MANONMANIAM SUNDARANAR UNIVERSITY

Tirunelveli

DIRECTORATE OF DISTANCE AND CONTINUING EDUCATION

M.COM

HUMAN RESOURCE MANAGEMENT

Unit 1

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Introduction - Definition -

Importance of HRM - Concept -   Objectives of HRM

Strategic Human Resource Management

Qualities of a good personnel manager

Evolution and Growth of Personal management in India

Human Resource Policies, Need, Type & Scope

Human Resource Policies & Work Culture

Emerging Challenges of HRM

Role of HR managers

Summary

Self Assessment Questions

_____

Unit 1

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE

The successful functioning of any organization depends upon its man power. Organisations are made up of people and function through people. Without people organizations cannot exist. Therefore, people are the most important resource of any organization. This resource is called **human resource.** Human resource may be described as sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in the organization.

HUMAN RECOURSE MANAGEMENT

Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situations in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace. The whole context of Human Resource Management revolves around this core matter of managing relations at work place.

Human Resource Management (HRM) is an operation in companies designed to maximize employee performance in order to meet the employer's strategic goals and objectives. More precisely, HRM focuses on management of people within companies, emphasizing on policies and systems. In short, HRM is the process of recruiting, selecting employees, providing proper orientation and induction, imparting proper training and developing skills.

HRM also includes employees' assessment like performance appraisal, facilitating proper compensation, benefits and encouragement, maintaining proper relations with labor and with trade unions, and taking care of employees' safety, welfare and health by complying with labor laws of the state or country concerned.

DEFINITION According to **Megginson** human resource refers to "the total knowledge, skills, creative abilities, talents and aptitudes of an organizations' workforce, as well as the values, attitudes and beliefs of the individuals involved"

_____

According to National **Institute of Personnel Management of India**, "human resource management is that part of management concerned with people at work and with their relationships within the organization. It seeks to bring together men and women who make up an enterprise, enabling each of them to make their best contribution to its success both as an individual and as a member of a working group"

According to **Jucius,** "human resource management may be defined as that field of management which has to do with planning, organizing and controlling the functions of procuring, developing, maintaining and utilizing a labour force, such that the (a) objectives for which the company is established are attained economically and effectively; (b) objectives of all levels of human resources are served to the highest possible degree; and (c) objectives of society are duly coincided and served"

In the words of **Flippo**, human resource management is "the planning, organizing and controlling of procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished."

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 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.

NATURE OF HRM

HRM is a management function that helps managers to recruit, select, train and develop members for an organization. HRM is concerned with peoples dimension in organizations. The following constitute the core of HRM.

1. HRM Involves the Application of Management Functions and Principles. The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.

2. Decision Relating to Employees must be integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

3. Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

4. HRM Functions are not confined to Business Establishments Only but are applicable to non-business organizations such as education, health care, recreation and like. HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employees' as well as organizational effectiveness.

IMPORTANCE OF HRM

HRM becomes significant for business organizations due to the following reasons.

1. Attainment of Objectives:-

HRM helps a company to achieve its objectives from time to time by creating a positive attitude among workers by reducing wastages and through maximum utilization of resources etc.

2. Facilitates professional growth:-

Due to proper HR policies employees are trained well and this takes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

3. Better relations between union and management:-

Healthy HRM practices can help the organization to maintain cordial relationship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore the chances of going on strike are greatly reduced.

4. Helps an individual to work as a team:-

Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

5. Identifies potentiality for the future:-

_____

Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top level jobs. Thus one of the advantages of HRM is preparing people for the future.

6. Allocating the jobs to the right person:-

If proper recruitment and selection methods are followed, the company will be able to select the right people for the right job. When this happens the number of people leaving the job will reduce as the employees will be satisfied with their job leading to decrease in labour turnover.

7. Improves the economy:-

Effective HR practices lead to higher profits and better performance by companies. Thus the company gets a chance to enter into new business and to start new ventures. Thus industrial development enhances and hence the economy improves.

SCOPE OF HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves the organizations comes under the purview of HRM. The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects.

