



SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

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SCHOOL OF MANAGEMENT STUDIES

UNIT – I – Human Resource Management – SBAA1205

INTRODUCTION

Human Resource Management - Concept and Functions, Role, Skills and competencies of HR Manager - HR Policies, Evolution of HRM, HRM vs HRD - Emerging Challenges of Human Resource Management - Workforce diversity - Empowerment - Downsizing - VRS - Human Resource Information System.

HUMAN RESOURCE MANAGEMENT

Human Resource Management is a relatively new approach to managing human beings in any organization. Human beings are considered as the key resource in this approach. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. All these activities fall in the domain of Human Resource Management.

Human Resource Management is responsible for maintaining good human relations in the organization. It is also concerned with development of individuals and achieving integration of goals of the organization and those of the individuals.

Human Resource Management, or HRM, is the practice of managing people to achieve better performance. For example, if you hire people into a business, you are looking for people who fit the company culture as they will be happier, stay longer, and be more productive.

DEFINITIONS OF HRM

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

According to Edwin Flippo, HRM as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.”

According to the Invancevich and Glueck, “HRM is concerned with the most effective use of people to achieve organizational and individual goals. It is the way of managing people at work, so that they give their best to the organization”.

According to Dessler (2008) the policies and practices involved in carrying out the people or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising comprises of HRM.

FEATURES/ CHARACTERISTICS OF HRM

The features of human resource management can be highlighted as follows:

- 1. It is an inherent part of management:** Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather than by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.
- 2. It is a pervasive function:** Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation.
- 3. It is basic to all functional areas:** Human Resource Management permeates all the functional areas of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.
- 4. It is people centered:** Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of employees from top to the bottom of the organisation. The broad classification of employees in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e. those working on machines and engaged in loading, unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and non-managerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary, Lawyer, etc.) and non-professional personnel.
- 5. It involves Personnel Activities or Functions:** Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organisations.
- 6. It is a continuous process:** Human Resource Management is not a “one shot” function. It must be performed continuously if the organisational objectives are to be achieved smoothly.

- 7. It is based on Human Relations:** Human Resource Management is concerned with the motivation of human resources in the organisation. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

NATURE OF HRM

Organization consists of men, machine and materials but the HRM is the one which organizes and manages the organization.

- HRM recruits, develops, maintains and remunerates the employees in organization.
- The decisions related to employees are taken by HRM.
- The HRM systematically approaches in handling manpower resources.
- HRM is an ongoing activity.
- It is interdisciplinary, a combination of sociology, psychology, economics and so on.
- It is based on Human Relations: Human Resource Management is concerned with the motivation of human resources in the organization.
- It is people centered: Human Resource Management is people centered and is relevant in all types of organizations. It is concerned with all categories of personnel from top to the bottom of the organization.

OBJECTIVES OF HRM

1. To create and utilize and motivate workforce to accomplish the basic organizational goal.
2. To establish and maintain sound organizational structure and create working relationship among all the members of an organization
3. To secure the integration of individual and groups within the organization by coordination of the individual and group goals with those of the organization
4. To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.

5. To attain an effective utilization of human resources in the achievement of organizational goals.
6. To identify and satisfy individual and group needs by providing adequate and equitable wages incentives employee benefits and social security and measures for challenging work, prestige, recognitions, status etc.
7. To develop and maintain a quality of work life.
8. To provide the organization with well-trained and well-motivated employees
9. To inculcate the sense of team spirit, team work and inter-team collaboration.

FUNCTIONS OF HRM

The functions of human resources management may be classified as:

1. Managerial function
2. Operative function

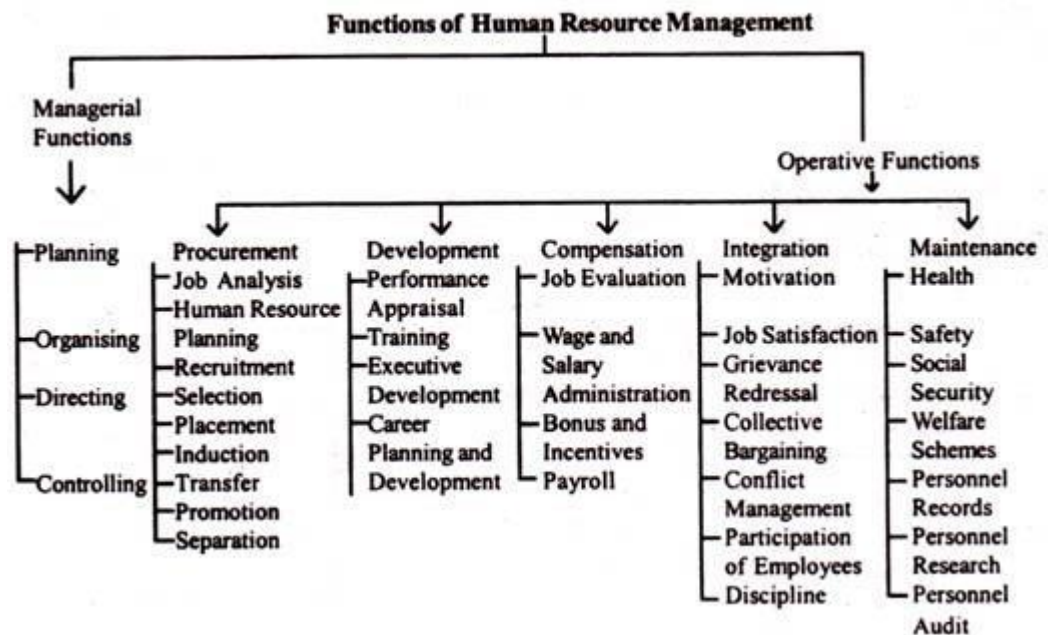


Figure 1

Managerial Functions

Planning: Planning means forecasting or predicting the future activity in a specific manner or structure. It is the basic function and essential for all the organization.

Organizing: It is collection or joining of all the resources available within the organizational and outside, in order to achieve the organizational goal with efficiency.

Staffing: It involves appointing the right man for the right job at the right time. The management is to analyse the human resource, see if he is suitable for the job and accordingly allocate the work in the organization.

Directing: It is showing the correct path or correct way to achieve the organizational goal within the specified time.

Controlling: Controlling as a function that concerns on regulating the person or monitoring him whether he performs in a better way to achieve the common goal efficiently.

Coordinating: It is a type of support function. It involves accumulating the work to achieve the task.

Operative Functions

Procurement: Procurement refers to a series of activities undertaken by the human resource manager filling the present and future vacancies of the organisation.

- Job Analysis
- HRP
- Recruitment and Selection

Development: Development refers to both employees training and management development. Human resource managers are responsible for conducting and supervising training and development programmes for employees.

- Career planning
- Workers Training
- Executive development
- Organisational Development

Compensation: Compensation refers to determination of the pay scale and other benefits for the employees. HR manager must ensure fair and equitable pay rates, Reward system incentive plans bonus and flexible work schedules.

Maintenance: It aims at retaining efficient and experienced employees in organisation. The HR managers are responsible for offering occupational safety, Health promotion, Physical fitness,

Canteen facilities, Recreation activities, transportation programmes, Employee suggestion schemes and creating a positive work environment.

- Employee well being
- Social security
- Workers
- Job Rotation

Integration: It aims at ensuring good relations between the management and the employees.

- Industrial Relations
- Discipline
- Grievance
- Dispute settlement
- Collective bargaining

IMPORTANCE OF HRM

Human Resource Management is related with effective utilization of human resources.

The importance of HRM can be discussed as:

1. Organizational Importance

Human Resource Management can help an organization to achieve to its objective more efficiently and effectively in the following ways:

- (a) Procurement of required talents through recruitment, selection, placement, inducting, training, compensation and promotion policies.
- (b) Secures co-operation of all employee of the organization for achieving goals.
- (c) Proper utilization of human resources for the success of the enterprise.
- (d) Ensure a future team of efficient competent workers required for the organization.

2. Professional Importance

Professional competency among employees can be achieved through the following ways.

- (a) Human resource management provides maximum opportunities to employees for their personnel development.
- (b) Providing healthy relationship among employees
- (c) Proper allocation of work among employees.
- (d) Providing training facilities for the individual development of employees.

3. Social Importance

- (a) Human resource management enhances the dignity of labour.
- (b) Provides suitable job to suitable person and it will help to satisfy the psychological and social satisfaction of employees.
- (c) Helps to provide reasonable compensation to workers, which leads them to have a good standard of living.
- (d) Helps to maintain a balance between jobs and job seekers in terms of numbers, qualification, aptitude etc.
- (e) Takes health and safety measures which ensures physical and mental health of the employees.

4. National Importance

Effective management of human resources will speed up the economic growth of nation. This in turn leads to better standard of living and more job opportunities.

SCOPE OF THE HRM

1. **Human resources planning:** – Human resource planning is a process by which the company to identify the number of jobs vacant, whether the company has excess staff or shortage of staff and to deal with this excess or shortage.
2. **Job analysis design:** – Another important area of HRM is job analysis. Job analysis gives a detailed explanation about each and every job in the company. Based on this job analysis the company prepares advertisements.
3. **Recruitment and selection:** – Based on information collected from job analysis the company prepares advertisements and publishes them in the newspapers. A number of applications are received after the advertisement is published, interviews are conducted and the right employee is selected thus recruitment and selection are yet another important areas of HRM.
4. **Orientation and induction:** – Once the employees have been selected an induction or orientation program is conducted. The employees are informed about the background of the company. They are told about the organizational culture and values and work ethics and introduce to the other employees.

5. **Training and development:** – Every employee goes under training program which helps him to put up a better performance on the job. Training program is also conducted for existing staff that have a lot of experience. This is called refresher training. Training and development is one area where the company spends a huge amount.
6. **Performance appraisal:** – Once the employee has put in around 1 year of service, performance appraisal is conducted i.e. the HR department checks the performance of the employee. Based on these appraisal future promotions, incentives, increments in salary are decided.
7. **Compensation planning and remuneration:** – There are various rules regarding compensation and other benefits. It is the job of the HR department to look into remuneration and compensation planning.
8. **Motivation, welfare, health and safety:** – Motivation becomes important to sustain the number of employees in the company. It is the job of the HR department to look into the different methods of motivation. Apart from this certain health and safety regulations have to be followed for the benefits of the employees.
9. **Industrial relations:** – Another important area of HRM is maintaining co-ordinal relations with the union members. This will help the organization to prevent strikes lockouts and ensure smooth working in the company.

ORGANIZATIONAL STRUCTURE OF HRM DEPARTMENT

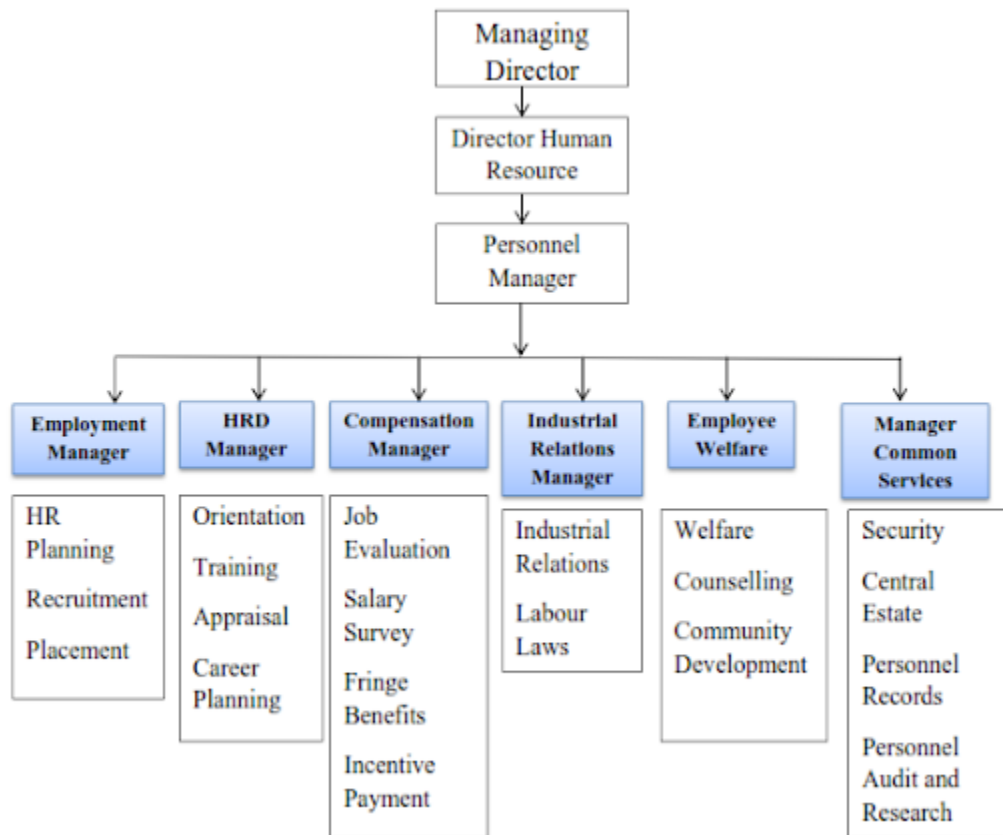


Figure 2

ROLE OF HRM / HUMAN RESOURCE ACTIVITIES

Human Resource Management undertakes the following activities:

1. Human resource or manpower planning.
2. Recruitment, selection and placement of personnel.
3. Training and development of employees.
4. Appraisal of performance of employees.
5. Taking corrective steps such as transfer from one job to another.
6. Remuneration of employees.
7. Social security and welfare of employees.
8. Setting general and specific management policy for organizational relationship.
9. Collective bargaining, contract negotiation and grievance handling.
10. Staffing the organization.

11. Aiding in the self-development of employees at all levels.
12. Developing and maintaining motivation for workers by providing incentives.
13. Reviewing and auditing manpower management in the organization
14. Potential Appraisal Feedback Counseling.
15. Role Analysis for job occupants.
16. Job Rotation.
17. Quality of work life

DIFFERENCE BETWEEN HUMAN RESOURCE MANAGEMENT AND PERSONNEL MANAGEMENT

| Human Resource Management | Personnel Management |
|--|--|
| 1. HRM is proactive in nature; it is not only concerned with the present organizational conditions but foresees future necessities and the acts appropriately. | PM is mainly reactive in nature. It satisfies itself by ensuring peaceful labor management relations the present. |
| 2.HRM as a resource centered focuses more on the managerial aspects, in term of delegating the responsibility of HRM to line authority | PM which is basically employee-centered aims at hiring, Training, compensating and maintaining the existing workforce of the organization. |
| 3. The term, used in broader sense, refers to the task of managing people belonging to the different sections of the society. | The term however used, To refers the task of managing the employees of the concern. |
| 4. Measures are taken for the overall progress of the employee i.e. his economics social and psychological needs are fulfilled. | Measures are taken to satisfy economic needs of the employee. |
| 5. The amount spent on the employee is viewed as an investment. | The amount spent on the employees is seen as expenditure incurred. |
| 6. HRM seeks to develop the competencies of the employees on a sustained basis. | Employees get uniform reward based on job evaluation and job worth. |

Table 1

QUALITIES OF GOOD HR MANAGER

1. Good Communication
2. Educational Qualification
3. Discriminating Skill
4. Leadership Qualities

5. Fair and honest in his dealings
6. Ability to take a decision independently
7. Professional altitude
8. Ability to solve complex HR problems
9. Experience (of his/her specific field)
10. Personality
11. Risk taking
12. Creative and innovative

RESPONSIBILITIES/ROLE OF HR MANAGER

Human Resource Manager is one of the most important key to open a lock hanging on the door of success in an organisation. If a Human Resource Manager is efficient enough to handle and to take out best from his team members any organisation, it can achieve more from his target goals. Human Resource manager plays a very important role in hierarchy and also in between the higher management and low level employees.

Stated below are major responsibilities of Human Resource Manager:-

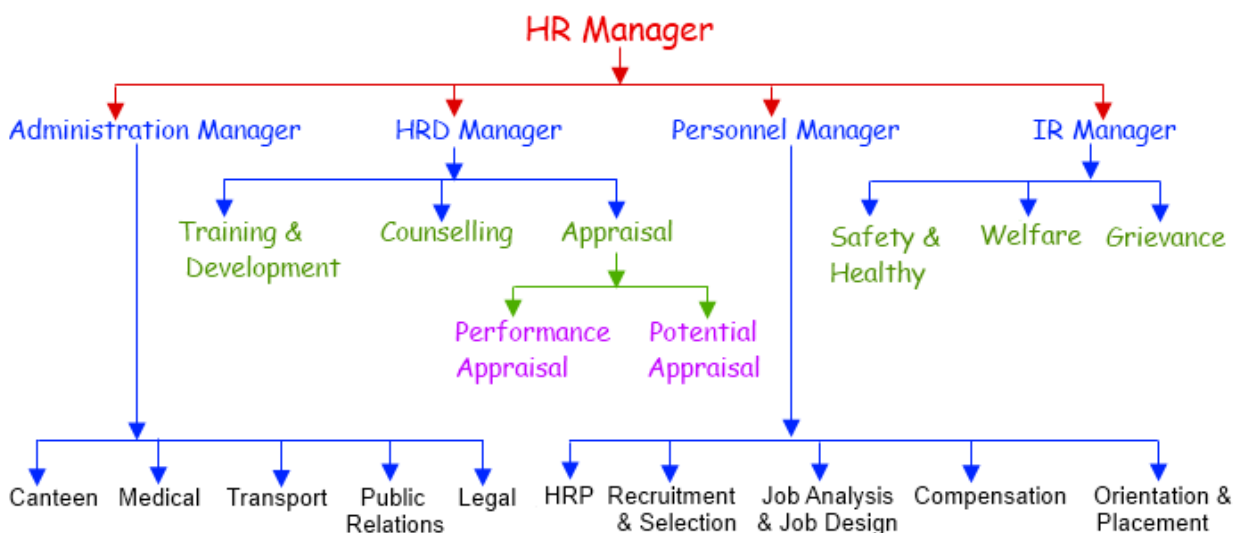


Figure 3

EVOLUTION OF HRM

Awareness regarding HRM was felt during the industrial revolution around 1850 in Western Europe and U.S.A. Only during the beginning of 20th century, it was felt in India. The evolution of the concept of Human Resource Management can be categorized as follows:

Period before industrial revolution – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

Period of industrial revolution (1750 to 1850) – Industrial revolution marked the conversion of economy from agriculture based upon industry. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers' wages, welfare and other related issues. This led to emergence of personnel management with the major task as

- Workers' wages and salaries
- Worker's record maintenance
- Worker's housing facilities and health care

An important event in industrial revolution was growth of Labour Union (1790) the works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labour unions. To deal with labour issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

Post Industrial revolution – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

A brief overview of major theories release during this period is presented below

1. Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in
 - Worker's training
 - Maintaining wage uniformity
 - Focus on attaining better productivity.
2. Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940). – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

3. Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow's Hierarchy of needs (1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations. Some of the major activities of HR department are listed as-

- Recruiting and selecting skilled workforce.
- Motivation and employee benefits
- Training and development of workforce
- Performance related salaries and appraisals.

