies:

    (i) Competencies pertaining to computing and application of Information Technology across the organisation;

    (ii) Competencies pertaining to strategy formation and implementation by its executive cadre;

    (iii) Generic management competency clusters pertaining to Leadership, Human Resources Management, Directing Subordinates, Managing Interpersonal Relationships, Business Awareness and Self-development and Dynamism.

    (iv) Organisation specific critical competencies pertaining to Project management; Finance management; Management of procurement; Inventory management; and Contract management.

The strategic human resources management should consider for developing appropriate training programmes, management development and executive development programmes to impart the necessary competencies to the staff of the state government left after downsizing and delayering of the organisation. Rather, the selection of staff for retention should also depend on the existence of such competencies and

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the adaptability of staff to acquire such skills within shortest possible time.

(ii) Recruitment and Selection Strategy

The recruitment policy should aim at creating (recruiting and retaining) a high quality workforce and a knowledge –based organisation. Even the training programmes and competency development programmes will not be able to provide certain critical skills pertaining to power engineering, computing and information management, and financial management. Its ability to recruit and retain first-class staff is constrained as employment in power sector for such professionals is becomes increasingly less attractive without concomitant increases in rewards.

The following should be the salient features of the recruitment and selection strategy of the state government:

(i)   The state government and its various organs should have a proper **succession plan**, which would help recruit such staff periodically. The exact number of such recruitment should depend upon the following factors:

➤   forecasting of demand based on managerial judgement regarding expansion, acquisition etc., work-study techniques and modelling exercises;

➤   supply forecasting based on leftover staff after downsizing, natural attrition, potential change due to internal promotions; and employee turnover.

➤ The recruitment-selection process should communicate to future employees something about the nature of the organisation and its approach to people.

➢ The government should encourage mobility of its employees for cross-functional responsibilities. The job descriptions and specifications and terms and conditions of employment should be framed in a manner that these allow such flexibility.

➢ The state government should build relationships with reputed technical and management institutions to recruit quality people with the right kind of skills and competencies. It should build an image of an organisation providing adequate career development opportunities and professional development to prospective candidates and employees even on short-term contracts.

➢ The remuneration and compensation packages should match the market rates to attract the best talent. Key staff merit special rewards for outstanding individual and/or group performance.

➢ The assessment, tests and interview methods should be professionally devised and these should be validated over time specifically as tailor-made for the Government.

➢ The advertisement, the recruitment and selection process should able to supply the prospective candidates with realistic organisation and work information. Otherwise, it may lose high quality applicants. Applicants have a picture of expectations about how the organisation will treat them and recruitment and selection represents an opportunity to clarify the picture.

➢ Analysis of turnovers (resignations etc.) shows that the Independent Power Producers are poaching for senior power engineers from PSEB. Hence, special care should be taken to retain them with matching market rates and preparing middle managers to take over the task of the senior managers.

- The government should review, extend, develop, and monitor fair and cost-effective discretionary pay provisions to address recruitment and retention problems pertaining to critical skills.
- The state government should aim to get maximum number of applications for the posts pertaining to critical skills. It should build strategic partnerships with engineering and management institutions and look for new sources of candidates.
- It should review, enhance and publicise the tangible and intangible benefits of working in the government.
- It should identify and tackle misconceptions about employment in the organisation.

(iii)   Performance Appraisal

Appraisal is a key feature of an organisation's drive towards sustained competitive advantage through continuos performance improvement. Performance appraisal or performance management is an approach to managing human resources, which is designed to link HR strategies with those of the organisation as a whole. The strategic goals of the organisation are further translated into disaggregated group or individual goals. Performance management defines the roles, specifies the jobs and their contents against set standards and key competencies, behaviour and values and attitudes. Performances are reviewed or measured against such standards. The information culled helps improve current performance though feedback, assesses future potential and promotability, assesses training and development needs, helps career development and planning for the individual employee and helps devise appropriate reward systems.

Issues relating to performance management in the State government

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The state government is a hierarchical organisation, which does not have a work culture placing high value on higher standards of performance. The organisation structure with high degree of centralisation and control, and emphasis on non-merit matters for placement, reward and promotions have demoralised the workforce. There is complete absence of performance appraisal in its true sense. However, the corporate strategy chalked out in a previous section intends to elevate the organisation into a dynamic and efficient one. Hence, it is imperative to devise an appropriate performance management strategy to further the strategic objectives of the organisation.

Considering all the contextual factors, we suggest the following performance appraisal strategy for the Government.

The State government should review its job specifications and job designs keeping the flexibility nature of the proposed organisation structure and flexibility of the workforce.