The scope of Human Resources Management extends to:

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

  The scope of HRM is extremely wide. For the purpose of developing an understanding of the subject it may be explained as follows:

_____
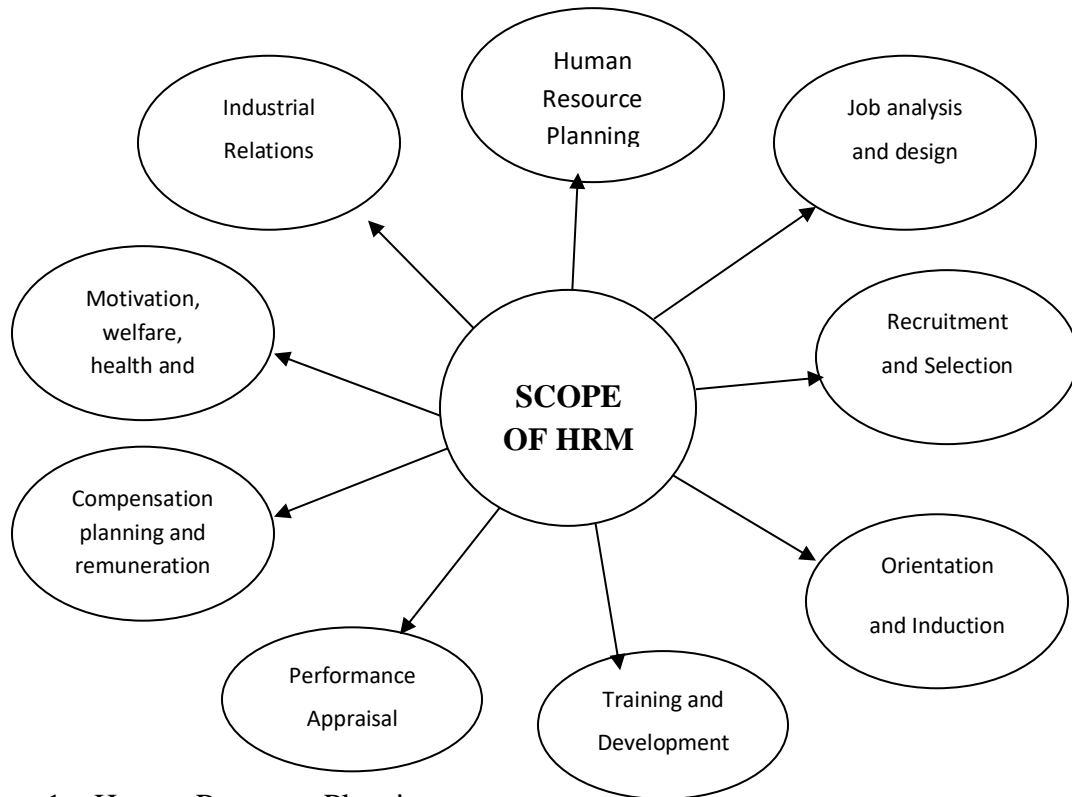
1. Human Resource Planning.

2. Job analysis and design.

3. Recruitment and Selection.

4. Orientation and Induction.

5. Training and development.

6. Performance Appraisal.

7. Compensation planning and remuneration.

8. Motivation, welfare, health and safety.

9. Industrial Relations.

_____

OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

The objective of human resource management is to utilize the available human resources in such a manner to get the work done effectively to the maximum satisfaction of the individual employee by seeking their co-operation in achieving the organizational goals. The All India Seminar on Personnel Management and Industrial Relations held at Chandigarh recently said, "Personnel management should aim at an objective administration of man in his work with the ultimate goal of economic advancement of the organization". The objectives of human resource management may be summarized as below:

1. Accomplishment of Organisational Goals: Human resource management is a function of management with the primary objective of ensuring that every employee makes his fullest contribution to the achievement of the objectives of business. It facilitates the achievement of organizational goals by providing competent and well-motivated employees.