Strategic Human Resource Management Approach

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

HR POLICIES

Human resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning

HR policies are also defined as that body of principles and rules of conduct which govern the organization in its relationship with employees.

Each company has a different set of circumstances, and so develops an individual set of human resource policies.

IMPORTANCE/ SIGNIFICANCE OF HR POLICY:

- **Delegation**

The HR Policies help managers operating at different levels to act with confidence without the need for consulting superiors every time.

- **Speedy Decisions**

Policies can accelerate decision-making by providing a blanket framework within which personnel decisions can be made. They condense past experience.

- **Coordination**

HR policies help in achieving coordination. In case organisational members are guided by the same policies, they can forecast more accurately the actions and decisions. They ensure a steady course of action and prevent unwarranted deviations from planned operations.

- **Better Control**

As HR policies specify the relationship that is shared between the organisation, management and its employees besides they allow members to work towards achievement of the objectives of the organisation without friction/conflict, paving the way for better control.

- **Standards of Efficiency**

Policies serve as standards in the execution of work. They enable the management to view if they have been translated into action by various organisation or not. On the basis of the light of actual performance, existing policies may be subjected to amendment/refinement.

- **Uniformity**

The HR Policies increase the chances of different people at different levels of the organisation making similar choices, when independently facing similar situations. They make the actions of organisational members more consistent.

- **Confidence**

Policies create confidence in employees while confronting routine and recurring problems as they make them aware where they stand in an organisation. They reduce chances of misinterpretation, misrepresentation and consequent friction.

STEPS IN POLICY FORMULATION

In developing HR Policies, there should be clear and consistent statements of the organization's policies regarding to all conditions of employment and procedures for their equal and fair implementation.

1. Identify the Areas:

The areas where HR policies are needed are to be identified. Important areas of HR like recruitment, selection, training, compensations must have specific policies clearly spelt out. If need arises, additional policies may have to be formulated for dealing with newer HR issues.

2. Collecting Data:

After selecting the areas, relevant information should be collected for facilitating policy formulation. The company's records, past practices, industry practices and top management policies should be studied. The organizational culture and employee aspirations should also be taken into account while formulating policies.

3. Evaluating Alternatives:

Once data have been collected, various alternative policies can be designed. Each alternative has to be evaluated in terms of their contribution towards the desired objectives. The policies should be for the betterment of the existing HR system and formulated in congruence with other organizational policies. The policies should be finalized after discussion with those people who are directly affected by its implementation.

4. Communicating the Policy:

The policy details should be conveyed to all the workers throughout the organization. Policy manual, in-house journals, notice boards, intranet, etc., can be used to create awareness among employees at various levels. Special communication programmes can be conducted to inform all the concerned people about the new policy.

5. Evaluation of the Policy:

Policies should be evaluated regularly at periodic intervals to ascertain their effectiveness. The actual policy results should be compared with predetermined standards to check if the policy was

successful in achieving its objectives. Policies may be reviewed at the organizational level, or outside experts may be invited to review it.

HR policies should be designed to promote common interest, create safe and healthy working conditions, give proper recognition for work and accomplishment, recognize impact of change on people, encourage employees' participation and recognize the functions and responsibilities of the trade unions.

DIFFERENCE BETWEEN HRM AND HRD

| Points of Distinction | HRM | HRD |
|----------------------------------|--|---|
| Status | It is an independent function with independent sub- functions. | It is an integrated system consisting of inter- dependent sub- systems. |
| Orientation | It is a service and reactive function. | Proactive function |
| Aims | Improve the efficiency of people | Develop the total organization |
| Incentives | Focuses on salary, economic rewards, job simplification and job specialisation | Job challenges and creativity for motivating people |
| Responsibility | Responsibility of human resource manager | Responsibility of all managers |
| Morale productivity relationship | Improve satisfaction | Improve performance |

Table 2

EMPOWERMENT

Empowerment is based on the idea that providing employees with the resources, authority, opportunity, and motivation to do their work, as well as holding them accountable for their actions, will make employees happier and more proficient.

In other words, allowing employees to take leadership of their roles results in high impact and positive long-term effects for the company and its individuals. The empowered employee becomes “self-directed” and “self-controlled”. Empowerment focuses on employees to make use of their full potential.

3 Levels of Employee Empowerment in the Workplace

Employee empowerment can happen on different organizational levels, and the most common segmentation includes:

- empowerment on the organizational level
- empowerment on the managerial level
- empowerment on the individual level

1. Employee Empowerment on the Organizational Level

An organization that cultivates employee empowerment can better:

- Embrace change such as digital transformation
- Recognize employees' contribution to the business
- Reward responsible ownership in the workplace
- Support collaboration, including cross-departmental collaboration in the workplace
- Foster a culture of employee engagement
- Retain top talent

2. Employee Empowerment on the Managerial Level

Empowered team leaders can:

- Better support the team and help each team member reach their targets
- Provide the information the teams need when they need it
- Inspire and motivate employees
- Help better connect employees, including the ones working remotely
- Facilitate work processes
- Spread team spirit in the workplace
- Better communicate the business goals and long-term vision
- Make the teams more successful

3. Employee Empowerment on the Individual Level

When employees feel empowered and trusted, they:

- Are more willing to go the extra mile for the team and the business
- Take ownership over their work
- Generate ideas
- Know how to take prudent risks to take the business to the next level
- Find meaning and purpose at work

- Feel proud of the company they're working at
- Feel more motivated and engaged

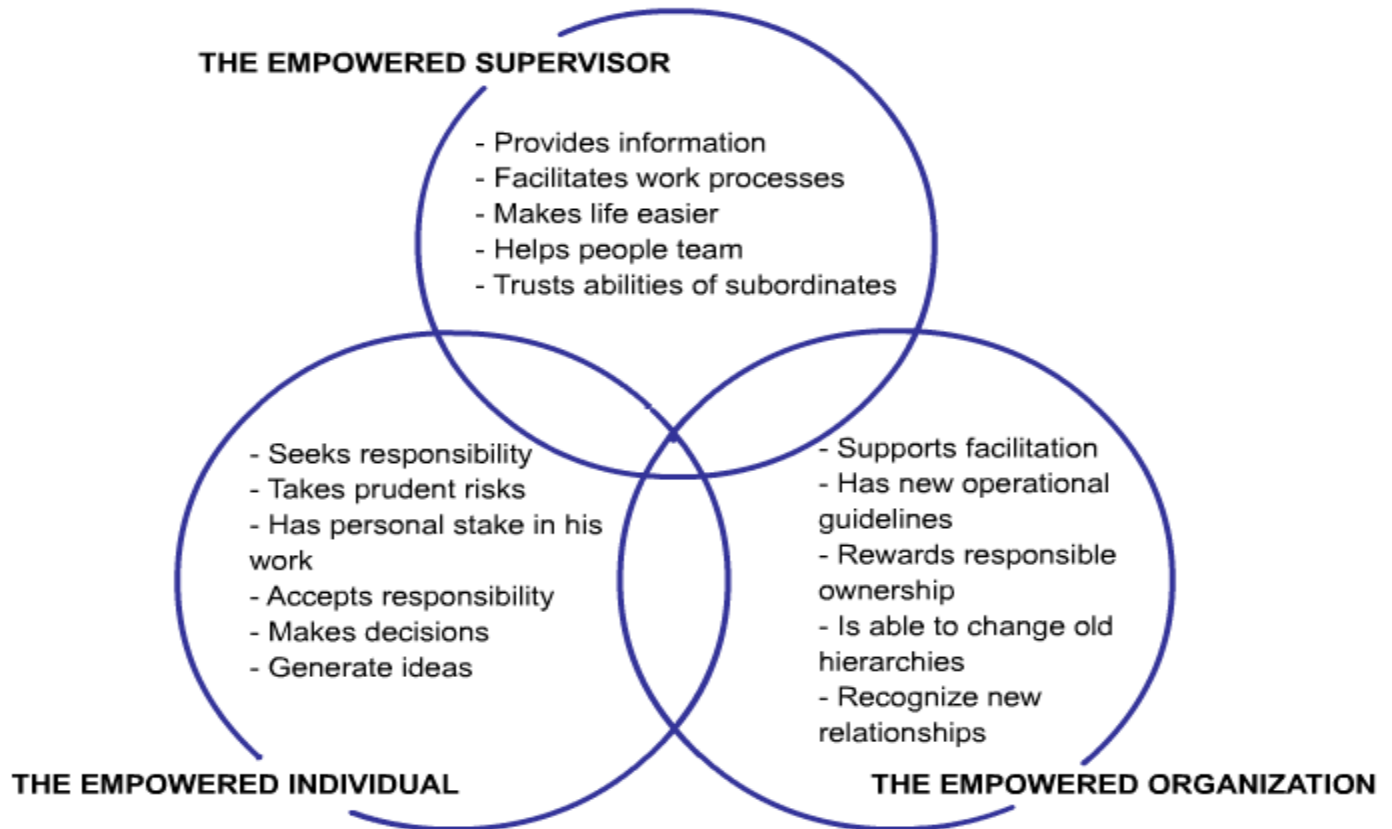


Figure 4

Empowerment on the organizational and managerial levels should exist by default. However, achieving individual empowerment requires much more work and effort and it involves several functions in the organization.

IMPORTANCE OF EMPLOYEE EMPOWERMENT

1. The investment in employees can improve productivity, which can reduce the costs.
2. Individual employees experience a feeling of self-esteem, self-efficacy and self-confidence.
3. Employee empowerment also helps in making employees more self-reliant.
4. It allows independent decision-making by the employees.
5. Empowerment of employees helps a firm to assign different projects to hone the competence of employees.
6. More freedom given to employees can be utilized for taking judicious decisions.
7. Assigning proper authority can improve the organizational effectiveness.

8. Independent decision-making can improve self-confidence among the employees.
9. It can boost up the morale of the employees.
10. The overall efficiency of an organization can be multiplied due to empowerment of the employees.

DOWNSIZING

Downsizing refers to the process of reducing the size of workforce by terminating the employment of employees. It is also referred as layoff.

Downsizing literally means reducing the size of the organisation in order to cut costs, hive off unprofitable operations and improve operational efficiency.

In fact, it is a restructuring process to meet the challenges of the environment. In the context of human resource management, downsizing involves elimination of certain jobs with a view to cut pay bill and improves work efficiency.

Downsizing is also given such names as restructuring and rightsizing. Irrespective of the name used, it almost always means reducing the size of the organizations permanent full-time staff. It is the process of minimizing the strength of a man power to enhance and ensure the quality of performance and involvement in the business process of the company. This will help the company to channelize the work and focus on expected output when the company is overloaded with employees.

REASONS FOR DOWNSIZING

To Solve the Problem of Initial Over-Staffing:

Due to faulty HR planning or to fulfill social commitment, some organizations may employ more employees as against their actual requirement. Most government departments and public sector enterprises of Government of India face the problem of over-staffing. This is because the government has the social responsibility to reduce unemployment in the country.

To Deal with the Adverse Consequences of Economic Recession:

Recently, many organizations, under the pressure of the global economic recession, downsized their organizations by laying off or retrenching employees. For example, Tata Motors laid off 6,000 temporary workers to tide over economic recession. Citigroup, an American financial

company, axed 52,000 jobs globally, and its Indian arm, Citi India, laid off 37 employees, including senior executives.

To Take Advantage of Technological Advancements:

In the present times, rapid developments are taking place on the technology front. Automation, computers, and the internet have changed the way business operations are carried out. Due to this, the man-machine ratio has undergone a drastic change. Today, an organization requires less manpower to perform the same amount of work, if not more. Thus, technological developments made downsizing of organizations somewhat inevitable.

To Concentrate on Core Activities and to Outsource Non-Core Activities:

To be successful in today's competitive environment, most organizations prefer to concentrate on activities in which they have core competence and outsource non-core activities. As a result, people employed in non-core activities become surplus, thereby necessitating the need to downsize the organization.

ROLE OF HR IN DOWNSIZING

- Proper Communication with Employees
- Convincing Employees' Unions and Winning their Support
- Providing Outplacement Services
- Working out Alternatives to Termination
- Offering Incentives for Early Retirement
- Retaining all Employees with Reduced Work Hours

VOLUNTARY RETIREMENT SCHEME (VRS):

Voluntary retirement scheme (VRS) refers to voluntary retirement scheme, when company faces the problem of surplus labor, they have to remove the extra workers. This needs to be done to avoid increase in cost. One of the methods used by the companies is the VRS scheme.

REASONS FOR OFFERING VRS BY EMPLOYERS:

(a) Recession in the economy forces the organization to opt for VRS in order to survive.

(b) Globalization has brought intense competition in terms of innovation, knowledge of manpower, knowledge of technological and management systems. Every organization wants to recruit fresh management and techno-workers who can adapt to the latest developments easily. Thus, the old workforce is asked to retire.

(c) Intense competition has led to mergers and takeovers in the economy. Every organization wants to merge or amalgamate to others to become more powerful and sustainable. These ventures keep lean structure and want to be more cost competitive. They show doors to many old workers.

EMPLOYEES' REASONS FOR ACCEPTING VRS:

(1) Employee's personal financial position – Since a hefty compensation is paid upfront by the employer, the employee feels tempted to seek early retirement. The compensation amount so received can be utilized by the employee for meeting family members' needs, say, to set up business, and so forth.

(2) Employee's physical health – Failing health condition may compel an employee to opt for VRS and utilize the compensation amount on health improvement and leading a healthy life thereafter.

3) Extent of job satisfaction – No or low level of work satisfaction is a potent driving factor for employees to quit their jobs and take advantage of VRS.

(4) Possibility of future lay-offs – Employees anticipating complete or partial downturn in company's business may think it wise to seek early retirement with immediate financial gain under VRS.

(5) Inability to meet work responsibilities – If an employee finds himself inadequate to perform the duties and meet the demands of his current job, he may decide to leave the organization and take advantage of VRS.

(6) Better alternative job opportunities – An employee having a better alternative employment opportunity may find the time opportune to quit the present job and enter into the alternative field of work.

ADVANTAGES OF VRS:

- (i) VRS is a more humane way to reduce surplus workforce than terminating services of employees. The firm's reputation remains intact.
- (ii) Payment of heavy compensation to retiring employees prevents resentment on their part.
- (iii) Trade unions also do not object to VRS as it is voluntary in nature.
- (iv) Despite of heavy initial upfront costs in the form of heavy compensation package, VRS reduces payroll costs or wage bills significantly over time. The firm is saved from paying monthly wages or salaries to the employees opting for VRS.

DISADVANTAGES OF VRS

- (i) Efficient employees may leave the firm and inefficient stay back. This would reduce the skill base of the firm.
- (ii) VRS might increase the workload of existing employees if it is used to cut the pay bill.
- (iii) VRS might create a sense of insecurity in the minds of employees not opting for VRS and deciding to stay with the firm.

WORKFORCE DIVERSITY

We live in times when global corporations and their reach across the world bring benefits in terms of innovative HR policies as well as challenges in terms of managing the workforce composed of diverse races and ethnicities. Further, the issue of gender diversity in terms of more women and third gender participating in the workforce has been a trend that has accelerated in the last two decades in India and much earlier in the developed countries.

When an organization has people of different caste, creed, religion, minorities and different genders, then, naturally the question arises as to how to reconcile the differences between these employees without causing too much friction in everyday interactions.

The challenge for HR manager therefore, is to make their organizations more accommodating to diverse groups of people by addressing different life styles, needs, values and work styles.

DEFINITION

Workforce diversity means the heterogeneous composition of employees of an organization in terms of age, gender, language, ethnic origin, education, marital status, etc. Managing such diversity is really a challenge to HRM professionals.

According to Moorhead and Griffin – “Workforce diversity is concerned with the similarities and differences in such characteristics as age, gender, ethnic heritage, physical abilities and disabilities, race, and sexual orientation, among the employees of organizations.”

DIMENSIONS OF WORKFORCE DIVERSITY

The characteristics that describe the workforce of an organization may be categorized under two groups, namely, primary dimensions and secondary dimensions.

Primary Dimensions:

Primary dimensions such as age, gender, race, ethnicity, sexual orientation, and physical abilities represent those elements that are either inborn or exert extra influence on early socialization. These dimensions make up the essence of who we are as human beings. They define us to others, making them react towards accordingly. These are an enduring aspect of our personality.

These are core elements about each member of the workforce that can't be changed such as age, race, gender, physical and mental abilities and sexual orientation. These inborn elements are interdependent and exert an important influence on individual's behaviour throughout the life. Together they form an individual's 'self-image'.

Secondary Dimensions:

Secondary dimensions represent those elements that we learn or over which we have some control throughout our lives, such as education, marital status, religious beliefs, language, etc. Secondary dimensions add an additional layer of complexity to the way we see ourselves and others, and in some instances can exert a powerful impact on our core identities. These constitute the elements that can be changed or at least modified. They include a person's health habits, religious beliefs, education and training, general appearance, status relationship, ethnic customs, communication style and level of income. All these factors add an additional layer of complexity to the way we see ourselves and others and in some instances can exert a powerful impact on our core identities.