(i) It should devise appropriate standards and performance indicators based on the competencies identified as critical to achieve its strategic objectives.

(ii) It should establish an Assessment and Development Centre where trained specialists may develop, utilise and validate a range of tools suitable for assessing and developing people in the organisation.

(iii) It should develop, validate and utilise a multi-source feedback (MSF) techniques such as 360° appraisal or feedback. The various sources of feedback may include the immediate managers, subordinates, peers, internal customers, external clients and customers and self-rating.

(iv)   It should enter into performance agreements with senior executives and managers in the executive cadre.

(v)   It should devise, validate and utilise formalised annual performance reviews based on open and objective criteria, for which the Assessment and Development Centre should devise detailed guidelines.

(vi)   It should develop a suitable reward management system based on reliable and valid data obtained through the appraisal process.

(vii)   It should ensure that supervisors are held accountable for giving staff constructive, honest, and timely appraisals of work performance, and for developing plans for improvement, taking into account both institutional goals and personal aspirations.

(viii)   The state government should develop a fair and cost-effective discretionary pay provision to reward excellence in performance. It should provide funds for this as well as for other reward systems.

(ix)   The new system of appraisal/performance review would cover universally to all employees of the government.

(x)   It would train all the appraisers and the appraisees in the new system of appraisal/performance review system.

(iv)Training and Development Strategy

The human resources training and development strategy follows from the corporate business strategy of the Government. We have delineated the critical skills and competencies that required for today as well as for immediate near future to derive sustained competitive advantage in a previous section. We have also worked out the shortage of such skills at present and estimated the future requirements. The State Government

believes in sourcing manpower from its internal market as well as from the external world to have proper mix and availability of critical skills and knowledge. Thirdly, we have drawn out an appraisal/ performance review strategy, which will provide adequate feedback for continuous learning and development of each individual employee in the state government. Fourthly, the state government believes that its employees are its single most asset and it believes that a strategy for investing in people will ultimately pay off. Fifthly, it believes in minimising the hardship to its redundant employees and believes in provide retaining and arranging settlement for them after premature separation from the organisation.

Based on the above considerations, we suggest that the state government should adopt the following strategic steps pertaining to training and development:

(i)   Expenditure on training and development should be regarded as a necessary and calculated investment yielding considerable pay-off in terms of enhanced performance. Every year it should year mark adequate funds for this purpose.

(ii)   The proposed Assessment and Development Centre should be in charge of all training and development activities in the organisation.

(iii)   All managers should have a clear responsibility to develop their subordinates.

(iv)   Performance management, which sets personal and group task and targets, and personal development plans should be the preferred approach by which employee's learning development activities are managed.

(v)   All employees must have a personal development plan jointly agreed with their managers and this plan must be implemented and regularly reviewed and updated. It should be derived from the current job specifications and future needs of the organisation and the individual employee. It should cover on-the-job and off the job training and experience in areas of business, individual and team skills, and professional and management skills.

(vi)   The state government should have a proper system of induction and follow up training to each newly inducted and promoted employee.

(vii)   All employees should be encouraged to continually develop for their own benefit as well as for deriving sustained competitive advantage in the business.

(viii) Career planning of individuals is a joint responsibility between the individual and his immediate superior.

(ix)   The development of individuals must take into account the emerging trends in integrated public service delivery in a globalised set up. Emphasis should be on good understanding of the task and teamwork.

(x)   The design of training programmes for executive, management, support staff, engineers and other technical manpower should be based on the competencies identified as crucial for success of the state. Learning activities at work should be designed on the basis of individual and group learning preferences. Learners must also attempt to overcome their perceptual, cultural, emotional/motivational, intellectual and communicational or expressive blocks to learning.

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(xi)   The HRD strategy of the state government should aim at creating a learning organisation through continuous development programmes, which helps derive sustained competitive advantage from core competencies derived from such development and resourcing activities. It should thrive towards an integrated work and learning system.

(v) Reward Management Strategy

Human resource managers should seek to design reward systems that facilitate achieving the organisation's strategic objectives and meet the goals or needs of the individual employees or group of employees. The reward system is a major element in determining the psychological contract within the organisation particularly in circumstances of change. The principal objectives of strategy of reward systems should be:

(i)   Attract and retain high quality employees,

(ii)   Maintain and improve levels of employee performance,

(iii)   Comply with employment legislation's and regulations,

(iv)   Play a significant part in the communication of the organisation's value performance, standard and expectations,

(v)   Encourage behaviour that would contribute to realisation of the organisation's key valise in areas such as quality, customer care, teamwork, innovation, flexibility and speed of response, and

(vi)   Meet the expectations of employees, who are one of the major stakeholders of the organisation.