2. Employment of Skilled Work Force: Another objective of human resource management is employing skilled and able work force in the organization efficiently. Efficient and effective use of human resources is essential for the achievement of the ultimate objectives of any organization. Otherwise other inputs like materials, machines and money cannot serve their purpose.

3. Motivated Employees: Provision of well-trained and well-motivated employees is essential for any enterprise for its successful functioning. Training improves, changes, and moulds the employee's knowledge, skill, behaviour, aptitude and attitude towards the job and the organization. It bridges the gap between job requirements and employee's present specifications. Motivation facilitates effective teamwork through desirable working conditions and policies and by preventing unethical use of human resources.

4. Developing and Maintaining a Quality of Work Life: Development and maintenance of a quality of work life is needed to make employment in the organization a desirable personal and social situation. This factor, in turn, improves the organizational performance.

5. Individual Development: The employer should exercise greater care in developing the personality of each individual. He should establish and support such human values, which may have social recognition and significance. Employees should always be given the due importance in the organization.

_____

_____

6. Maintaining a Desirable Working Relationship between Employer and Employees: It is the duty of the personnel management to establish and maintain a desirable working relationship between employer and employees so that the co-operation of employees can be ensured

7. Personnel Research: Human resource management aims at conducting various research studies regarding personnel to keep the management equipped with recent development and trends essential to take sound decisions.

8. Sound and Effective Communication: Communication system adopted by the personnel department should be sound and effective enough to communicate the various personnel policies to all employees without any delay. It is the responsibility of the personnel manager to communicate in the fullest possible sense the ideas, opinions and feelings of outsiders such as customers, Government etc., and to understand the views of internal human resources.

9. Ensuring Job Satisfaction: Human resource management aims at increasing the employee job satisfaction and self-actualization to the fullest possible extent. It tries to stimulate each employee to realize his potential and to improve his performance.
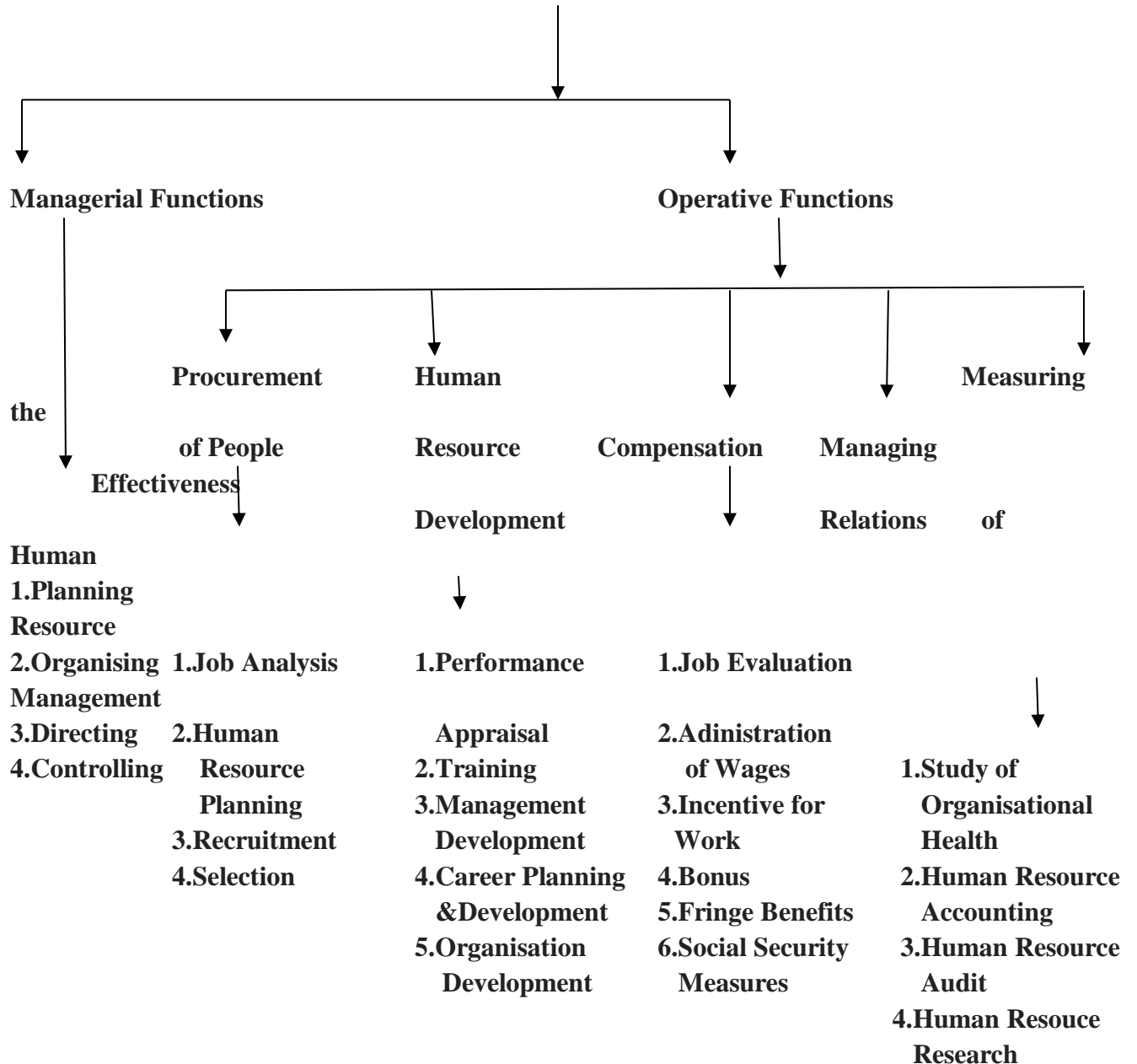
FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