TYPES OF WORKFORCE DIVERSITY

- Age Diversity-Age diversity means working with people of different ages and most importantly, generations.
- Gender Diversity- Gender diversity is equitable or fair representation of people of different genders. It most commonly refers to an equitable ratio of men and women
- Cultural Diversity- It is the concept of multiculturalism where people following different cultures put together in a workplace.
- Race/ Ethnic Diversity- Race are defined as “a category of humankind that shares certain distinctive physical traits.” The term ethnicities is more broadly defined as “large groups of people classed according to common racial, national, tribal, religious, linguistic, or cultural origin or background.” So it is about the differences in the physical traits and origin of the people working together
- Diversity based on Physical Ability – Similarities and dissimilarities based on the physical skills strength and ability of the people
- Diversity based on Mental Ability – Similarities and dissimilarities based on the interpersonal skills, values, mindset, and beliefs attitudes of the people.

HUMAN RESOURCE INFORMATION SYSTEM

DEFINITION:

According to Hedrickson, HRIS can be briefly described as integrated system used to gather, store and analyze information regarding an organization human resources.

OBJECTIVES OF HRIS:

1. To provide accurate updated information about employees and job
2. Provide timely information in a cost effective manner.
3. To provide excess and safe storage of employee data.
4. To enable organization access the effectiveness of HR policies and producers.

5. To improve productivity of HR system.
6. To access programs, policies and practices of HR.
7. To aid efficient business planning and decision making.
8. Align human resource functions with the company's business strategy.
9. To improve employee and company performance and productivity.
10. To stream line the function of HR department.
11. To ensure accuracy and avoid errors.

SCOPE AND COMPONENTS OF HRIS:

1. HR administration
2. Human resource planning.
3. Wages and salary administration.
4. Leave and absence.
5. Training and development.
6. Attendance system
7. Skills invention.
8. Carrier planning

ADVANTAGES OF HRIS:

1. Improves the efficiency and ease of managing the HR function.

2. Provides variety of applications in HR function such as requirement, selection, attendance, training and development, payroll, compliance etc.,
3. Centralized storage of information excess from anywhere within the company.
4. Employees can access and exchange information in a convenient manner.
5. Avoid and eliminates redundant information.
6. Helps to analyze large volume of data and generate reports in an accurate and quick manner.
7. Enables empowerment to productivity of employee to better else of their skills.
8. Helps HR manager to better plan, managing control HR cost.
9. Quick access to update information and supports decision making.
10. Better Decision making.

LIMITATIONS OF HRIS:

1. It is expensive to install and maintain.
2. It may require huge additional investment in future.
3. Employees need to train which involves times, cost and effects their existing work.
4. May meet with employee's resistance.
5. The HRIS may not be in tune with existing human resource system.
6. Lack of proper documentation can lead to problem in usage.

QUESTION BANK

PART - A

1. Define Human Resource Management.
2. State the characteristics of Human Resource Management.
3. How are HR functions classified?
4. List out the Objectives of HRM.
5. State the importance of HRM
6. Write down the Operative functions of HRM
7. State the scope of HRM
8. List out the qualities of HR Manager.
9. Draw an organizational chart of a typical HR department.
10. List out the responsibilities of HR manager.
11. Point out the types of diversities

PART - B

1. Explain the evolution of HRM in Indian Scenario.
2. Describe the functions HRM with relevant examples.
- 3.. Sketch the managerial and operative functions of HRM.
4. Analyze the Role of HRM.
5. Explain the traditional and modern HRM concept.
6. Produce the qualities and qualifications required to become HR manager.
7. Explain the barriers of HRM.
8. Explain HR policies serve as guideline to personnel decisions.
9. Elucidate the challenges of HRM in global environment.
10. Describe the importance of HRM in modern workplace.
11. Interpret HRIS with its advantages and disadvantages

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SCHOOL OF MANAGEMENT STUDIES

UNIT – II – Human Resource Management – SBAA1205

ACQUISITION OF HUMAN RESOURCE

Human Resource Planning-Quantitative and Qualitative dimensions-job analysis-job description and job specification-Recruitment-Concept and sources-Selection-Concept and process-test and interview-Placement, induction and orientation.

HUMAN RESOURCE PLANNING

MEANING:

The process of determining the manpower needs of an enterprise so that it is possible to fill up any vacancy as and when it arises. This plan eliminates the risk of surplus or shortage of staff at any time.

DEFINITION:

1) E.W. Vetter-- HRP is the process by which a management determines how the organization should move from its current manpower position to its desired manpower position. Through planning the management strives to have the right number and right kind of people at the right places, at the right time, doing things which results in both the organization and the individual receiving, maximum long range benefit.

2) Dale S. Beach-- HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved

IMPORTANCE OF HRP

1. It helps the organization to procure the required manpower.
2. It helps to replace employees.
3. It ensures optimum investment in HR.
4. It provides scope for advancement and development of employees through training, development etc.
5. It helps to tackle the problem of surplus or shortage of manpower.

6. HRP reduces the problem of labor turnover.
7. To foresee the need for redundancy and plan to check it or to provide alternative employment in consultation with trade union.

OBJECTIVES OF HRP

1. To ensure that the HR plan helps to attain the overall objective of the enterprise.
2. To keep the cost of recruitment and selection of employees low.
3. To ensure that the organization does not face the problem of either surplus or shortage of manpower.
4. To ensure the selection of the right man for the right job.
5. To make available the required manpower when expansion and diversification activities are undertaken.
6. To eliminate or minimize the adverse effects of labour turnover.
7. To find a suitable replacement for those employees who retire, die or dismissed from service.

FACTORS INFLUENCING HRP

Internal Factors

1. Recruitment policy of the organization or company strategies.

Company's policies and the strategies relating to expansion, diversification, alliances etc. determine the human resources demand in terms of quality and quantity.

2. Human resource policies.

HR policies of the company regarding quality of human resources, compensation level, quality of work life etc. Influence human resource plan.

3. Job analysis.

Determine the qualifications and skills from perspective applicants required.

4. Time horizons.

Companies with a stable competitive environment can plan for long run.

5. Company's production policy.

Company's policy regarding how much to produce influencing the number of people required.

6. Trade unions.

Influence of trade unions regarding the number of hours of work recruitment sources etc. affect HRP.

External Factors.**1. Government policies.**

Government policies like labor policy, Industrial relations policy, policy towards reserving certain jobs for different communities affect HRP.

2. Level of economic development.

Determine the level of supply of human resources in future in the country.

3. Willingness of job seekers.

4. The terms and conditions of service are acceptable to the job seekers if they find it unreasonable they may not be willing to apply.

5. Trend in the industry.

Creates demand for particular job.

6. Level of technology.

Determine the kind of human resources required.

HUMAN RESOURCE PLANNING PROCESS

Human resource planning is a process through which the right candidate for the right job is ensured. For conducting any process, the foremost essential task is to develop the organizational objective to be achieved through conducting the said process. Six steps in human resource planning are presented in the figure

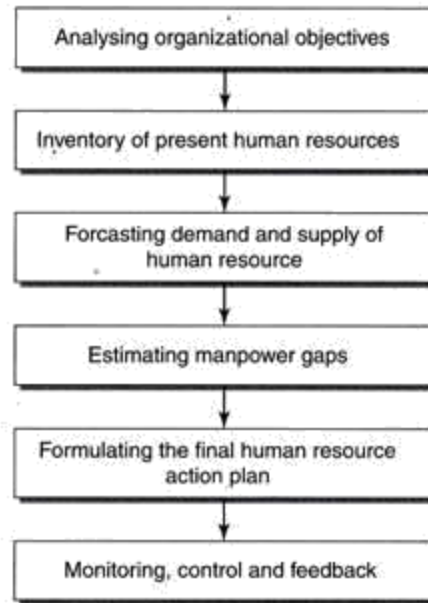


Figure 1

1. Analysing Organizational Objectives:

The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

2. Inventory of Present Human Resources:

From the updated human resource information storage system, the current number of employees, their capacity, performance and potential can be analysed. To fill the various job requirements, the internal sources (i.e., employees from within the organization) and external sources (i.e., candidates from various placement agencies) can be estimated.

3. Forecasting Demand and Supply of Human Resource:

The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There should be proper matching of job description and job specification of one particular work, and the profile of the person should be suitable to it.

4. Estimating Manpower Gaps:

Comparison of human resource demand and human resource supply will provide with the surplus or deficit of human resource. Deficit represents the number of people to be employed, whereas

surplus represents termination. Extensive use of proper training and development programme can be done to upgrade the skills of employees.

5. Formulating the Human Resource Action Plan:

The human resource plan depends on whether there is deficit or surplus in the organization. Accordingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit or termination, or voluntary retirement schemes and redeployment in case of surplus.

6. Monitoring, Control and Feedback:

It mainly involves implementation of the human resource action plan. Human resources are allocated according to the requirements, and inventories are updated over a period. The plan is monitored strictly to identify the deficiencies and remove it. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

LIMITATIONS OF HRP:

Expensive- Preparation and implementation of HRP is expensive in terms of time, efforts and money required.

Inaccurate forecasts- HRP is prepared based on forecasts, inaccurate forecasts result in the failure of the plan.

Uncertainties- Absenteeism, seasonal nature of certain jobs can bring uncertainties in HRP.

Trade union resistance- Trade unions think that this will increase the work load or it will create redeployment of the existing employees.

Focus on quantity- The HRP focuses on quantity to HR rather than quality. Quantities without quality do more harm than good.

JOB ANALYSIS

Developing an organizational structure, results in jobs which have to be staffed. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.

Some of the definitions of job analysis are

According to Michael L. Jucius, “Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions.”

According to DeCenzo and P. Robbins, “A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job.”

METHODS OF JOB ANALYSIS:

The methods or approaches are utilized in analyzing jobs. They are:

1. Personal Observation: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.
2. Sending out of Questionnaires: Properly drafted questionnaires are sent out to job- holders for completion and are returned to supervisors.
3. Maintenance of Long Records: The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.
4. Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe.
5. Personal Interviews: Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.
6. Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the “experts.”
7. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.

PROCESS OF JOB ANALYSIS:

Following are the important steps in the process of job analysis:

1. **Determine the Use of the Job Analysis Information:** Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.
2. **Collection of Background Information:** According to Terry, “The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a job evaluation. This information can be had by reviewing available background information such as organization charts and the existing job descriptions.
3. **Selection of Jobs for Analysis:** Job analysis is a costly and time consuming process. Hence, it is necessary to select a representative sample of jobs for the purposes of analysis. Priorities of various jobs can also be determined.
4. **Collection of Job Analysis Data:** Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees who watch the workers, or from the outside persons.
5. **Processing the Information:** Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed? Second, can the job analysis information be expressed in quantitative terms? These must be considered properly.
6. **Preparing Job Descriptions and Job Classifications:** Job information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.
7. **Developing Job Specifications:** Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured.

JOB DESCRIPTION

Job description is an organizational, factual statement of duties and responsibilities of a specific job. In brief, it should tell what is to be done, how it is done and why.

Job description is a written statement showing job title, tasks, duties and responsibilities involved in a job. It also prescribes the working conditions, stress that it can produce and the relationship with other jobs.

Job description contains the following information:

1. Job title, department,
2. Job contents in terms of activities or tasks performed.
3. Job responsibilities towards effective performance of the job.
4. Working conditions specifying specific hazards
5. Social environment prevailing at the workplace.
6. Machine tools and equipment.
7. Extent of supervision given and received.

JOB SPECIFICATION

Job specification is a statement of the minimum acceptable human qualities necessary to perform a job properly.

- 1) The personal characteristics such as age, sex, education, job experience and extra co-curricular activities.
- 2) Physical characteristics such as height, weight, chest, vision, hearing, health etc.
- 3) Mental characteristics such as general intelligence, memory, judgement, foresight, abilities to concentrate etc.
- 4) Social and psychological characteristics such as emotional stability, flexibility manners. Initiative, creativity, etc.

RECRUITMENT MEANING

It is the process of searching for and obtaining applicants for jobs, from among whom the right people can be selected.

DEFINITION

According to Prof. William B. Werther and Keith Davis “It is the process of finding and attracting capable applicants for employment. The process begins when new recruits are starts and ends when their applications are submitted. The results are a pool of applicants from which new employees are selected”.

PURPOSE AND IMPORTANCE OF RECRUITMENT

- Determine the present and future requirements of the organization with its human resource planning and job analysis.
- Increase the pool of job applicants at minimum cost.
- Help to increase the success rate of the selection process, by reducing the number of visibly under qualified and over qualified applications.
- Help to reduce the probability of the job applicants, will leave the organization after a short period of time.
- Begin identifying and preparing potential job applicants.
- Increase organizational and individual effectiveness in the short term and long term.
- Evaluate the effectiveness of various recruiting techniques and source for all types of job applicants

FACTORS INFLUENCING RECRUITMENT:

The following diagram represents the various factors or determinants of the effectiveness of the recruitment process done by the organization.

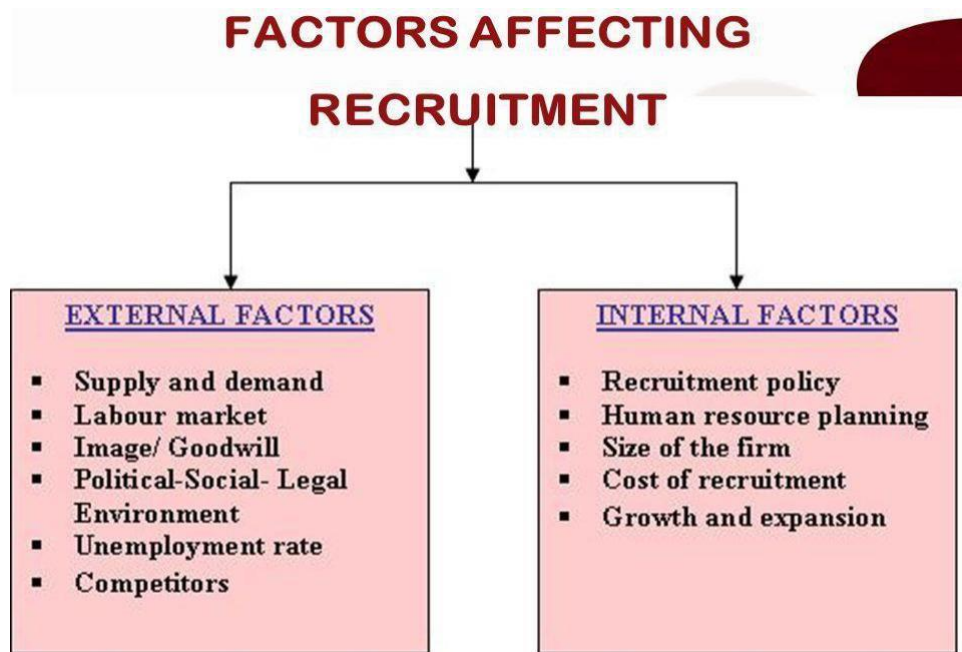


Figure 2

SOURCES OF RECRUITMENT

The sources of recruitment can broadly be classified into two; internal and external. I. Internal Sources

1. Internal Sources

An internal source refers to the present working force of a company. In the event of a vacancy, someone already on the payroll is promoted. Thus, at the Tata Engineering and Locomotive Company and at Hindustan Unilever Ltd., outside recruitment is resorted to only when requirements cannot be met from internal promotions.

Filling a vacancy from internal sources by promotion people has the advantages of increasing the general level of morale of existing employees and of providing to the company a more reliable information about the candidate's suitability who has already worked with the company on a lower post.

The major weakness of this source are that it results into inbreeding depriving the organization of a fresh outlook, originality and initiative and offers limited choice.

Advantages of Internal Sources of Recruitment

- Familiarity with the organisation and employees
- Better use of talent
- Economical and less time consuming
- It will help to improve the morale, loyalty and belongingness of an employee
- It will motivate the employees

Disadvantages of Internal Sources of Recruitment

- Limited choice
- Discourage competition
- Creates conflicts

2. External Sources

The more commonly used external sources are the following;

1. Advertisement in the newspapers

Senior posts are largely filled by this method. This method is however, followed by companies in 3 different ways

2. Employment Exchange

An employment exchange is an office set up by the government for bringing together as quickly as possible those men who are in search of employment and those employers who are looking for men. Employment exchange register unemployed people and maintain records of their names, qualifications, etc. the employers on their part intimate the exchange about the vacancies which occur in their factories and types of employees they required for from among the employment seekers already registered with it and forwards their names to the employers for consideration.

3. Field Trips

An interviewing team makes trip to towns and cities which are known to contain the kinds of employees required. Arrival dates and time and venue of interview are advertised in advance.

4. Educational Institutions

Sometimes recruiters are sent to educational institutions where they meet the members of the faculty and persons in charge of placement services who recommend suitable candidates. Some companies send representatives of professional meetings and convention to recruit people.

5. Labour

Contracts In many industries workers are recruited through contractors who are themselves the employees of these organizations.

6. Employee Referrals

Some industries with a record of good personnel relations encourage their employees to bring suitable candidates for various openings in the organization. Companies offer rich rewards also to employees whose recommendations are accepted.

7. Unsolicited Applicants

These are persons who gather at the factory gates to serve as casual workers or who send in their applications without any invitation from the factory. Sometimes already employed person may seek additional jobs. This is called moon-lighting. The number of unsolicited applicants at any point of time depends on economic condition, the image of the company and the job-seekers perception of the type of jobs that might be available in the company.

8. Labour Unions Organisations with 'closed shop' agreements with their unions are required to recruit union members only.

Advantages of External Sources of Recruitment

- Availability new and talented candidates
- Opportunity to select the best candidates with innovative or creative thoughts
- Provides healthy competition among the employees

Disadvantages of External Sources of Recruitment

- Expensive and time consuming
- Unfamiliarity with the organisation
- Lack of mutual relations
- Chances of faulty selection

SELECTION**MEANING:**

Selection is the process of picking individuals (out of the pool of job applicants) with requisite qualifications and competence to fill jobs in the organisation. The objective of selection process is to determine whether an applicant meets the qualifications for a specific job and to choose the applicant who is most likely to perform well in that job.

DEFINITION:

According to Prof. Thomas H. Stone defined selection as, “It is the process of differentiating between applicants in order to identify (& hire) those with a greater likelihood of success in a job”.

SELECTION PROCESS:

Selection is a long process, commencing from the preliminary interview of the applicants and ending with the contract of employment. In practice, the process differs among organisation between two different jobs within the same organisation. Selection procedure for Senior Manager will be long-drawn and rigorous, but it is simple and short while hiring shopfloor workers.