Considering the above objectives and the environment factors surrounding the state government, we suggest the following strategies for management of reward system in this organisation:

A: Financial Rewards (Extrinsic Motivators)-

(i) The state government should review its entire financial and non-financial reward system and develop new ones congruent with its proposed corporate strategy. Particularly, the annual increment in pay, time bound promotions, which have hardly any relationship with performance and motivation of its employees, need to be reviewed and replaced with new ones.

(ii) The state government should offer competitive remuneration {basic pay + variable pay (like Performance Related Pay-PRP, bonuses, competency /skill based pay, etc)+employee benefits} to its employees. It should conduct market rate surveys and market rate analysis to arrive at appropriate decisions.

(iii) It should aim at achieving a more equitable and definable pay structure.

This can be achieved through systematic job evaluation based on analytical schemes like point-factor rating. The factors, which may go into evaluation of a job, are knowledge and skills, responsibilities, decision-making, complexity, and interpersonal skills.

(iv) It should aim at achieving a flexible pay structure. This should not be a rigid graded pay structure. This can be achieved by following the steps:

   ➤ Defining jobs and job standards in more generic terms.
   ➤ Flexible job evaluation processes assessing value added by employees.
   ➤ Introduction of limited broad-banded pay structure (limited number of pay ranges or bands, wider bands, overlap between bands) for career development purposes.

(v)   The state government should introduce Performance Related Pay (PRP) as a variable pay over and above the basic pay. The existing bonus scheme, which applies universally to all employees irrespective of performance, should be replaced with the group and individual PRP. However, the critical success factors and performance indicators and their measurement should be clearly defined before introducing individual PRP.

(vi)   Performance based bonuses focused on team performance including executive bonuses and employee stock options may be introduced.

(vii)   It should design innovative employee benefit packages. A 'cafeteria' or flexible benefit system allows employees to exercise choice over a range of options within defined financial limits.

B. Non-financial Rewards (Intrinsic Motivators)-

The extrinsic reward system does not necessarily take care of the entire set of needs of employees. Hence, the state government should take care to devise systems and practices, which provide avenues for self-actualisation of employees. Keeping into view the changing profile of the work force and labour market conditions (already discussed), it should adapt a blend of practices, which may include:

(i)   Flexible working hours.

(ii)   Part-time work.

(iii)   Sabbaticals.

(iv)   Other longer periods of time-off.

(v)   Job-sharing arrangements.

(vi)   Dual employment.

(vii)   Promotion, both upward mobility and lateral transfers into desirable positions based on competency levels.

(viii) Career opportunities, a long term chances for growth and development.

(ix) Positive recognition and feedback from organisation and peers.

(x) Opportunity to learn, to develop new competencies.

(xi) Shouldering appropriate responsibilities and sense of involvement.

VIII. Implementation Strategies

The HRM strategy enunciated above for the state government tends to be a soft HRM strategy, which is designed to reduce conflict of interest. Such a soft HR strategy is most appropriate for the state government functioning within the socio-cultural context of India. It is aimed at fostering high-trust, co-operative and non-adversarial relationships between the management and employees and between employers and employees or their representative bodies like trade unions. Nevertheless there is a need to evolve a proper system of **communication, involvement and participation** by the employees to reduce potential conflicts. Two-way communication through employee involvement and participation through a forum like Joint Consultative Councils and quality circles should be encouraged. Trust building should be achieved through fostering values like eliminating status differentials, vigorous training and development, and breaking down barriers to change the organisation culture.

The social and psychological stress and potential conflict arising out of the redundancy can be tackled by adapting the following **Change Management Strategies**:

(i) Strong Commitment from the Top- Unless the top leadership of the state administration are convinced regarding the advantages of the strategic steps, the implementation process will not be effective.

(ii) Communication with stakeholders-: The stakeholders should be involved in a consultative manner so that their apprehensions and mis-understandings are taken care of. In addition, the appropriate message for reform will also be possible to deliver in an unambiguous manner. Techniques like Participatory Policy Approaches or Participatory Rural Appraisal (PRA) may be adopted to engage directly with the relevant stakeholders to discover their point of view.

(iii) Involvement of NGO's in conducting retraining, finding alternative employment, and tackling psychological and social problems involved in unemployment, loss of meaningful work life and redundancy.

Adaptation of the above kinds of Human Resources Strategies including downsizing and delayering a major policy change for a state government. Such a strategic plan has to go beyond the 'noise' of organisational posture and debate. "Its aim has to be to establish other people's perspectives and understandings of their needs, or shared needs or common needs". Then only the state government will be able to market its Human Resources Strategies.