Human resource management is the most important aspect of the management. All aspects of human relations are covered under the Scope of human resource management. Though the personnel activities vary from enterprise to enterprise, certain broad functions encompassing all organisations can be listed as follows:

I. Managerial functions, and

II. Operative functions.

_____

Functions of Human Resource Management

Managerial Functions   **Operative Functions**

the   **Procurement**   **Human**   **Measuring**

                 of People   **Resource**   **Compensation**   **Managing**
                 Effectiveness

Human   **Development**   **Relations**   **of**
1.Planning
Resource
2.Organising **1.Job Analysis**   **1.Performance**   **1.Job Evaluation**
Management
3.Directing   **2.Human**   **Appraisal**   **2.Adinistration**   **1.Study of**
4.Controlling   **Resource**   **2.Training**   **of Wages**   **Organisational**
                    Planning   **3.Management**   **3.Incentive for**   **Health**
                  3.Recruitment   **Development**   **Work**   **2.Human Resource**
                  4.Selection   **4.Career Planning**   **4.Bonus**   **Accounting**
                                            &Development   **5.Fringe Benefits**   **3.Human Resource**
                                          5.Organisation   **6.Social Security**   **Audit**
                                             Development   **Measures**   **4.Human Resouce**
                                                                                                       Research

I.   **Managerial Functions**

      1. Planning

      2. Organising

      3. Directing

      4. Controlling

II. Operative functions

      1. Procurement of People

      2. Human Resource Development

      3. Compensation

      4. Managing Relations

      5. Measuring the Effectiveness of HRM

1. Managerial Functions

Basic managerial functions of human resource management are - planning, organizing, directing and controlling.

1. Planning: Planning is an all-pervasive and the most basic function of management Planning refers to the determination of a course of action to achieve a desired result. Planning means deciding in advance what to do, when to do it, how to do it and who is to do it. It bridges the gap from where we are to where we want to go. As far as personnel management is concerned, planning is determining personnel programmes and changes in advance, which will contribute to the goals of the enterprise. As such it involves planning of human resources requirements, recruitment, selection, training and so on. Besides, it also involves estimating personnel requirements, changing values, attitudes and the behaviour of the personnel in the organization.