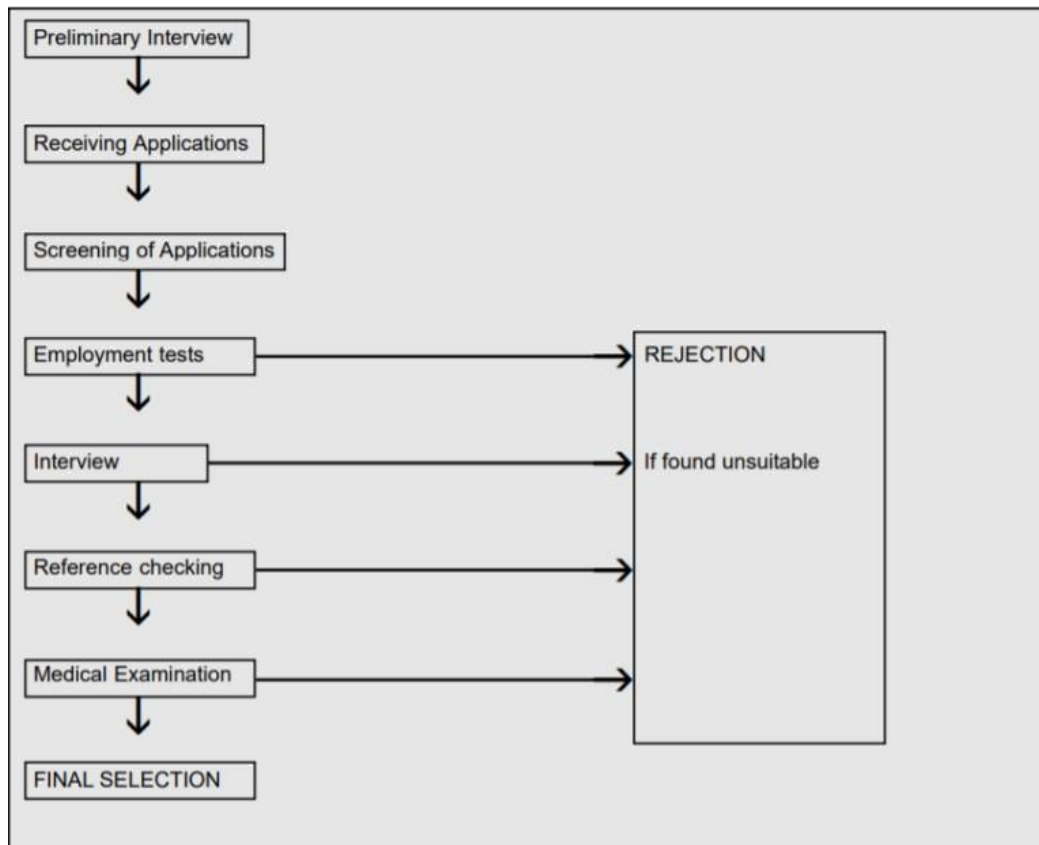


Figure 3

Preliminary Interview

This is a very general and basic interview conducted so as to eliminate the candidates who are completely unfit to work in the organisation. This leaves the organisation with a pool of potentially fit employees to fill their vacancies.

Receiving Applications

Potential employees apply for a job by sending applications to the organisation. The application gives the interviewers information about the candidates like their bio-data, work experience, hobbies and interests.

Screening Applications

Once the applications are received, they are screened by a special screening committee who choose candidates from the applications to call for an interview. Applicants may be selected on special criteria like qualifications, work experience etc.

Employment Tests

Before an organisation decides a suitable job for any individual, they have to gauge their talents and skills. This is done through various employment tests like intelligence tests, aptitude tests, proficiency tests, personality tests etc.

Employment Interview

The next step in the selection process is the employee interview. Employment interviews are done to identify a candidate's skill set and ability to work in an organisation in detail. Purpose of an employment interview is to find out the suitability of the candidate and to give him an idea about the work profile and what is expected of the potential employee. An employment interview is critical for the selection of the right people for the right jobs.

Checking References

The person who gives the reference of a potential employee is also a very important source of information. The referee can provide info about the person's capabilities, experience in the previous companies and leadership and managerial skills. The information provided by the referee is meant to keep confidential with the HR department.

Medical Examination

The medical exam is also a very important step in the selection process. Medical exams help the employers know if any of the potential candidates are physically and mentally fit to perform their duties in their jobs. A good system of medical checkups ensures that the employee standards of health are higher and there are few cases of absenteeism, accidents and employee turnover.

Final Selection and Appointment Letter

This is the final step in the selection process. After the candidate has successfully passed all written tests, interviews and medical examination, the employee is sent or emailed an appointment letter, confirming his selection to the job. The appointment letter contains all the details of the job like working hours, salary, leave allowance etc. Often, employees are hired on a conditional basis where they are hired permanently after the employees are satisfied with their performance.

IMPORTANCE OF THE SELECTION PROCESS

1. Proper selection and placement of employees lead to growth and development of the company. The company can similarly, only be as good as the capabilities of its employees.
2. The hiring of talented and skilled employees results in the swift achievement of company goals.
3. Industrial accidents will drastically reduce in numbers when the right technical staff is employed for the right jobs.
4. When people get jobs they are good at, it creates a sense of satisfaction with them and thus their work efficiency and quality improves.
5. People who are satisfied with their jobs often tend to have high morale and motivation to perform better.

TESTS

A test is a sample measurement of a candidate's ability and interest for the job. Different types of tests are conducted.

1. Aptitude Test conducted to know whether candidate has the potentials to learn the skills necessary to the work. Ex: salesman.
2. Intelligence Test to test the mental capacity of the candidates like, reasoning, word fluency, memory, vocabulary, etc.
3. Proficiency Test is conducted to measure a person's skill to do his job. Ex: typist.
4. Interest test to measure a candidate's interest in a particular work.
5. Personality Test helps to judge the personal traits of a candidate's quality like, courage, values, initiative, curiosity, judgment, temperament, etc.
6. In Basket the candidate is supplied with actual letters, telephone, conversation, reports and adequate information about job and organization. The candidate is asked to take decision on various items based on the information.
7. Thematic Apperception Test (TAT) candidates are shown a series of pictures and are asked to write a story based on these pictures. This test measures candidates conceptual, imaginative and projective skills.

8. Ink-Blot Test The candidates are asked to see the ink- blots and make meaningful concepts out of them. The examiner keeps a record of the responses, emotional expressions and incidental behaviors.

INTERVIEW

It is a face to face oral examination of a candidate by an employer. The final interview enables the employer to examine the candidate thoroughly.

KINDS OF INTERVIEW:

1. **Direct Planned Interview:** This interview is a straight forward, face-to-face, question and answer situation intended to measure the candidate's knowledge and background. Although it also provides an opportunity for observing the candidate's personal characteristics and noting his attitudes and motivations but the presentation is usually superficial. The interviewer, however, does some advance planning.
2. **Indirect Non-directives Interview:** In this type of interview the interviewer refrains from asking direct and specific questions but creates an atmosphere in which the interviewee feels free to talk and go into any subject he considers important. In such atmosphere the information obtained by the interviewer is more likely to be an accurate representation of what the individual believes than if the employee is asked specific questions. The interviewer, therefore, plays mainly a listening role.
3. **Patterned Interview:** In this interview a series of questions which can illuminate the strategic parts of the applicant's background are standardized in advance and validated against the record of employees who have succeeded or failed on the jobs. Answers to these questions are compared with a critical score and used in determining who is to be selected.
4. **Stress Interview:** In this interview the interviewer deliberately creates stress to see how an applicant operates under it. To induce the stress, the interviewer responds to the applicant's answer with anger, silence, criticism or a flurry of incisive follow-up questions. Events such as noise, interruptions, or change of schedules are introduced to see how determined and inventive an applicant can be. The interviewer can add realism by acting uncooperatively and by raising objections.

5. **Systematic Depth Interview:** In this interview, the interviewer has a plan of areas he wishes to cover. Ordinarily, the interviewer exhausts one area before launching into the next so that he can be more certain of complete coverage. Each answer must be interpreted in the context of many other interrelated circumstances. So the interviewer must weigh the meaning of various answers.
6. **Panel or Board Interview:** In the board interview, more than one person interviews an applicant at the same time. Areas of questioning are allowed to each interviewer before the interview starts. One possible disadvantage of this method is that on being stimulated by each other's questioning, interviewer may start competing with one another and thus create conditions of stress for the candidate.
7. **Group Interview:** In this interview 5 or 6 applicants are placed together in a situation in which they must interact. The situation may be structured or unstructured. It is usual for the selector to remain silent throughout the discussion and make notes of the applicant's interactions unobtrusively. The applicant who verbalizes better and who has a better personality is likely to be selected under such circumstances.
8. **Walk-in-Interview:** In this interview candidates are not required to apply for the post beforehand. They are asked to approach the employer for interview on the advertised date, time and place with their bio-data and a copy of their passport size photograph.

PLACEMENT

When the candidate reports for duty, the organization has to place him initially in that job for which he is selected. The organization decides the final placement after the initial training is over and performance during the training. The probation period ranges between six months to two years. If the performance is not satisfactory the organization may extend the probation period or ask the candidate to quit the job. If the performance is satisfactory his services will be regularized and he will be placed permanently on a job.

PROBLEMS IN PLACEMENT

1. **Employee expectations-** If the employee expects high salary independent and challenging work and the job offers low salary, dependent work then the employee finds himself misfit to the job.

2. Job expectations- Sometimes the expectations from the employee are more than the employee's abilities or skills. Then the HR manager finds the mismatch between the job and the employees.
3. Change in technology- Technological changes brings changes in job description and specification. This may mismatch.
4. Changes in organizational structure- The organization may do merger, acquisition, downsizing etc. That may result in mismatch between job and employee.

HOW TO MAKE JOB PLACEMENT EFFECTIVE

- 1) Job rotation: Rotating the employee among different job in the department enables the employee to satisfy his aptitude for challenging work.
- 2) Team work: The teamwork allows employees to use their skill, knowledge, abilities, etc. and it minimizes the problems in placement.
- 3) Training & development: Continuous training & development help the employee to acquire new skills and knowledge.
- 4) Job enrichment: Provides challenging work and decision making authority to the employees. It gives the opportunity to use his skills.
- 5) Empowerment: Makes the employee to exploit his potentialities and make use of them.

ORIENTATION

MEANING:

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

DEFINITION OF ORIENTATION:

Orientation defined by Prof.Robert .L.Mathis and John H.Jackson as, "It is a process of planned introduction of employees to their jobs, their co-workers and the organization".

PROBLEMS OF ORIENTATION

- Supervisor not trained and is too busy
- Overwhelmed with too much information in a short time.
- Overload with forms to complete
- Employee asked to perform task where there are high chances of failure that could needlessly discourage the employee.
- Employee is forced to fill in the gaps between a broad orientation by the HR department and a narrow orientation at the department level.
- Employee thrown into action too soon
- Employee mistake can damage the company
- Employee may develop wrong perception because of short period spent on each job

INDUCTION

Induction is the process of receiving and welcoming an employee when they first join a company and giving them the basic information what they need to settle down quickly and happily to start the work. Lecture, film, group, seminar are used to impart the information to new employee about the environment of the job and organization in order to make a new employee comfortable themselves

CRITERIA FOR A SUCCESSFUL INDUCTION PROGRAMME. (STEPS OR PROCESS)

1. About the company history.
2. Objectives of the company.
3. Policies
4. Procedures
5. Rules and regulations
6. Code of contact
7. About the department

8. About the superiors and subordinates

OBJECTIVES OF INDUCTION AND ORIENTATION

1. Putting the new employees at ease.
2. Greeting interest in his job and the company.
3. Providing basic information about working arrangements.
4. Indicating the standard of performance and behavior expected of him making the employee feel that his job however small is meaningful that he is not a knowledge in the vast field his job.
5. Informing him about the trading facilities.
6. Creating the feeling of social security.
7. Minimizing the reality which the company provide offers regarding pay, benefits, status, working conditions, responsibility, opportunity for growth, innovation, creative ideas

DIFFERENCE BETWEEN ORIENTATION AND INDUCTION

| | |
|--|---|
| Induction refers to a process of introducing the newcomer to his company and work environment. | Orientation is the process of helping the newcomer to align with his new position, responsibilities and work culture. |
| Induction has a short duration. It can be completed in a day. | Orientation has a longer duration. It can take 1 to several days. |
| Induction can be more informal than orientation. | Orientation can be more formal than induction. |
| Induction comes first. | Orientation comes after induction. |

Figure 4

QUESTION BANK

PART - A

1. Define Human Resource Planning.
2. List out the factors influencing the manpower planning.
3. Review the objectives of human resource planning.
4. Define job analysis.
5. Define job specification.
6. State the term recruitment.
7. What is interview?
8. List out the types of interviews.
9. Identify the effects of low morale?
10. State the meaning of psychological tests.
11. Define induction
12. State the meaning of employee placement.

PART- B

1. Categorize the techniques or steps involved in human resource planning.
2. Explain the process of human resource planning.
3. Explain the problems faced in human resource planning.
4. What is job specification? How does it differ from job description?
5. Compute the process of recruitment.
6. Explain the advantages and disadvantages of internal and external recruitment.
7. Illustrate different steps involved in selection process.
8. Discuss different types of interviews and tests.
9. Describe the steps involved in an orientation program.

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SCHOOL OF MANAGEMENT STUDIES

UNIT – III – Human Resource Management – SBAA1205

TRAINING AND DEVELOPMENT

Concept and Importance- Identifying Training and Development Needs- Designing Training Programmes- Role specific and Competency- Based Training- Evaluating Training Effectiveness- Training Process Outsourcing-Management Development- Career Development.

CONCEPTS OF TRAINING

It is the process of providing inputs and knowledge to empower and develop the manpower or employee according to the industrial expectation is called as training. It is a tool that helps to increase the efficiency and the capacity of employees by importing specified knowledge, talent, idea, skill and experience for the development of the company.

Training is a process of learning a sequence of programmed behavior. It is an application of knowledge. It gives people an awareness of the rules and procedures to guide their behavior. It attempts to improve their performance on the current job or prepare them for an intended job.

DEFINITION:

Training is the act of increasing the knowledge and skills of an employee for doing a particular job. — Edwin B. Flippo

Development is the Process in which someone or something grows or Changes and becomes more updated and advanced

Training & Development Need = Standard Performance – Actual Performance

TOOLS TO BE USED FOR TRAINING (MODE OF PROVIDING TRAINING):

- Classroom teaching
- Seminar
- Presentation
- Guest lecture
- Video presentation
- Management games
- E – learning
- Coach and mentorship
- Tutorial or remedial class

IMPORTANCE OF TRAINING

- To provide job related knowledge to the workers.
- To impart skills among the workers systematically so that they may learn quickly.
- To bring about change in the attitudes of the workers towards fellow workers, supervisor and the organization.
- To improve the productivity of the workers and the organization.
- To reduce the number of accidents by providing safety training to the workers,
- To make the workers handle materials, machines and equipment efficiently and thus to check wastage of time and resources.
- To prepare workers for promotion to higher jobs by imparting them advanced skills.

BENEFITS OF TRAINING:

1. Leads to improve productivity and profitability of organisation
2. Improve the job knowledge and skills at various level of organisation.
3. Improve job morale and confidence of work.
4. Improve the relationship between employee and employer
5. Helps in understanding organisational policy.
6. Provide information in future need in all areas of organisation.
7. It helps in reduce the cost and expenses in business.
8. It helps in maximizing quality of work and standard of employees.
9. It helps in to prevent stress, tension and misunderstanding of employees.
10. It improves labour and management qualifications.
11. It increases the level of job satisfaction and specification among employees.
12. It helps in developing sense of growth in learning.
13. It improves interpersonal skills in a company.
14. It provides a good climate for learning, growth, motivation and co-ordination
15. It creates the organization is a better place to work and live.

OBJECTIVES OF TRAINING:

- To prepare the employees to meet present and future recruitment of the job in the organization.
- To provide basic knowledge and skills which they need for intelligence performance of particular job.
- To prepare employee for achieving higher level task.
- To develop the potential of people for next level of job.
- To ensure smooth and efficient working condition of particular department.
- To ensure economical output of required quality and standard.
- To promote individual responsibility, attitude in right direction.
- To build up the overall capacity and strength of employee to challenges in organisation.

IDENTIFYING THE NEED OF TRAINING & DEVELOPMENT

- To improve Productivity
- To improve Quality
- To help a company fulfils its future personnel needs
- To improve organizational Climate
- To improve health and Safety
- Obsolescence Prevention
- Personal Growth.
- Technology update
- Industrial safety
- Effective management

PROCESS OF TRAINING OR STEPS INVOLVED IN TRAINING:

1) Assessment of training needs.

The basic step in training is to identify the need and purpose the training program based on the organizational policy and objective of the company. Normally this will be determined by the expectation and need of employees in the company.

2) Setting the training objectives.

The theme and objective of the training program should be fixed based on the employee need , technological change, level of task and nature of work.

3) Selection of training method.

The optimum method should be adopted based on urgency, demand, situation, need, Importance, budget and cost.

4) Conduct of training.

Training program should be conducted and implemented as per the schedule and plan to develop the level of employee to the next level in terms of knowledge, skill, technology and Idea.

5) Evaluation of training program and Follow up

The proper examination and audit should be conducted to review the impact and feed back of training .this will help us to identify the problems and strength of the training which help us to follow or modify the training.

TYPES (OR) METHODS OF TRAINING

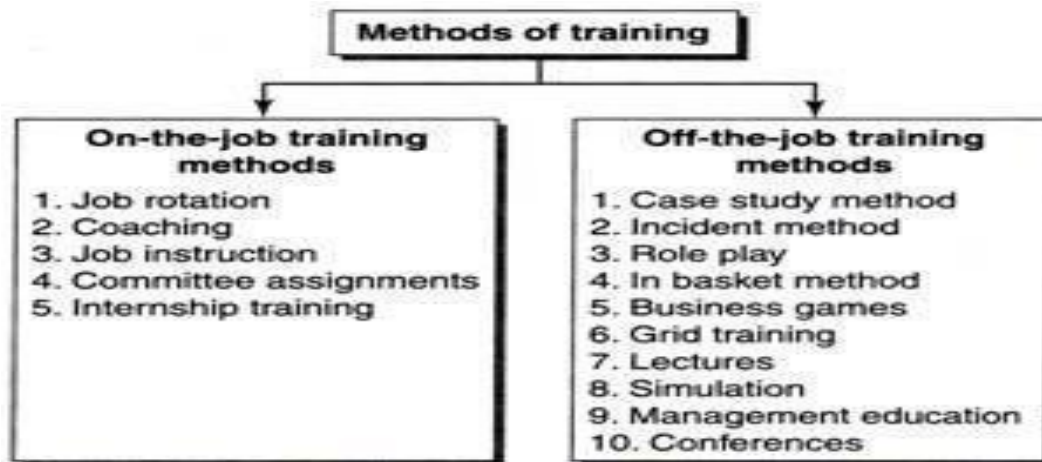


Figure 1

On the Job Training Method

1. Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to all verticals of an organization. It is a pre-planned approach with an objective to test the employee skills and competencies in order to place him or her at the right place.