2. Organising: Organising refers to the way in which the component parts of an enterprise are put into working order so as to achieve the definite objectives of the firm. If human and material resources remain unorganised, the broad business objectives cannot be attained. In the words of H. Koontz and O'Donnell, "It is the grouping of activities necessary to attain the goals of the enterprise

_____

and the assignment of each grouping to a manager with authority necessary to supervise it". It is no exaggeration to say that without proper organisation, other functions of management are of no use.

3. Directing: Directing initiates organisers action. It is concerned with stimulating the people to work. It consists of those activities that are concerned directly with influencing, guiding or supervising people in their jobs. It involves motivation, leadership, supervision, communication and coordination. The personnel managers should co-ordinate the activities of managers at all levels as regards to personnel activities Coordination of personnel function with other functions of management should also be ensured.

4. Controlling: Control is the most important function of the personnel management. Control is intended to ensure and make possible the performance of planned activities and to achieve the pre-determined goals and results. It involves monitoring the activity and measuring performance against set standards, correcting deviations when necessary and maintaining the system. It helps the personnel manager to evaluate the performance of the personnel department and formulating the future plans by considering the variances observed in the course of action. Hence, the exercise of control is the primary responsibility of the personnel manager.

2. Operative Functions

Operative functions are of routine nature and are entrusted to the personnel department. These functions are concerned with procurement, development, compensation, human relations and effectiveness of human resource management.

1. Procurement of People

Procurement of people is the first operative function of human resource management. It is concerned with procuring and employing the personnel with requisite skills to achieve the organisational goals. It includes the following sub-functions

a. Job Analysis: Job analysis deals with determining the characteristics of each job. It is a procedure through which the facts with respect to each job are secured, organised and combined. It is also called job study. There are three phases in every job analysis. They are as follows:

I. Collection of data and information connected with various aspects of jobs, which normally include men, machines and materials

_____

_____

2. Preparation of job descriptions by condensing the data to represent an accurate and complete picture of the distinguishing features of each job in terms of the tasks and occupational requirements

3. Working up of job specifications, which precisely stipulate the skills, operation routines, responsibilities, types of efforts, working conditions and other requirements of a job. They serve as a source of data for job rating.

b. Human Resource Planning: Human resource planning is the process of determining manpower requirements and means for meeting those requirements in order to carry out the integrated plan of the organisation. It plays a vital role in the achievement of the common goals of the enterprise. Without proper manpower planning, destructive problems are bound to occur. It involves the following aspects:

1. Forecasting present and future requirements and supply of human resources

2. Making an inventory of present human resources and assessing the extent to which these resources can be employed

3. Taking necessary steps to mould and develop the strength of existing personnel in the organisation with a view to meet the human resource requirements of the future.

4. Planning the necessary programmes of recruitment, selection, training and development.

c. Recruitment: It is the first process of employment, which helps in providing the adequate employees for the organization. It means searching of the prospective employees to suit the job specifications and stimulating them to apply for the jobs in the organisation. It involves identification of existing and new sources of applicants and developing them, stimulating the candidates to apply for jobs in the organisation and striking a balance between internal and external sources.

d. Selection: Selection is a process whereby the qualified personnel can be chosen from the applicants who have offered their candidature to the organisation for employment. It is a tool in the hands of the management to differentiate the qualified and unqualified applicants by using various techniques such as tests, interviews etc. It involves the following:

1. Scrutinizing the applications received.

2. Conducting preliminary interview.

3. Formulating and developing application blanks.

4. Conducting various tests to measure the qualifications of the applicants

_____

_____

5. Conducting final interview.

6. Checking of references.

7. Framing the medical examination policy and procedure

8. Final selection.

9. Placement and Induction

2. Human Resource Development

It is concerned with the development of workers to enable them to perform their job efficiently. It includes

a. Performance Appraisal: It is concerned with the evaluation of the performance of the employees on particular jobs. It provides for systematic and scientific assessment of the ability of the employees.

b. Training: It is an act of increasing the knowledge and skills of an employee for doing a particular job. According to Dale S. Beach, "Training is the organised procedure by which people learn knowledge and/or skill for a definite purpose". Training helps the employees to acquire new skills, technical knowledge, problem solving ability etc. for their better performance.

c. Management Development: It identifies the areas in which management development programme is required and it develops the managerial and human relations skills of employees by designing and conducting executive development programmes. It also evaluates the effectiveness of executive development programmes.

d. Career Planning and Development: It is concerned with planning of one's career and implementing the same by means of education, training, acquiring the job experiences and so on. It includes the movement of employees within and outside the organisation. Examples of such movements are transfer, promotion and demotion of the workers.

e. Organisational Development: It aims at improving the organisational performance by way of planned interventions. It concentrates greatly on the human side of the organisation. It looks for changing values, attitudes, behaviour, organisational structure and managerial practices so as to improve the performance of the organisation

_____

_____

3. Compensation

It is the process whereby an equitable and fair remuneration is provided to the employees. It includes the following:

a. Job Evaluation: It measures the worth of each job in terms of money. It aims at providing the basis for ascertaining the relative worth of each job with reference to the amount of skill and effort needed and the extent of training and experience necessary. It involves the assignment of rupee value to each job.

b. Administration of Wages: The term wage generally refers to the money payment made to the workers as a reward for their performance of the assigned work. Administration of wages involves developing and operating a suitable wage programme. For the purpose of administering the wage programme, it conducts various surveys as regards to wages and determines the wage rates on the basis of various factors. It also evaluates the effectiveness of the wage programmes adopted.

c. Incentives for Work: Incentives are generally paid in the form of cash. But incentives need not be confined to the form of money. It may be paid in kind or in any other form. Incentive refers to an inducement given to attain the efficiency in performance. It is a stimulus for the worker to work more and thereby earn more. It is given in addition to the normal wage. For the purpose of providing Incentives to workers, personnel department engages itself with formulation, administering and receiving the schemes of financial incentives.

d. Bonus: In India, bonus is paid to the workers according to the provisions of the Payment of Bonus Act, 1965. The term bonus is not defined in the Act. According to Webster's International Dictionary the term Bonus means "Something given in addition to what is ordinarily received by or strictly due to the recipient".

e. Fringe Benefits: Fringe benefits are the indirect payments. They are supplementary benefits provided by the employers to their workers over and above the regular pay. Examples of such benefits are housing facilities, educational facilities, conveyance facilities, medical allowances etc.

f. Social Security Measures: Besides the above said benefits, now-a-days managements are providing social security to their personnel such as

1. Workmen's compensation to the workers who suffer from physical disablement and diseases during the course of employment in hazardous working conditions. Such compensations are paid in accordance with the provisions of the Workmen's Compensation Act, 1923.

_____

_____

2. Maternity benefits to women workers.

3. Disablement benefits to the disabled workers. The term disablement means loss of earning capacity by an injury which depends upon the nature of injury and percentage of loss of earning capacity will be partial or total. This is also paid as per the Workmen's Compensation Act, 1923

4. Dependant benefits.

5. Retirement benefits such as provident fund, pension and gratuity

4. Maintaining Human Relations

Human relations represent the interaction among people in work situation in such a manner to motivate them to work together productively. cooperatively and with economic, psychological and social satisfaction. This function suffers from two drawbacks, one is poor communication system and the other is indiscipline. Many a time industrial disputes arise out of poor communication system. To overcome this drawback, the personnel manager should develop and maintain an efficient system of communication so that two-way traffic of personnel programme and policies can be ensured. He should also be in close and regular contact with the personnel and the trade union to know their grievances and should try to remove the grievances, in order to maintain harmony and discipline in the organisation.

5. Measuring the Effectiveness of Human Resource Management

It is essential to measure the effectiveness of various personnel policies and programmes adopted to manage the human resources. Usually, the following systems and studies are adopted to measure its effectiveness.

a. Study of Organisational Health: A healthy organisation is one, which enjoys greater employees' contribution to organisational goals and their job satisfaction. The study of employees' contribution to organisational goals can be made by measuring the employees' productivity, and their job satisfaction can be measured by looking into various aspects such as labour turnover, absenteeism etc.

b. Human Resource Accounting: Human resource accounting measures the effectiveness of human resource management by finding out the cost and value of human resources to the organisation.