2. Coaching

Coaching is a process that aims to improve performance and focuses on the ‘here and now’ rather than on the distant past or future.

3. Job Instruction

Job Instruction Training (JIT) is a step-by-step, relatively simple technique used to train employees on the job. It is especially suitable for teaching manual skills or procedures; the trainer is usually an employee's supervisor but can be a co-worker.

4. Committee assignment

Committee assignments refer to the method in which the trainees are asked to solve an actual organizational problem. In committee assignments, trainees have to work together in a team and offer solution to the problem.

5. Internship training

Under the Internship Training programme, an educational or a vocational institute enters into an arrangement with the industrial enterprises to provide experiential knowledge to their students. Usually, the internship training lasts for few months and can either be paid or unpaid.

Off the Job Training Method

1. Case study method

The case study is a method which provides descriptive situations which stimulate trainees to make decisions. As a training tool, the case study method can be used to develop decision-making skills, enhance team spirit, better communication and interpersonal skills and strengthen the analytical skills of trainees

2. Incident method

Critical incident method or critical incident technique is a performance appraisal tool in which analyses the behavior of employee in certain events in which either he performed very well and the ones in which he could have done better.

3. Role play

Role Play, or Role Playing, allows a learner to assume the role or tasks of a job by practicing or simulating real working conditions. The objective of role playing is to learn, improve or develop upon the skills or competencies necessary for a specific position.

4. Inbasket method

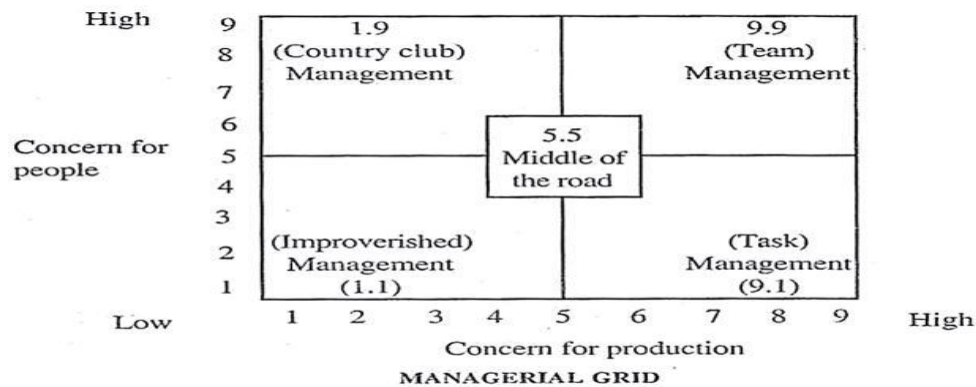
In basket training is a training method to acquaint employees about their job where a number of problems are kept in the "in basket " (usually kept on the desk of the employee). The worker has to look at the problems which could also be complaints from different employees and simultaneously deal with those problems

5. Business games

Business Games refers to the training method for managers. This form of training is based on an artificial environment that simulates the real situation in the management of the organization. Business games allow monitoring of the consequences of decisions, and respond naturally to various situations

6. Grid Training

The Grid Training is the comprehensive organization development programme developed by Blake and Mouton, which focuses on the overall development of individuals, groups and the organization as a whole.



[**Log in to http://edu-article.blogspot.com](http://edu-article.blogspot.com)

Figure 2

7. Lectures

Lecturing refers to giving an instructional talk on some subject — usually in front of a class or a group of people. Eg. Class rooms

8. Stimulation Training

Simulated Training is a devised job training that is not on the job but away from the job. It teaches a complicated, critical and hazardous task. Enough practice gives the trainees enough exposure and renders him better prepared for the real life problem.

9. Management (Games) education

Management Games, Business Simulators refers to the training method for managers. This form of training is based on an artificial environment that simulates the real situation in the management of the organization, whether it's planning, decision making, control, communications or management itself

10. Conferences and seminars

A conference is a formal meeting where people congregate to discuss a specific area of common interest while a seminar is an educational forum where members meet to acquire knowledge about a particular area.

ROLE OF TRAINING

- Help in addressing employee weaknesses
- Improvement in worker performance
- Consistency in duty performance
- Ensuring worker satisfaction
- Increased productivity
- Improved quality of service and products
- Reduced cost
- Reduction in supervision
- Develop positive attitude
- Reduced employee turnover

COMPETENCY FOR EFFECTIVE TRAINING

- **A Deep Knowledge of the Business**

A deep and thorough understanding of the business or organisation you are part of is among the greatest assets that you as a training manager can possess. A good rule of thumb is whether you can articulate both what your company does and how it does it in a few simple, concise sentences.

- **The Ability to Measure and Assess Staff Training Needs**

Awareness of how the training needs of your employees is critical to developing your team. Professional trainers are expected to conduct a thorough training needs analysis before undertaking a training assignment, and as a manager, you'll need to as well. This process will help you determine two things - what needs to be learned by your team, and how to priorities the learning.

- **Strong Communication and Interpersonal skills**

Regardless of whether you conduct your own training programs or not, it is imperative for a good training manager to be highly efficient in communication of all kinds. Understanding problems, conveying ideas, conducting training – all of this is carried through words.

- **A Passion for Continuous Learning & Enthusiasm for lifelong updating**

Every day around the world thousands of academic papers are submitted, hundreds of seminars are given, and thousands of blog posts written discussing new research and insights into age-old management problems. As a corporate trainer who wants to remain on top of the game you need to keep yourself abreast of the latest developments in your field. A passion for learning will make this less of a chore and more of a spirited endeavor.

- **Innovative Thinking**

The prospect of attending yet another training session can make anyone, from seasoned corporate executives to employees who have just started, want to shoot themselves in the head. We've all been in plenty of repetitive and monotonous training sessions. We've all sat through presentations that were boring or were clearly being taught with a minimum of effort by the instructor.

- **Embrace Efficiency**

Training budgets are almost never static. They're one of the last things to be increased by management in response to growth, and they're one of the first things to be cut! Training managers almost never had the resources they need, whether it's time, money, tools, or buy-in from the rest of the company. These are the realities of the training business though, and they're not going to change, so make sure you develop an acute appreciation of and desire for efficiency.

TRAINING OUTSOURCING

Training Process Outsourcing in Human Resources Management is drawing attention in the management to build a dedicated and high caliber, human resource with maximum skills and knowledge.

Outsourcing is the business practice of hiring a party outside a company to perform services and create goods that traditionally were performed in-house by the company's own employees and staff.

NEED OF OUTSOURCING

- **COST EFFECTIVE**

This is one primary reason from where the need of outsourcing came into the picture. Mainly with the developed countries like US and UK, the skilled and proficient labor available in these countries is very expensive according to the minimum wage policies available with them. So, the processes like marketing, Sales, web development etc they started outsourcing to the developing countries like India where they could find good quality skilled labor with very fewer wages.

- **SKILLED SPECIFIC VENDORS**

These outsourcing vendors are the ones specialized in the task assigned as they have the good number of skilled labor with them, who knows all the complexities of the task and ready with all the possible solutions required which makes the process handling smoother than having done in-house by hiring people as it turns out to be less feasible in terms of quality. Being skilled specific it helps the business to improve the effectiveness of the job.

- **SAVES ON INFRASTRUCTURE AND TECHNOLOG**

One important aspect of outsourcing is it eliminates the need of investing more in infrastructure and further technologies. Outsourced business partner shares the responsibility and do invest in them which again saves on the business capital and makes the business person use that fund to procure more needed and latest technologies related to core business activities which turn out to be a more beneficial deal for any organization raising the need of outsourcing.

■ **RISK SHARING**

When one needs to take all the responsibilities related to business and the whole risk lies on them, then they use to refrain them from doing certain things. It turns out to be one demotivating factor actually. And at the same time, if one outsources certain business activities it certainly divides the risk also as one need not worry about the loss of data during a technical crisis, accident, natural calamities or market fluctuation. Your outsourced business partner will always be there to assist you in any such kind of crisis. This definitely is one important factor and raises the need for outsourcing.

■ **DEALS WITH TALENT SHORTAGE**

One of the reasons why outsourcing is considered is the lack of required resources in a particular country or locality. While choosing an outsourcing agency one does their homework well and choose the area where require an amount of skilled resource available that too in a cost-effective manner. India is being considered on priority while outsourcing as it's been a pool of highly skilled and technologically sound resources with effective English communication skills.

■ **IMPROVED CUSTOMER SERVICES**

By relying on more skilled and qualified people for specified jobs you tend to serve better quality to your clientele which ensures more satisfied customers giving you more business and increasing your revenue which definitely calls for the need of outsourcing.

AREA OF OUTSOURCING IN HR

- Workforce Administration Solution
- HRMS Model
- Recruitment
- Learning and Performance

- Leave Administration
- Time and attendance
- Employee self-service and query resolution
- Payroll and Benefit Administration
- Payroll Administration
- Tax Processing
- Flexible Benefits /Compensation
- Regional Payroll Solution
- Document Management system

MANAGEMENT DEVELOPMENT

Management Development is a systematic process of training and growth by which managerial personnel gain and apply skill, knowledge, altitude and insights to manage the work in their organization effectively and efficiently. In other words, it is managements' responsibility of ensuring the success of the organization.

It is continuous process of learning. It implies that there will be a change in knowledge and behavior of the individuals undergoing development programme. The employee will be able to perform his present job better and will increase his potential for future work.

DEFINITION:

“A conscious and systematic process to control the development of managerial resources in the organisation for the achievement of goals and strategies”. - Yoder

CHARACTERISTICS OF MANAGEMENT DEVELOPMENT

1. It is an organised process of learning rather than a haphazard or trial and error approach.
2. It is a long term process as managerial skills cannot be developed overnight.
3. It is an ongoing exercise rather than a —one-shot affair. It continues throughout an executive's entire professional career because there is no end to learning.
4. Management development aims at preparing managers for better performance and helping them to realise their full potential.
5. Executive development is guided self-development. An executive can provide opportunities for development of its present and potential managers.

NEED OF MANAGEMENT DEVELOPMENT

- **Social Obligation**

Organization is a part of society. Society has expectations, demands for its growth and development from societal members including organization/s functioning in the society.

- **Effect of Globalization**

Because of globalization, multinational corporations (MNCs) and trans-national corporations (TNCs) have entered in the market resulting in, stiff competition amongst the market players. In such a situation, it becomes difficult for the domestic companies to survive in the context of quality goods they supply and the price they fix for the customers.

- **Effective Functioning of Line Management**

Line management/technocrats are well conversant with technicalities of production activities but, they may lack adequate skill, abilities in human relations development and conceptual areas of the company. For effective functioning of their work they need improvement, development of their skills in those areas where they lack.

- **Excellent Quality of Work of Non-Technical Higher Management**

Technical skill is required for excellent performance by nontechnical managers. Requirement of technical skill of management personnel varies in degree considering grade/strata of the management to which they belong. Higher level management may need some knowledge/skill in technical areas and so, for better functioning they need to acquire skill in this area.

- **Use of Latest Technologies**

Every organization needs to use latest technologies in its operational and service activities so that, quality goods at minimum cost can be produced to face competition with the market players but, these latest technologies cannot be effectively used if, the managers are not given proper training to have acquaintances with technologies, its operative areas, use, effectiveness, probable problems, etc.

- **Change in Economic Policy**

Change in economic policy creates a new business climate and work culture in organization where re-inventing of management practices appears to be of much necessity. New areas are required to be explored for expansion and diversification of business; continuous improvement of quality in services and products needs to be emphasised; issues like retention of customers and search out for new customer be prioritized.

- **Smooth and Effective Functioning of Business Activities**

Workers perform business and industrial activities under the guidance and supervision of management. Management personnel play the role of guide, coach, motivator, leader of the people at work. Workers can be effective if the decisions, directions, guidance of the management are proper, perfect and accurate.

CAREER DEVELOPMENT

Career development is the series of activities or the on-going process of developing one's career. It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization or starting one's own business

According to Edwin Flippo, —A career is sequence of separate but related work activities that provide continuity, order and meaning to a person's life. It is not merely a series of work-related experiences, but consists of a series of properly sequenced role experiences leading to an increasing level of responsibility, status, power and rewards. It represents an organised path taken by an individual across time and space

NEED FOR EFFECTIVE CAREER DEVELOPMENT

i. Making Available Needed Talent:

Career development is a natural extension of strategic and employee training. Identifying staff requirements over the intermediate and long-term is necessary when a firm sets long-term goals and objectives. Career development will help organizations in putting the right people in the right job.

ii. Attracting and Retaining Talents:

There is always a scarcity for talented people and there is competition to secure their services. Talented people always prefer to work in organizations which care for their future concern and exhibit greater loyalty and commitment to organizations where there is career advancement. As career development is an important aspect of work life as well as personal life, people prefer to join firms which offer challenges, responsibility and opportunities for advancement.

iii. Reduced Employee Frustration:

Along with educational level and knowledge, the aspirational level of occupations is also increasing. When these levels are not met due to economic stagnation frustration sets in. When organizations downsize to cut costs, employee career paths, career tracks and career ladders tend to collapse resulting in aggravation of frustration. Career counseling comes a long way in reducing frustration.

iv. Enhancing Cultural Diversity:

Fast changing scenarios in globalization reflects a varied combination of workforce representing different types of races, nationalities, religious faiths, ages and values in the workplaces. Effective career development programmes provide access to all levels of employees.

v. Improving Organizational Goodwill:

It is quite natural that if employees think their organizations care about their long-term well-being through career development they are likely to respond in kind by projecting positive images about their organizations. Career development does help organization in impressing image and goodwill.

vi. Motivating for best result:

Normally the career development will motivate the employee to attain the result effectively with maximum amount of interest and wish; since their personal growth is granted for sustainability.

vii. Maximizing Interest on achieving task or work:

When the employees are motivated that induce the amount of happiness and interest among the employees to do give their full support on their respective works.

viii. Reducing absentee:

The ultimate factor in career development is to minimize the amount of absentee and make the employee to maintain the proper percentage of attendance for providing best performance.

STEPS IN CAREER DEVELOPMENT (PROCESS)

- **Identifying Career Needs**

Some large organizations have assessment centres or conduct career development workshops wherein a group of employees are brought together to undergo psychological testing, simulation exercises, and depth interviews.

- **Developing Career Opportunities**

Career opportunities are identified through job analysis. The manager should identify career path for employees in the organization. He/she should discuss with the employees what jobs are available in the organizational hierarchy and at the same time find where the employee would want to go up in the organization in future.

- **Integration of Employee Needs with Career Opportunities**

It is necessary to align the needs and aspirations of the employees with career opportunities in order to ensure right people will be available to meet the organizational manpower requirements. Therefore, emphasis is placed on the training, on- and off-the-job, counselling and coaching by supervisor, and planned rotation in positions of varying functions and in different locations.

- **Regular Monitoring**

It is necessary to regularly monitor the progress of the employee towards his/her career development plans and see that the support is being provided to develop those career plans.

STRATEGIES IN CAREER DEVELOPMENT

Individual strategy

- **Do it Now**

Suppose you have made decisions that will have an impact on your career. Do not delay in implementing the decisions. Do not wait for an auspicious day to come; for completing an academic activity, for settling down, and for any other reasons.

- **Know Yourself**

You need to know your own strengths and weaknesses. Take the help of someone, whom you like and regard, to help you to identify your strengths and weaknesses. You must know how others see you; view your behavioural pattern, and opinions they possess. You must have the ear to hear what others are telling about you.

- **Analyze Career Opportunities**

Try and examine the sources of career opportunities. There are many sources of information concerning occupations and career opportunities. Many B -schools are publishing placement manuals or brochures containing information regarding career opportunities. You may also collect information from some of your friends or relatives who keep themselves informed. Spend few hours browsing the internet to determine what potential employers are seeking.

- **Establish Career Goals**

In the preceding three steps, you have learned that you should not delay in implementing decisions, you need know yourself, and you must analyse career opportunities. Using these as your arsenal, you should now develop your specific career goals.

- **Obtain Feedback**

Feedback from relevant people help one correct his/her errors. You are required to think and plan how you will gather feedbacks from others with regard to your self-analysis and current career planning.

- **Manage Your Career**

Managing career is not just implementing your plan. It is not a one-shot operation; but rather an on-going process. The self-management spreads over your entire working life. You need to constantly look for opportunities, and take advantage of them.

Organizational Strategy

- **Improving Human Resource Planning**

Considering and analysing the targets of the organization, it should develop the job specifications and recruit personnel of the required quantity and requisite quality.

- **Improving Dissemination of Career Option Information**

Employees always remain impatient to know about their career and the various career options available. Companies having career planning system should share the information with the employees through administrative manuals, circulars, or other documents. The information calms their restless minds and they can concentrate on the work assigned to them.

- **Initial Career Counseling**

Career counseling is a way of periodic performance appraisal. In addition to appraising performance, counseling provides excellent opportunity to discuss career problems of employees; their goals, and opportunities available for developing in career.

- **Support of Education and Training**

Education and training system supports all levels of employees to improve their careers. The prerequisites for further career growth are first identified, and need-based training is conducted accordingly. Furthermore, for enhancing an employee's overall growth, education is imparted.

- **Job Posting**

Employees aspire to advance in their careers. In larger organizations, the aspirations are higher. Employees need to get information for advancement in their careers. Organizations must provide all employees with information concerning job openings.

- **Special Assignments and Job Rotation**

Doing the same job over a long period of time generates boredom. Employees should get the opportunity of gaining new experience by way of performing special assignments and through job rotation. These actions enable employees to learn new things first-hand and performing them in different settings. Simultaneously, management can also ascertain the capacity and potential of an employee to accept challenges, working in new settings, and with new people.

- **Career Development Workshops**

Considering the importance of employees' career development, organizations are arranging workshops and seminars as essential career development activities. These workshops clearly indicate organizations' concern for career development.

- **Flexible Rewards and Promotional System**

Organizations use both financial and non-financial rewards to recognize employees. The scope of rewards and determining success criteria are really limited; presumably due to limited thinking about them.

SELF-MANAGEMENT

Self-assessment is essential for self-management. Self-assessment is researching within you; finding who you are, what you like or love, what you have to offer, and so forth. Self-management enables you to take decisions about your career. Findings of self-assessment should be recorded on paper.

Self-assessment includes some vital aspects such as:

- Achievements,
- Skills and abilities,
- Personal values,
- Interests,
- Disabilities,
- Personal and family circumstances, etc.

i. Achievements:

Thinking deeply and writing down your achievements enables you to rediscover yourself. The easiest way of reflecting your achievements is to start with your academic achievements at your school or university. Do not hesitate to include your achievements in co-curricular activities. Identify what led you to select a course of study. Think about the strengths you have developed along with specific knowledge gained.

ii. Skills and Abilities:

While pursuing self-analysis, never underestimate yourself; never say, have “I don’t have any skills” You must have many skills and abilities which are unknown to you. Skill is a vital element of McKinsey’s 7-S framework. Skills are the essence of what we contribute to the world. Skills bring perfection.

iii. Personal Values:

A value guide a person to lay importance over things, turn him on and off gives happiness in circumstances or otherwise, helps to decide the extent of integrity he needs in his work or life, exercise power and responsibility in the work place, and so on.

iv. Interests:

There are many things that generate your interests. First, you make a list of 25 or 30 things you love to do. Thereafter, pick up the favourites and shortlist the interests. The job you are doing must have some of these. Give some thoughts to areas which fascinate and mesmerize you the most, that is, production, quality control, quality system, maintenance, purchase or planning, administrative, computational, scientific, indoor or outdoor work, etc.

v. Disabilities (If Known):

Your disabilities cannot stop you from achieving that you most aspire for. Your strong will always supports you to reach your goal. Be honest with your known disabilities or physical impairments that may impact upon what you want to do. You may have allergies, colour blindness, back problems, asthma, etc. The presence of anyone or two disabilities does not mean you cannot do a particular job. You need to be aware of how you would manage any roadblocks restricting you to achieve. Your strong will lead you to success.

vi. Personal and Family Circumstances:

You now know your achievements, skills and abilities, personal values, interests, etc. Prepare yourself to face the impacts of these on your employment in terms of hours, financial commitments, limitations, etc. You will definitely be able to overcome the roadblocks.

QUESTION BANK

PART - A

1. Explain the term vestibule training.
2. Summarize the meaning of brain storming.
3. Define the term programmed learning.
4. Define the term training.
5. List out different types of training.
6. Differentiate between training and development.
7. Differentiate between fatigue and monotony.
8. What is meant by career developement?
9. State the meaning of self-management
10. List out characteristics of management development

PART - B

1. Explain the factors that necessitate training in an organization.
2. Summarize the steps to be taken to make T&D effective in a multinational company.
3. Enumerate the different training methods.
4. Explain the important steps involved in setting up a good T & D department for a large organizations.
5. What are the steps HR managers must take to maximize the effects of training?
6. Compose and design the need for effective management development
7. Describe the various strategies of career development
8. Discuss the concept of training outsourcing

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SCHOOL OF MANAGEMENT STUDIES

UNIT – IV – Human Resource Management – SBAA1205

PERFORMANCE APPRAISAL

Nature, objectives and importance- Modern techniques of performance appraisal- potential appraisal and employee counseling- job changes- Compensation- concept and policies- job evaluation- methods of wage payments and fringe benefits- performance linked compensation.

NATURE OF PERFORMANCE APPRAISAL

Performance Appraisal refers to all the formal procedures used in working organizations to evaluate the personalities and contribution of group members.

DEFINITION:

”Performance Appraisal is a formal, structured system of measuring and evaluating an employee’s job related behavior and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization and society all benefit”.

OBJECTIVES OF PERFORMANCE APPRAISAL

- Basis for job change and promotion
- Training and development program
- Feedback to the employee
- Incentive to all the employees
- Provide the rational foundation for the payment of price, rate , wages, bonus etc.,
- Evaluating the effectiveness of devices used for the selection and classification of workers.

IMPORTANCE OF PERFORMANCE APPRAISAL

- The performance appraisal boosts the morale of the employees and motivates them to work more
- It help to analyze an individual’s performance and their role
- It is the best way to identify the weak areas and the strength areas of the employee.

- It establishes a merit-based system that motivates the employees to put their best foot forward.
- It provides a systematic approach for reaching out to the management for clearing out expectations and to have discussions about future plans.
- It is a very effective way to promote employees based on their performances.
- It is used to scale the level of contribution of employees in the business
- It is used to provide salary high and job rotation.
- It helps the managers to arrange refreshments and career and development programs for the employees as per their performance evaluation.
- It is a part piece rate system in wages administration.

METHODS (OR) TECHNIQUES OF PERFORMANCE APPRAISAL

| | |
|--|---|
| Traditional Performance Appraisal Methods | <ol style="list-style-type: none"> 1. Ranking Method 2. Paired Comparison 3. Grading Scale 4. Forced Distribution Method 5. Forced Choice Method 6. Checklist Method 7. Critical Incidents Method 8. Graphic Scale Method 9. Essay Evaluation Method 10. Field Review Method 11. Confidential Method |
| Modern Performance Appraisal Methods | <ol style="list-style-type: none"> 1. Management By Objectives (MBO) 2. 360-Degree Feedback 3. Assessment Centre Method 4. Behaviourally Anchored Rating Scales (BARS) 5. Psychological Appraisals |

Figure 1

I . Traditional Methods

1. Ranking Method:

The oldest and simplest method of performance appraisal is to compare one man with all other men and place him in a simple rank order. In this way, ordering is done from best to worst of all individuals comprising the group.

2. Paired Comparison Method

Paired Comparison Method is a handy tool for decision making; it describes values and compares them to each other. It's often difficult to choose the best option when you have different ones that are far apart. This method is also known as the Paired Comparison Method and Pairwise Comparison.

3. Grade scale

It is a systematic evaluation of an individual with respect to performance on the job and individual's potential for development Grading Scale Method.

The Grading scale method is a performance appraisal method that rates employees according to using evaluators records their judgments about performance on a scale .

4. Forced distribution method

The forced distribution method of performance appraisal derives its name from the fact that those responsible for providing evaluations, the raters, are —forced‖ to distribute ratings for the individuals being evaluated into a —pre-specified‖ performance distribution.

5. Forced Choice method

It consists of a number of statements which describe an individual being rated. These statements are grouped into two, three or four. Sometimes all groups of the form are made of favorable statements. Sometimes all have unfavorable statements only and sometimes they have both statements. Nevertheless, the rate is compelled to check a ‘_most’ and a ‘_least’ in each group—hence the term ‘_forced choice’.

6. Check list method

This consists of a member of statements about the worker and his behavior. Each statement on this list is assigned a value depending upon its importance. Both statements and their values are derived from preliminary research in which the pooled judgments of persons familiar with the job are used.

7. Critical incident method

In this method the first step to draw up for each job a list of critical job requirements, that is, those requirements which are vital for success or failure on the job.

8. Graphic scale method

As the very name implies these methods provide some kind of a scale for measuring absolute difference between individuals. The scales used are generally of two types;

- i. Discrete
- ii. Continuous

9. Essay evaluation method

Essay Appraisal is a traditional form of Appraisal also known as —Free Form method. It involves a description of the performance of an employee by his superior which needs to be based on facts and often includes examples to support the information.

10. Field review method

The personnel officer meets small groups of raters from each supervisory unit and goes over each employee's rating with them to

- Help the group arrive at a consensus
- Determine that each rater conceives of the standards similarly.
- Identify areas of inter-related disagreement

11. Confidential method

A confidential report by the immediate supervisor is still a major determinant of the subordinate's promotion or transfer. The format and pattern of this report varies with each organization.

II. Modern Methods

1. MBO (Management by Objectives)

Introduced by Prof. **Peter Drucker**. It is a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him or use these measures as guides for operating the unit and assessing the contributions of each of its members.

2. 360 Degree Feedback

In this method, performance information is collected all-around an employee, from his supervisors, subordinates, peers, and internal and external customers. It is used for Training & Development rather than for pay increase.

3. Assessment center Method

The purpose of this method is to test the candidates in a social situation, using a number of assessors and a variety of procedures. Evaluators observe and evaluate participants as they perform activities common found in these higher level jobs. Many evaluators join together to judge employee use of a variety of criteria.

4. Behaviourally anchored rating system (BARS)

Behaviorally anchored rating scales (BARS) are scales used to rate performance. It is an appraisal method that aims to combine the benefits of narratives, critical incidents, and quantified ratings by anchoring a quantified scale with specific narrative examples of good, moderate, and poor performance

5. Psychological appraisals

This method focuses on analyzing an employee's future performance rather than their past work. Qualified psychologists conduct a variety of tests (in-depth interviews, psychological tests, discussions, and more) to identify an employee's emotional, intellectual, and other related traits

NEED FOR MODERN PERFORMANCE APPRAISAL METHODS

- Define goals clearly
- Provide real-time feedback
- Enhance employee performance
- Spot training and development needs
- Offer insights on counter-productive tasks
- Improve employee engagement and retention

PITFALLS (OR) DISADVANTAGES OF PERFORMANCE APPRAISAL

- **The lack of objectivity**

Bias is generally defined as an inclination or prejudice for or against one person or group, especially in a way considered to be unfair. In the context of performance evaluation, this bias is directed towards the employees or teams that are being assessed and it has an impact on their overall performance review.

- **The halo effect**

This type of problem arises when the person carrying out the appraisal generalizes the positive or negative impression to several individual performance categories, thus resulting an overall performance assessment influenced by this type of extrapolation.

- **The regency effect**

It implies the evaluator's tendency to focus on an employee's recent activities, behaviours and performance (good or bad), rather the performance registered throughout an extended period of time. An employee's errors or increased performance shortly before the beginning of the performance review period should not be defining for the overall employee assessment. An unbiased and fair appraisal should take into consideration the performance registered throughout the entire appraisal period.

- **The Additional Workload**

Most of the managers are packed with many works and they are busy with their own schedules and plans, In spite of all those things they are forced to do this kind of work. So they may be felt that, this process could be a additional work load to them.

- **The contrast tendency**

In this case, evaluators are faced with three types of errors: the strictness tendency, when almost all those evaluated are rated below average, the central tendency, when no one is rated really bad or really good in terms of performance, and the leniency tendency, when all those assessed are considered to have performed above average.

- **The prejudice (stereotype)**

It entails the identification of an employee with a certain group and the assumption that the characteristics of that group apply to the employee as well. Irrespective of its positive or negative nature, this type of approach prevents the evaluator from identifying the characteristics of individuals and getting to know them in order to conduct an objective and fair evaluation of their performance.

- **The distributional tendency**

In this case, evaluators are faced with three types of errors: the strictness tendency, when almost all those evaluated are rated below average, the central tendency, when no one is rated really bad or really good in terms of performance, and the leniency tendency, when all those assessed are considered to have performed above average.

- **Lack of Continuous Assessment**

Normally most of the assessments will be done only the time of month or year end , so may not get the real and actual output or contribution of employees during the particular period. The result may vary if we don't have a Continuous assessment.

POTENTIAL APPRAISAL

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organizations consider and use potential appraisal as a part of the performance appraisal process.

PURPOSE OF POTENTIAL APPRAISAL

- To inform employees of their future prospects
- To enable the organization to draft a management succession programme;
- To update training and recruitment activities
- To advise employees about the work to be done to enhance their career opportunities

TECHNIQUES OF POTENTIAL APPRAISAL

- Self – appraisals
- Peer appraisals
- Superior appraisals
- MBO
- Psychological and psychometric tests
- Management games like role playing
- Leadership exercises etc.

DIFFERENCE BETWEEN POTENTIAL APPRAISAL AND PERFORMANCE APPRAISAL

| Potential Appraisal | Performance Appraisal |
|---|---|
| <ul style="list-style-type: none">• Forward looking process• Based on forecasting• Focus on finding Hidden Talents• Scope for Employee Empowerment• Leads for Confidence• Part of Motivation | <ul style="list-style-type: none">• Backward looking process• Based on existing data• Focus on finding level of productivity• Scope for Employee development• Leads for Corrections• Part of competitive enhancement |

Table 1

COUNSELLING

Counselling is a method of understanding and helping people who have technical, personal and emotional or adjustment problems that usually has emotional contents that an employee with the objective of reducing it so that performance is maintained at adequate level or even improved upon

DEFINITION:

According to Keith Davis – “Employee counselling involves a discussion of an emotional problem with an employee with the general objective of decreasing it”.

NEED FOR EMPLOYEE COUNSELLING

- There is a need for the employees to come out from the problems, gives a new way to deal with the problems.
- The employees need to know as to how much the employer care for the employee.
- There is also a need to identify the work related problems and the poor performance.
- There is a need to increase the productivity of employee and the confidence about the work.

OBJECTIVES OF EMPLOYEE COUNSELLING

- Counselling is an exchange of ideas and feelings between two persons.
- It is concerned with both personal and work problems.
- Counselling may be performed by both professionals and non-professionals.
- Counselling is usually confidential so as to have free talk and discussion.
- It tries to improve organisational performance by helping the employees to cope with their problems

JOB CHANGES

Job Change: A job change is a revision to an employee's existing job description that does not represent a new position for the employee and is not a promotion. Job descriptions can regularly be updated to reflect duties the employee is expected to perform to meet the work needs of the department. A job change will not normally result in a change in compensation.

OBJECTIVES:

- To maximize employee efficiency.
- To improve organizational effectiveness.
- To ensure discipline.
- To cope with changes in operations

CAUSES OF JOB CHANGE

- Changes in the structure of the organization involving job redesign, job regrouping etc
- Changes in technology.
- Changes in political environment.
- Changes in demand of trade union.
- Fluctuation in volume of work due to expansion, diversification etc.
- Changes in legal policies
- Changes in the knowledge, skills and values of employees.

TRANSFER & PROMOTION

Transfer: A transfer is a lateral move to a vacant position in either the employee's current department or a new department. A transfer will not normally result in a change in compensation.

Promotion: A promotion is a move by an employee to a vacant position at a higher grade level either within the current department or in a new department. Promotions generally result in a salary increase at the time of promotion

OBJECTIVES & NEED OF TRANSFER & PROMOTION

- To Meet Organisational Needs
- To Satisfy Employee Needs
- To Better Utilize Employee
- To Make the Employee More Versatile
- To Adjust the Workforce
- To Provide Relief
- To Punish Employee
- To Direct the company
- To lead the workforce

TYPES OF TRANSFER

(A) Production Transfers:

In order to stabilize the employment in the company and avoidance of lay off, an employee may be transferred from one department to another department. Such a transfer is known as production transfer.

(B) Replacement Transfers:

An employee with a long service may be transferred in some other department to replace a person with a shorter service.

(C) Versatility Transfers:

The versatility transfers are made for the purpose of preparing the employees for production and replacement transfer. An employee is trained on different jobs so as adjust him on a different job when there is no work at his seat or job.

(D) Shift Transfers:

In case of manufacturing concerns, there are normally three shifts. Usually these shifts are rotating. In case shift assignments are not rotating, an employee may be transferred from one shift to another shift.

(E) Remedial Transfers:

In case an employee does not feel comfortable on his job, he may be transferred to some other job. His initial placement might be faulty; his health might have gone down; he may not be getting along with his supervisor or workers i.e., he might have developed personal friction with his boss or fellow employees.

(F) Miscellaneous Transfers:

Transfers may also be classified as temporary or permanent transfers. If a transfer is from one department to another, it is known as departmental transfer. If a transfer is made within the department, such a transfer is known as sectional transfer. An employee may be transferred from one plant to another plant. Such a transfer is known as inter-plant transfer.

TYPES OF PROMOTION

(a) Limited Promotion

Limited promotion is also known as upgrading. It is the movement of an employee to a more responsible job within the same occupational unit and with a corresponding increase in pay. Thus, upgrading means an increase of pay on the same job or moving to a higher scale without changing the job.

(b) Dry Promotion

Dry promotion is a promotion as a result of which there is no increase in the employee's pay. Dry promotions are those which are given in lieu of increases in compensation. It is usually made decorative by giving a new and longer title to the employee.

(c) Multiple Chain Promotion

Multiple chain promotion provides for a systematic linking of each position to several other positions. Such promotions identify multi-promotional opportunities through clearly defined avenues of approach to and exist from each position in the organization.

(d) Up and Out Promotion

Up and Out Promotion often leads to termination of services. In this type of promotion, a person must either earn a promotion or seek employment elsewhere.

(e) Horizontal and Vertical Promotion

These kinds of promotion will be given based on Organizational Hierarchy and the level of management in the company. Promoting the employee from bottom level to top level is Vertical promotion, the same way promoting the employees from Production department to operation department is Horizontal promotion.

JOB EVALUATION

Finding the financial value or worth of assigned task or work, by using this method a company can easily fix the wages to their employees.

MERITS OF JOB EVALUATION

- It is the only logical and systematic way of doing wage and salary administration.
- An exercise in job evaluation stabilizes internal norms and standards. Otherwise, there would be chaos in measuring what each job is expected to do.

- It removes wage inequalities because it links the job worth to the wages.
- It ensures proper wage cadres and classifications – also wage differentials.
- Jobs are properly classified as unskilled, semiskilled, etc.
- Helpful for recruitment.
- It helps in promotions.
- For job rotation and training. It is the basis for resolving job anomalies, wage anomalies (high job paid low, low job paid high) and such other complaints.