_____

_____

Human resource management is considered as effective only if the value and contribution of human resources to the organisation is higher than the cost of human resources.

c. Human Resource Audit: Human resource audit is an examination and evaluation of policies, procedures and practices for determining the effectiveness of human resource management. It helps human resource management to decide about its future course of action

d. Human Resource Research: It conducts various surveys such as morale, attitude, job satisfaction, behaviour etc. It collects data regarding various aspects of personnel department, analyses them and finds out the defects. Based on the defects, it develops appropriate policies to improve the effectiveness of the human resources in the organisation. Thus, human resource research evaluates the effectiveness of personnel policies, practices and develop more appropriate personnel policies, practices etc

LIMITATIONS OF HRM

1. Recent origin

HRM is of recent origin. It still lacks universally approved academic base. There is no commonly acceptable definition for HRM. Some organizations continue to have personnel management department with the new brand name HRM. It is believed that a common approach to HRM will emerge with the passage of time.

2. Lack of support from top echelons of the management

Success of philosophy of HRM mandates the support of top brass of any organization. Their attitudinal support to the HRM concept is must. They should have an unflinching faith in the human capital of the organization. Nominal or notional support will not serve to develop human assets in the organization

3. Proper implementation

HRM practices and programmes should be chalked out after assessing the current needs and aspiration of human capital employed in the organization. Every programme of HRM should be designed after thorough analysis of the training needs of the employees concerned. Unplanned organization of programmes will not bring any tangible benefit both to employees and the organization.

4. Preparation

_____

_____

Successful implementation of HRM programmes mandate the creation of other mechanisms like career planning, on the job training, development programmes, counseling, etc. There should prevail an atmosphere of learning in organization. In other words, employers should feel the desperate need to upgrade their knowledge and skill sets. If HRM programmes are implemented without doing spade work, it is sure to be doomed.

5. Inadequate information base

Organizations desiring to put in place HRM system should create an elaborate and comprehensive database of employees on the roll. In the absence of this database, none of the HR programmes can be implemented in practice. Implementation of any HRM programme requires enormous data from the employee database. Hence, employee database should be constantly updated.

REQUISITES FOR THE SUCCESS OF HRM

1. Identification of right talent

HRM facilitates identification of right persons for the right jobs. Employees whose attitudes and aspirations are in sync with organizational culture, values and objectives are identified in the selection process. HRM envisages allocation of right job to individuals who are best suited to the value system of the company. Persons are to be given the right training in order to develop their potential to the optimum extent. They need to be constantly motivated to contribute optimally to the organization.

2. Retention of talented manpower

HRM is not only focused on recruiting the right person but also is concerned with retaining talented manpower. At the same time, it has to keep at minimum non-value adding employees. It has to provide all sorts of incentives to retain the talented manpower in the organization.

3. Work culture

HRM philosophy emphasizes the optional development of employee potential and optimal utilization of the human resources to accomplish organizational goals. The aims, aspirations and priorities of employees should be given due recognition in framing any human resource policy. Besides all HR policies should be evolved in the light of human values and concern for the welfare of people. In such a work environment, employee will reciprocate by self-motivation, self-coordination, greater cooperation, higher level of performance efficiency and so on.

_____

4. Educating and enlightening managerial personal

Managerial personal have to shed their conservative attitude of hire and fire. The traditional approach will not work in the contemporary work environment predominantly manned by educated and talented workforce Hence managerial employees need to be reoriented to various aspects of human resource approaches.

5. Research

Organizations have to conduct employee satisfaction survey periodically and know their current expectations and aspirations. It should get reflected in the policies framed by it. All HR policies should be framed by drawing required information from exhaustive employee database. In other words, any HR policy and strategy framed haphazardly by management without taking into account outcomes of feedback survey or without considering the employee database is more likely to turn out be a disaster.