METHODS :

- Ranking
- Grading method
- Point rating method
- Factor comparison method

COMPENSATION

MEANING OF COMPENSATION

Compensation is the practice of the organization that involves giving monetary as well as non-monetary rewards to the employees, in order to compensate for the time they allocate to their job. Compensation management involves —maximizing the return on human capital.¶

Components of Compensation:

- Basic pay - For the skill of employee
- Increment - For continued learning of the skill year after year.
- Incentive - For efficiency of employee
- Dearness allowances- For cost of living.
- Overtime - For clearing extra workload which cannot be done during normal hours.
- H.R.A. - Allowance for rent.
- C.C.A. - To meet additional cost of living in metros.

- Social Security Schemes- like ESI and PF and pension.
- Welfare-fringe benefits-perquisites - like transport, medical facilities, housing, schooling, etc. - not related to efficiency or skill
- Bonus- Sharing the profit for employee motivation.

FACTORS INFLUENCING REMUNERATION

External Factors

- Labour Market
- Cost of Living
- Society & Economy
- Government Legislation
- Labour Unions

Internal Factors

- Business Strategy
- Job evaluation
- Job Requirements
- Increment System
- Capacity of the Organization
- Performance Appraisal

WAGE PAYMENTS AND INCENTIVES PLANS

The establishment of an implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, development and maintenance of wage structures, wage changes, wage surveys and related issues.

Payment made usually at the end of the day's work. The term further denotes payment made to workers doing physical work.

Advantages

- Attract And Retain The Employees
- Builds High Morale
- Satisfied Employees
- Image of Progressive Employer

- Ensure Minimum Wages
- Harmonious Industrial Relations
- No Favoritism/Bias

BASIC KINDS OR TYPES OF WAGE PLANS

A) Time rate system

Time rate system is a method of wage payment to workers based on time spent by them for the production of output

MERITS AND DEMERITS

Merits:

- It is simple, wage can be easily calculated
- As there is no time limit for execution workers pay attention to the quality of their work
- Same wages are paid to same kind of job, avoids jealousy among workers slow and steady pace of the worker, there is no rough handling of machinery
- This is a profitable system where output cannot be measured
- It ensures a stable income to workers

Demerits

- All the persons are paid equally without considering ability difference
- Labour charges for a particular job do not remain constant, hence quoting rates for a particular piece of work becomes difficult
- As there is no specific demand for the period of time of work there is possibility of systematic evasion.
- The employees does not know the amount of work done by each other, so total expenditure on wages cannot be adequately assessed
- As no record of workers output is maintained, it becomes difficult for the employees to determine the efficiency for the purpose of promotion

B) Piece wage plan

Piece rate system is a method of wage payment to workers based on the quantity of output they have produced

Merits and Demerits

Merits

- Pay is according to the workers efficiency as reflected in the amount of work.
- Efficiency of the workers is adequately rewarded which gives him a direct stimulus to increased his production
- Supervision is less required since wage depends upon the amount of work done or output shown by the worker
- For the continuity of the work breakdown is prevented by the worker which in turn reduces the maintenance charge
- Direct labour cost per unit of production remain constant hence calculation of cost for filling tenders becomes easy
- Not only as output increase wage increase, the method of production also increases

Demerits

- Rate per piece or output is not done on scientific basis
- Rate is done by rule of thumb method
- Workers wish to perform their work at speed, may consume more power and result in high cost of production
- Excessive speeding of work may result in wear and tear
- Trade union often appose to this system and might lead to labour disputes

C) Incentive Scheme

It is an extra motivation. They are designed to stimulate human effort by rewarding the person, over and above the time rated remuneration, for improvements in the present or targeted results.

Merits and Demerits

Merits

- Strengthens productivity
- Advantages for both workers and employers.
- Reduces supervision.
- Low absenteeism.
- Healthy industrial relations and reduces chances of dispute.
- Better scheme for developing human resource.
- Develops the feeling of co-operation among workers.

Demerits

- There is possibility of reducing productivity.
- Difficult to consider and achieve psychological and social dimensions.
- Employment is uncertain.
- Difficult to measure proportionate value of the extra work done.

Various types of incentive plans

1. Halsey Plan

Halsey Plan. Definition: Under Halsey Plan, the standard time for the completion of a job is fixed and the rate per hour is then determined. The usual bonus share paid to the worker is 50% of the time saved multiplied by the rate per hour (time-rate).

2. Rowan Plan

Under Rowan Plan, the standard time for the completion of a job and the rate per hour is fixed. If the time taken by the worker is more than the standard time, then he is paid according to the time rate, i.e. time taken multiplied by the rate per hour.

3. Halsey premium plan

Halsey premium plan. A wage incentive program established as the first in the US industry. The incentive program was created by Frederick A. Halsey as a method for improving the straight piece-rate system in an effort to reduce wage rate cutting by management.

4. Rowan premium plan

Rowan premium plan is one of important incentive wage plan which was made by James Rowan of David Rowan and Co. As per this plan, there is guarantee of minimum wage with time rate. But worker has right to get bonus on the basis of his time saved.

5. Taylor's differential piece rate system

Taylor's differential piece-rate system posits that the worker who exceeds the standard output within the stipulated time must be paid a high rate for high production. On the other hand, the worker is paid a low rate if he fails to reach the level of output within the standard time

6. Taylor's differential piece rate scheme

Taylor's differential piece-rate system posits that the worker who exceeds the standard output within the stipulated time must be paid a high rate for high production. On the other hand, the worker is paid a low rate if he fails to reach the level of output within the standard time.

7. Budeaux multiple piece rate

Merrick's multiple piece rate is a modification of Taylor's differential plan. In this method three price rates are used to calculate the wages: 1. Standard piece rate up to 83% of the standard output. 2. 10% above the standard rate if output is between 83%-100% 3. 20% above the standard rate if output is more than 100%

8. Merricks Plan

The Merrick Differential Piece-Rate System is a modification of Taylor's differential piece-rate system in which three piece-rates are used to distinguish between the beginners, the average workers, and the superior workers, against two piece-rates in Taylor's system.

9. Gantt's task/bonus plan.

Under Gantt Task System, the standard time is fixed for the completion of a task based on a careful time and motion study. If the worker completes the task within the standard time, then his efficiency is 100% and in addition to the time wages, he is also paid a bonus of 20% on the wages earned.

10. Group incentive programs

Group incentive programs are award programs that deliver lump-sum cash payments, time-off awards, and/or informal recognition items to groups of employees who meet or exceed pre-established levels of organizational performance.

FRINGE BENEFITS

The term fringe benefits refers to the extra benefits provided to employees in addition to the normal compensation paid in the form of wage or salary. They are paid to all employees (unlike incentives which are paid to specific employees whose work is above standard) based on their membership in the organization.

The Bureau of Labor Statistics defines benefits as —non-wage compensation provided to employees. Put succinctly, the benefit is provided in exchange for the services the employee provides that isn't included in their salary or hourly compensation.

(a) **Statutory benefits** – The Employees Provident Fund Scheme, Gratuity or Pension Schemes and Employees State Insurance Scheme.

(b) **Non-statutory benefits** – Payments towards Employees Provident Fund Scheme, Gratuity and Pension Fund contribution, medical facilities, canteens, uniform and recreational facilities.

OBJECTIVES OF FRINGE BENEFITS

- To create and improve sound industrial relations
- To boost up employee morale.
- To motivate the employees by identifying and satisfying their unsatisfied needs.
- To provide qualitative work environment and work life.
- To provide security to the employees against social risks like old age benefits and maternity benefits.
- To protect the health of the employees and to provide safety to the employees against accidents.
- To promote employee's welfare by providing welfare measures like recreation facilities.
- To create a sense of belongingness among employees and to retain them. Hence, fringe benefits are called golden hand-cuffs.
- To meet requirements of various legislations relating to fringe benefits

BENEFITS & CATEGORIES OF FRINGE BENEFITS:

- Paid leave (sick, holiday, personal and vacation days)
- Supplementary pay (overtime, shift differentials like weekend or holiday pay)
- Insurance (life, health, disability)
- Retirement plans (pension, 401(k) contributions)
- Legally required benefits (social security, taxes, workers' compensation).

TYPES OF FRINGE BENEFITS

- Employee Holidays
- Health & Life Insurance
- Canteen, Rest room & Welfare activity
- Education, Hospitality & Transport
- Old Age and Retirement Benefits
- Personnel Identification, Participation and Stimulation
- Retrenchment Compensation
- Lay-off Compensation
- Gym memberships & Wellness programs
- Personal use of company cars
- Free housing
- Cash awards
- Employee free meals/snacks
- Employee discounts
- Housing allowance
- Tuition Wavers
- Sick leave (for full time employees)

PERFORMANCE LINKED COMPENSATION

A performance-linked compensation (PLC) is a form of payment from an employer to an employee, which is directly related to the performance output of an employee and which may be specified in an employment contract.

It is a kind of payment mode based on excellence on the job. It is mainly depends on how ones work on their task.

Example: The Salesmen compensation is purely depends on the amount of sales what he did, if its high the incentive also increase ,if its low the incentive also decrease. It may be applicable

- Performance linked Compensation in Salary
- Performance linked Compensation in Wages
- Performance linked Compensation in Incentives
- Performance linked Compensation in Bonus
- Performance linked Compensation in Other financial Remuneration

QUESTION BANK

PART – A

1. Define the term wage.
2. State the meaning of Performance appraisal
3. List out the different types of incentives.
4. State the meaning of non- monetary incentives.
5. List out the methods of wage payment.
6. Identify job evaluation methods.
7. List out the limitations of performance appraisal.
8. Mention the objectives of wage and salary.
9. Define the term Bonus.

PART – B

1. Explain the principles of wage and salary administration.
2. Discuss the factors influencing wage and salary administration.
3. Describe the methods of job evaluation
4. Describe different wage incentives and its advantages.
5. Construct an effective incentive scheme for a large organization.
6. Explain merits and demerits of job evaluation.
7. Differentiate between piece rate and time rate system
8. Describe the various methods of performance appraisal
9. Discuss the pitfalls of performance appraisal. How to overcome

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SCHOOL OF MANAGEMENT STUDIES

UNIT – V – Human Resource Management – SBAA1205

MAINTAINENCE

Employee health and safety- employee welfare- social security- Employer-Employee relations- Grievance handling and redressal- Industrial Disputes- causes and settlement machinery.

EMPLOYEE HEALTH & SAFETY

Employee health and safety is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment. The goal of all occupational health and safety programs is to foster a safe work environment

It is a must to provide required safety training programs for all employees who should necessarily include emergency action plan training and how to treat you while injured and alone. Make sure the employees are well efficient at the time of crisis by holding fire and emergency drills from time to time.

Employment health & safety records are useful in determining:

- Employment history and occupational exposure records;
- Injuries and illnesses on the job; and
- Workers' compensation records.

SAFETY PROCESS IN WORKPLACE

▪ Safety Policy:

It contains a declaration of the employer's intent towards the safety of employees and means to realize it. It includes causes, extent and remedies for accidents at workplace. The policy specifies the company's goals and responsibilities and caveats and sanctions for failing to fulfill them.

▪ Provision of Physical Health Services:

Many organizations render periodical physical health check-up services to their employees. Regular medical check-ups of employees help detect the signs and symptoms of tension, stress, ulcers, depression and other diseases resulting from the exposure to harmful gases or other irritants.

- **Mental Health Services:**

In order to reduce the risk of mental breakdowns because of tension, pressure and depression and mental illness, a mental health service is provided to the employees in different ways such as psychiatric counseling, co-operation and consultation with specialists, educating employees about the importance of mental health and establishment, development and maintenance of harmonious human relations at workplace.

- **Employee Assistance Programs:**

These are specially designed to deal with stress-related problems of the employees and help in diagnosis, treatment, screening and prevention of both work and non-work related problems. These programs provide real help to professionals and do not carry any negative implications.

- **Fitness Programs:**

These programs focus on overall health of employees and include both disease identification as well as lifestyle modification. The most common programs carried out by the organizations are hypertension identification, physical fitness, exercise, nutrition, smoking and drinking cessation, diet control and personal and work-related stress management.

- **Awareness Programs:**

Conducting the workshops about sexually transmitted diseases such as HIV AIDS help a lot in raising the awareness of employees towards such dreadful diseases. Such programs clear out the confusion and disruption in the workforce.

IMPORTANCE OF WORKPLACE HEALTH & SAFETY

- **Keeping People Safe**

Most employers would agree that preventing accidents and potential death to employees is a natural priority. Most safety issues don't arise out of nefarious intentions but come when businesses cut corners and don't take the time to train their employees properly on safety protocols.

- **Injuries Cost Time and Money**

The Occupational Health and Safety Administration estimates that employers pay nearly 1 million each week in workers' compensation costs. Employers are required to have workers' compensation insurance policies, but injuries increase the basic costs. Also, if an employer is underinsured, the gap of coverage is the responsibility of the employer.

- **Fewer Injuries Increase Productivity**

Workplace injuries and unsafe working environments are bad for employee morale. An employee who is concerned about being hurt isn't able to devote full attention to daily work tasks. Employers who maintain a safe and healthy work environment and conduct employee training on safety build a stronger relationship with employees. Employees no longer feel like a means to an end but part of a team working together. This creates loyalty and increases team morale, which has a direct correlation to productivity.

- **Increase Public Perception**

A company that operates in an unsafe manner can turn away customers. A restaurant that uses unsafe cooking practices isn't going to attract customers because they fear illness. Similarly, customers don't want to walk into a cluttered store with potential tripping hazards. Business owners must understand that safety goes well beyond their employees. When thinking about productivity, positive team morale increases positive customer interactions, which leads to customer retention and loyalty

- **Minimizing Legal Liabilities**

The Department of Labor oversees the Occupational Safety and Health Act. Simply put, the act states that people have a right to feel and be safe at work. It sets forth minimum standards for various industries and work environments. Current OSHA posters must be posted in places where all employees can read and review them at will. Should employers violate safety laws, legal and financial ramifications may occur?

- **Employee Motivation**

Employees are getting motivation if the personal health and safety is ensured in their organization. This will help the employees to give their best in all the task and assignment in the business.

- **Continuous flow of work**

Once the employees are getting fulfillment in all the criteria in terms of safety and health, they can give their without any break and they could maintain the flow of work in the long run.

TOOLS FOR EFFECTIVE HEALTH AND SAFETY PROGRAM

- Management training
- Workplace inspections
- Task analysis and procedures
- Accident/incident investigation
- Task observation
- Emergency preparedness
- Organizational rules
- Accident/incident analysis
- Employee training
- Personal protective equipment (PPE)
- Engineering controls
- Group meetings
- General promotion
- Off-the-job safety
- Evaluation and continuous improvement

EMPLOYEE WELFARE

Employee welfare defines as “efforts to make life worth living for workmen”. “Employee welfare is a comprehensive term including various services, benefits and facilities offered to employees & by the employers. Through such generous fringe benefits the employer makes life worth living for employees”.

Employee welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.

The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labor force for the organization. The purpose of providing such facilities is to make their work life better and also to raise their standard of living.

OBJECTIVES OF EMPLOYEE WELFARE

- To give expression to philanthropic and paternalistic feelings.
- To win over employee's loyalty and increase their morale.
- To combat trade unionism and socialist ideas.
- To build up stable labour force, to reduce labour turnover and absenteeism.
- To develop efficiency and productivity among workers.
- To save oneself from heavy taxes on surplus profits.
- To earn goodwill and enhance public image.
- To reduce the threat of further government intervention.
- To make recruitment more effective (because these benefits add to job appeal).

BENEFITS OF WELFARE MEASURES

- Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace.
- Facilities like housing schemes, medical benefits, and education and recreation facilities for workers families help in raising their standards of living. This makes workers to pay more attention towards work and thus increases their productivity.
- They provide better physical and mental health to workers and thus promote a healthy work environment
- The social evils prevalent among the labors such as substance abuse, etc are reduced to a greater extent by the welfare policies.
- Employers get stable labor force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.

IMPORTANCE OF EMPLOYEE WELFARE

- Improvement of Industrial Relations
- Creation of Permanent Labour Force
- Increase in General Efficiency and Income of Workers
- Enhancement of the Morale of Workers
- Development of the Sense of Belonging
- Change in Outlook of Employers
- Improvement of the Moral and Mental Health of Workers
- Benefit to the Society

SOCIAL SECURITY

Social security is a dynamic concept which is considered in all advanced countries of the world as an indispensable chapter of the national programme. With the development of the idea of the welfare state, it has been considered to be most essential for the industrial workers, though it includes all sections of the society.

Social security is that security which the society furnishes through appropriate organisation against certain risks or contingencies to which its members are exposed. These risks are essentially contingencies against which the individual cannot afford by his small means and by his ability or foresight alone.

CHARACTERISTICS OF SOCIAL SECURITY

- Social security is an instrument of ensuring social and economic justice.
- In a welfare state, social security is an essential part of public policy.
- Social security is not static; it is a dynamic concept which changes with the change in social and economic conditions prevailing in a country at a particular point of time.
- The basic aim of social security is to provide protection to people of small means against risks or contingencies.
- The contingencies which may impair a person's ability to support himself and his family may include sickness, old age, invalidity, unemployment, death etc.

- Social security measures are generally guided by social legislations.
- Social security measures provide for cash payment to affected persons to partly compensate them for the loss of income due to any of the contingencies mentioned in point
- Social security is a must for the protection and stability of the labour force. Social security is a wise investment made by the state which yields good social dividends in the long run.

TYPES OF SOCIAL SECURITY SCHEMES

A) Social Insurance

A system of compulsory contribution to enable the provision of state assistance in sickness, unemployment, etc

B) Social Assistance

- **Medical care**

Many employees in the public and private sector depend on medical benefits to support their health and well-being, as well as that of their family members. Employers big and small offer medical benefits in an effort to maintain a healthy work environment. Medical benefits significantly reduce the costs associated with common medical occurrences such as check-up and wellness visits, pre-natal care or emergency care.

- **Sickness benefit**

Paid sick leave/sickness benefit provides wage and job security to workers and it allows them to take the job and income-protected leave when they are sick. Non-provision of paid sick leave, sickness benefit and injury benefit amounts to work insecurity

- **Old age or retirement benefit**

It is a fund into which a sum of money is added during an employee's employment years and from which payments are drawn to support the person's retirement from work in the form of periodic payments. A pension may be a "defined benefit plan", where a fixed sum is paid regularly to a person, or a "defined contribution plan", under which a fixed sum is invested that then becomes available at retirement age.

- **Employment injury benefit**

Temporary incapacity for **work** resulting from such a condition, total or partial loss of earning capacity, likely to be permanent, and. the loss of support suffered by dependents as the result of the death of the breadwinner.

- **Family benefit**

The **Family Benefit** fund Scheme (FBF) was introduced with effect from 1st January 1974. In the case of death of a Government Servant while in service, a sum of Rs.1,50,000/(Rupees One lakh and fifty only) shall be paid to the nominee of the Government Servant. Children of employees are getting preference in the jobs in most of the companies.

- **Maternity benefit**

A payment or other allowance made by the state or an employer to a woman during pregnancy or after childbirth.

- **Survivor's benefit**

Survivors' Benefits. Survivors' benefits are payments made to family members when a worker dies. The payments are intended to help ease the financial strain caused by the loss of the worker's income. When a wage earner dies, his or her spouse and unmarried minor children are entitled to receive benefits

C) Public Service

Public service is a service intended to serve all members of a community. It is usually provided by government to people living within its jurisdiction, either directly or by financing provision of services.

EMPLOYER & EMPLOYEE RELATION

Employer-employee relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without labour management cooperation and industrial harmony. Therefore, it is in the interest of all to create and maintain good relations between employers and employees.

Employer-employee relations mean the relationships between employers and employees in industrial organisations. According to Dale Yoder, the term employer-employee relations refers to the whole field of relationship among people, human relationship that exist because of the necessary collaboration of men and women in the employment process of modern industry.

NEED OF EMPLOYER-EMPLOYEE RELATION

1. Productivity

Strong employment relations create a pleasant atmosphere within the work environment; it increases the employee motivation and can also be increased through improved employee morale. Companies that have invested into employee relations programs have experienced increases in the productivity, and therefore the increased productivity leads to increases in profits for the business.

2. Employee Loyalty

Creating the productive and pleasant work environment has a drastic effect on an employee's loyalty to the business, it encourages a loyal workforce. Having such a workforce improves employee retention, in doing so the cost of recruitment, hiring and training is cut drastically. For most businesses the high cost of employee turnover outweighs the cost of the employee relations program that they have in place. Another benefit is that when the employee turnover is low it ensures that the employer has a trained and skilled set of employees.

3. Conflict Reduction

When a work environment is efficient and friendly the extent of conflict within the workplace is reduced. Less conflict results in the employees being able to concentrate on the tasks at hand and they are therefore more productive.

All the research and statistics lead to one conclusion, 'A happy workforce is a productive workforce'. Creating a sound and efficient work environment with good management and a strong employer- employee relation can be the vital key to any businesses success or failure. Good luck.

4. Achieving Strong Employment Relations

The first implicating factor is good management. You may ask, why? Through research and surveys it was found that an employee who respects their employer is more likely to over-achieve in their designated duties, this creates a goal setting environment where the productivity levels are high.

5. Motivating our employees

Encouragement can be achieved simply through applauding your workers every once in a while, both publicly and privately. It is known throughout all levels of management that happy employees make productive employees

6. Set Goals

Achieving strong employee relations is also providing your employees with the image of ambition and success. A saying that should be considered is ‘_Under-promise, Over-deliver’. This phrase is a great managerial mantra. Consider this; do you want to be the person who has wildly optimistic goals that they never meet, or do you want to be the person who sets measured goals and ends up exceeding them by leaps and bounds? Although this is focused on image it also is focused on reputation, these are important when seeking respect from your employees.

7. Delegate

Delegation of work/tasks throughout any business is important. Through delegation you are taking an opportunity to teach and empower your employees. This also allows you and the employees to acknowledge and understand their strengths and weaknesses. These are a few points to consider when delegating tasks.

8. Communicate Effectively

When creating a work environment with an effective communication network there is one key factor that is vital. It is to ‘_Keep your door open’. Regularly remind and reinforce that your door is always open to any inquiries or concerns, and that you as a manager or business owner are willing and ready to listen. Maintaining an open channel of communication will make you aware of problems quickly, which is beneficial for quick resolution.

GRIEVANCES

Grievance is any discontent or dissatisfaction, whether expressed or not and whether valid or not arising out of anything connected with the company that an employee thinks, believes or even feels, is unfair, unjust or inequitable.

Employers are, often, bombarded with grievances of various kinds from workers almost on a daily basis. The employer might be the target in most cases. At other times, workers may target the supervisors and even their co-workers. Such grievances may be real or imaginary, valid, or invalid, genuine or false. They might look silly and completely baseless at times.

DEFINITION:

Dale S. Beach defines grievance as “any dissatisfaction or feeling of injustice in connection with one’s employment situation that is brought to the attention of management”.

CAUSES OF GRIEVANCES

A. Resulting from working conditions

- **Improper matching of the worker with the job**

Normally, the qualification or experience of the employee may not sufficient to handle the task in the higher post. It may create the grievances among the employees in the company.

- **Changes in schedules or procedures**

There may be a changes in schedules or procedures in the working slots of employee depends on the project and task where they are working.

- **Inadequate tools, machines and equipments**

Insufficient equipment may leads for delay in output or result in the business process.

- **Tight production standards**

The level of standard and benchmark will make the employees to feel complicated to do all the work.

- **Bad working conditions**

The bad working condition of working place will make the employees to de - motivate and dis-courage in their work.

- **Failure to maintain proper discipline**

Normally, the employees will follow the positive discipline in the company; failing which they supposed to face more complications.

- **Poor relationship with the supervisor**

The negative and poor relationship with the supervisor will lead to grievances and disputes among the employees and employer relationship.

B. Resulting from management policy

- **Wage payment**

Improper wage payment system will create the bias among the employees that make them to feel negative in the work spot.

- **Leave**

Proper leave system should be followed in the organization, which helps the employees to get relax and self-motivation.

- **Overtime**

Continuous overtime will lead for boredom among the employees that demotivate them in their work.

- **Transfer**

Unpredicted transfer will affect the employees to start and follow the work easily in the company.

- **Promotion, demotion and discharges**

Promotion or demotion will create the high amount challenges in the working process of organization

- **Lack of career planning and development plan**

The career planning is a base for development of employee in the company. If there is no proper system of career planning, employees could not give their full dedication in the work.

- **Hostility towards a labour union**

Influence of trade union will make the changes of employee's life personally and officially. Most of the time the trade union will play the dual role in the company .

OBJECTIVES OF THE GRIEVANCE HANDLING

- To enable the employee to air their grievance
- To clarify the nature of the grievance
- To investigate the reasons for dissatisfaction
- To obtain, where possible, a speedy resolution to the problem
- To take appropriate actions and ensure that promises are kept
- To inform the employee of their right to take the grievance to the next stage of the procedure, in the event of an unsuccessful resolution

BENEFITS OF GRIEVANCE HANDLING PROCEDURE

- It encourages employees to raise concerns without fear of reprisal.
- It provides a fair and speedy means of dealing with complaints.
- It prevents minor disagreements developing into more serious disputes.
- It serves as an outlet for employee frustrations and discontents.
- It saves employer's time and money as solutions are found for workplace problems. It helps to build an organizational climate based on openness and trust.

EFFECTS (OR) RESULT OF GRIEVANCE

A) On the Basis of production

- Low quality of production
- Low productivity
- Increase in the wastage of material, spoilage/leakage of machinery
- Increase in the cost of production per unit

B) On the Basis of employees

- Increase in the rate of absenteeism and turnover
- Reduction in the level of commitment, sincerity and punctuality
- Increase in the incidence of accidents
- Reduction in the level of employee morale

C) On the Basis of managers

- Strained superior-subordinate relations
- Increase in the degree of supervision and control
- Increase in indiscipline cases
- Increase in unrest and thereby machinery to maintain industrial

STEPS TO OVERCOME GRIEVANCE

1. Acknowledge dissatisfaction
2. Define the problem
3. Get the facts
4. Analyze and decide
5. Follow up

INDUSTRIAL DISPUTES

An industrial dispute can be viewed as friction or disagreement between two or more parties involved, due to the difference in their perceptions, opinions, mindsets, attitudes and values.

It may occur due to the misunderstanding of

- Employer and employee;
- Employee and employee or;
- Employer and employer.
- On a massive level, conflicts can even arise between the government and the public.

Industrial disputes are sometimes observed as a result of poor industrial relations in the organization.

OUTCOMES OF INDUSTRIAL DISPUTES

I) Strikes

a) Primary

- Gherao
- Boycott
- Stay away Strike
- Pen Down Strike
- Token Strike

- Lightning Strike
- Go slow
- Work to rule
- **b) Secondary**
 - Sympathy Strike
- c) Others**
 - General Strike
 - Political Strike
 - Particular Strike
 - Bandh

II) Lockouts

- **Gherao**

Gherao, meaning "encirclement", is a word which denotes a tactic used by labour activists and union leaders in India, it is similar to picketing. Usually, a group of people would surround a politician or a government building until their demands are met, or answers given

- **Boycott**

A boycott is an act of voluntary and intentional abstention from using, buying, or dealing with a person, organization, or country as an expression of protest, usually for moral, social, political, or environmental reasons.

- **Stay away Strike**

A stay away, also known as a stay-away or stay-away, is a form of protest where people are told to "stay away" from work, similar to a general strike.

- **Pen Down Strike**

A labor action in which employees come to work but do not do any work. The term connotes that this takes place in an office setting as opposed to an industrial setting. A pen-down strike is analogous to a slow down.

- **Token Strike**

A situation in which a group of workers refuses to work, but only for a short period: They called a 24 hour token strike

- **Lightning Strike**

A strike by workers after little or no warning, especially without official union backing

- **Go slow**

A deliberate slackening of the rate of production by organized labour as a tactic in industrial conflict. They will do the work very slowly.

- **Work to rule**

Work-to-rule is a job action in which employees do no more than the minimum required by the rules of their contract, and precisely follow all safety or other regulations, which may cause a slowdown or decrease in productivity, as they are no longer working during breaks or during unpaid extended hours and weekends.

- **Sympathy strike**

A sympathy strike is when one union strikes in support for another involved in a dispute, even though the first union has no disagreement with the employer. A refusal to work by one worker or group of workers to support the efforts of another group of strikers is a sympathy strike.

- **General Strike**

General strike action, also called labor strike, labour strike, or simply strike, is a work stoppage, caused by the mass refusal of employees to work. A strike usually takes place in response to employee grievances. Strikes became common during the Industrial Revolution, when mass labor became important in factories and mines.

TYPES OF INDUSTRIAL DISPUTES

- Interest Disputes or rights disputes
- Grievance disputes
- Recognition disputes
- Unfair labour practices disputes

CAUSES OF INDUSTRIAL DISPUTES

- Economic Causes
- Managerial Causes
- Government Machinery

- Joint Management Councils (JMC)
- Wage Boards
- Voluntary Arbitration
- Other Causes

1. Economic Causes

(a) Wages:

The demand for wage increase is the prime-most cause of the industrial disputes. A large number of strikes are being organised to raise a voice against the rise in prices and cost of living.

(b) Dearness Allowance and Bonus:

Increase in cost of living was the main cause of the demand of dearness allowance by the workers to equate their wages with the rise in prices. Bonus also plays an important role as a cause of industrial dispute. It is interesting to note that in 1966, 49 percent of the disputes were related to wages and bonus.

(c) Working Condition and Working Hours:

The working conditions in Indian industries are not hygienic. There is not ample provision of water, heating, lighting, safety etc. Working hours are also greater. The demand of palatable working conditions and shorter hours of work are also responsible for labour disputes.

(d) Modernisation and Automation of Plant and Machinery:

The attempt at modernisation and introduction of automatic machinery to replace labour has been the major cause of disputes in India. Workers go on strike, off and on, to resist rationalisation and automation.

(e) High Industrial Profits:

During and after the world wars, prices of the commodities went up and the industrialists earned huge profits. In order to get share in the prosperity of the industry, it naturally led to the resentment on their part. The increased profits also led to the demands of higher wages and bonus.

(f) Demand for Other Facilities:

Demand for other facilities for meeting out their basic needs such as medical, education, housing, etc., encourage the workers to resort to direct action because such facilities were denied by the employers.

2. Managerial Causes

(a) Denial of Recognition to Trade Unions:

Failure on the part of the employer to recognise the trade unions or to recognise the rival union for representation, insult of trade union leaders by the employers are some of the examples of autocratic managerial attitude worth mentioning as the causes of industrial disputes. The attitude of employers towards the labour associations had never been sympathetic.

(b) Defective Recruitment Policies:

The recruitment practices in Indian industries are defective. Recruitment is generally made by the contractors who exploit the workers and suppress their individuality. The defective promotion, demotion, transfer and placement policies encourage dissatisfaction among workers.

(c) Irregular Lay-Off and Retrenchment:

Lay-off and retrenchment are reasons to be mentioned for encouraging industrial disputes. Indian employers follow the policy of ‘Hire and Fire’. As a matter of practice, workers are not made permanent for a pretty long time to deprive them of their legitimate rights.

(d) Defiance of Agreements and Codes:

The employers regularly defy the provisions of collective bargaining agreements and code of conduct and code of discipline with a view to harass or exploit the employees and just encourage strife.

(e) Defective Leadership:

Inefficient leadership is also one of the causes of disputes. Leadership from the management and from the workers is quite incompetent to induce the workers to get them worked. The employers' representatives are not delegated sufficient authority to negotiate with the workers.

3. Government Machinery

(i) Enactments are Ineffective:

(a) The irrelevancy in the context of the challenges of present industrial climate/culture, as many has not been convinced of their utility satisfactorily;

- (b) Improper and inadequate implementation by many employers;
- (c) Incapability of understanding and answering imperatives of development.

(ii) Little Confidence over Settlement Machinery:

Both employers and employees have little confidence over the Conciliation Machinery as it could succeed in settling a very negligible number of disputes so far. Both employers and employees are litigation-minded.

4. Joint Management Councils (JMC)

Just to make a start labour participation in management, the Government in its Industrial Resolution 1956, decided to set up Joint Management Councils. This step also remained ineffective and not much headway is made in this direction. Currently, there are hardly 80 JMCs and even out of them a good number are not effective.

5. Wage Boards

Wages and allowances is the main issue in industrial disputes. The Government of India set up wage boards for various industries. The main function of wage boards is to fix the fair wage in various industries.

6. Voluntary Arbitration

The object of the Act is to require employers to diffuse with sufficient precision, the conditions of employment in the establishments- under him and to let the workers know. Such conditions include conditions of recruitment, discharge, disciplinary action, holiday, leave etc., of the workers

7. Other Causes

- .(a) Multiplicity of trade unions in the same industry/unit and rivalry among the workers has destroyed the solidarity of the working class.
- (b) In some undertakings, there is no union at all recognised or unrecognised.
- (c) The workers generally are uncertain with the activities except wages.

SETTLEMENT MACHINERY OF DISPUTES

Arbitration:

Arbitration is defined as a method of resolving a dispute with the professional help of a neutral third party who specializes in resolving labor-management, collective or individual conflicts and delivering a final legal decision.

Aggrieved employee:

An aggrieved employee shall meet the officer designated by the Management for the purpose of handling grievances or the alternate officer designated to handle the grievance in his absence and present to him his grievance in writing in the prescribed Grievance Record Form

Front line manager:

Front-line management is the level of management that oversees a company's primary production activities. Front-line managers have critical value to a company's success because they must motivate employees who perform those critical production duties. They also must generate efficient productivity and control costs.

Union representative:

Trade union representative is an employee who will represent and defend the rights of workers. Representatives are entitled to raise any concerns with management on behalf of union members

Middle level management:

Middle management is at the center of a hierarchical organization, subordinate to the senior management but above the lowest levels of operational staff.

Middle level union leader:

They are the middle agent of trade unions who connecting the employees and the employees for mutual communication.

Top management:

Top-level management are your executives such as a CEO, CFO, President and Vice President. These top managers are responsible for setting the overall direction of a company and making sure that major organizational objectives are achieved.

Top Union Leaders:

They are the head of trade union , who control and lead the entire union. Normally, they will participate in the extreme case , where the union members could not solve the issues.

Machinery for redressal of grievances

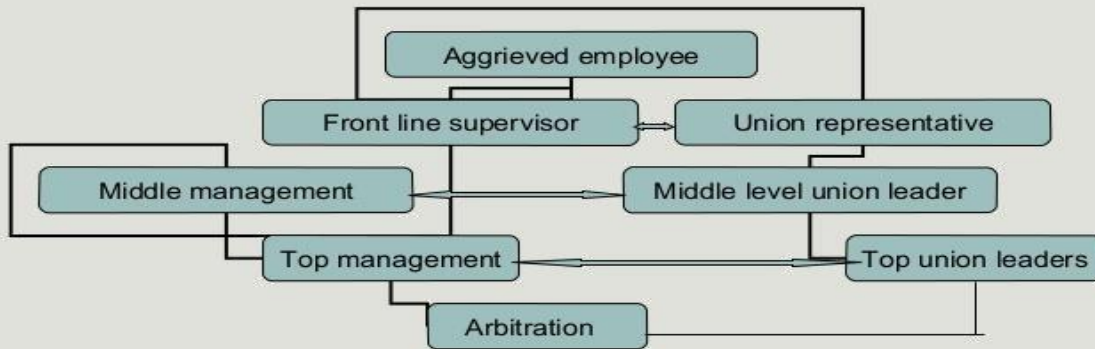


Figure 1

QUESTION BANK

PART - A

1. What are the causes of poor industrial relations?
2. State the need for harmony in industrial relations.
3. State the features of collective bargaining.
4. Write the pre-requisites for collective bargaining.
5. Define trade union.
6. Define suggestion scheme.
7. Why do employees join in trade union?
8. Write short note on craft union.
9. What are causes of indiscipline in an organization?
10. Define lockout.

PART – B

1. Explain the origin and growth of trade union in India.
2. Describe the concept of industrial relations and its role.
3. Explain the role of state in the settlement of industrial disputes.
4. Summarize the process of collective bargaining to settle industrial disputes.
5. Recommend the measures to be taken by HR manager in promoting industrial relations.
6. Analyze the different ways to make suggestion scheme more effective.
7. Explain the procedure of grievance redressal scheme.
8. Develop the important strategies for measuring the performance of HRA.
9. Explain two important functions of HR and explain how audit is done.

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