6. Sound communication system

There should be free flow of communication across all directions, viz., upward, downward, sideward and crossword. A good communication system promotes great understanding and smooth relationship among employees across the levels. No misunderstanding or negative feedback is allowed to fester and foul the otherwise smooth relations among employees.

DEVELOPMENT OF HRM AS A PROFESSION

The Late nineteenth and twentieth centuries witnessed the emergence of human resources management as a profession. Several kinds of personnel specialists, in addition to the social or welfare specialists, were particularly evident shortly after 1960's. Some organisations established department of labour welfare which would respond to complaints from unions, employees and monitor working conditions and wage policies. Some organisations employed wage clerks to set wage rates based on time and motion studies and analysis of job tasks. Safety specialists became very common in industry because industries wanted to reduce claims against themselves and they depended on the safety specialist to ensure safer working conditions in their organisations. These specialised personnel activities were grouped into large departments. Thus the modern HRM departments were born. These constitute the main historical roots of the philosophy and practices of human resources in today's business enterprises.

_____

_____

Strategic Human Resource Management

In recent decades, especially in the digital era, it was being felt that HR was at risk of being relegated to a role separate from those that are integrated into core business goals. Moreover, the complexities of operations with rapidly changing work conventions made the HR leaders focus on playing a major role in enhancing workplace productivity to help the businesses gain an edge in the market. This is where the concept of Strategic Human Resource Management (SHRM) comes into the picture. It is a modern approach to human resource management which distinguishes itself from the routine HR practices of organizations.

Strategic Human Resource Management (SHRM) is a process of managing human resources that links the workforce with the core strategies, objectives, and goals of an organization. It focuses on the following aspects of HR operations:

Ensuring practices that foster flexibility and give a competitive advantage to the organization

Building a cultural fit for the organization

Ensuring superior business performance

Since it is essentially a contemporary approach to human resource management, the HR department has to play a key role in making SHRM successful. HR managers need to gain a deeper understanding of SHRM in order to be an active partner in creating company policies and implementing them.

Strategic HR management can be integrated into various functions including hiring, training, and rewarding the workforce for their performance. The SHRM approach finds ways for the HR personnel to make a positive and direct contribution to the company's growth. There has to be a strategic plan related to every employee's development and retention in sync with the long-term business goals.

In the modern world, especially in the post-pandemic era, it is not easy for all businesses to overcome HR challenges. There are various components of the HR ecosystem that can be confusing for employers and lead to ineffective decisions. Consequently, there could also be a loss of productivity and a slowdown of business growth.

_____

Objectives of Strategic Human Resource Management

Strategic HRM primarily focuses on resolving matters such as organizational culture, hierarchy structure, effectiveness of operations, resource-role matching, and performance challenges. Ideally, there are 5 primary objectives of SHRM approaches:

Resource-based Strategy: Focuses on enhancing the strategic capabilities of the company

High Commitment Management: Establishing better commitment between managers and their employees.

Achieving Strategic Fit: Integration of workforce and material resources through a streamlined and high ROI oriented operational model

High Involvement Management: Empowering and treating employees as stakeholders.

High-Performance Management: Enhancing company performance through superior productivity, growth, and profitability rate of the workforce.

Importance of Strategic Human Resource Management (SHRM)

Businesses that ensure collaboration amongst all teams, and synchronized working towards common objectives, succeed faster. By applying strategic HR practices, employees can be analysed and the actions that will lead to value addition for the company, can be identified. If a company's HR personnel don't know much about strategic human resource management, they can enrol for HR courses online to understand the concepts thoroughly and implement the same in the organization. There are various benefits of applying strategic human resource management for any business. These include:

Increased job satisfaction

Better work culture

Improved rates of customer satisfaction

Efficient resource management

A proactive approach to managing employees

Productivity boost

Several challenges faced by the business leader(s) and the HR head are as follows:

Cross-cultural issues and lack of engagement between stakeholders

Global operations leading to disconnect

_____

Changing business leadership in companies that undergo M & A

Changes in the business environment such as the pandemic outbreak

Changes in technology used

Strategic Human Resource Management is essential for retaining the best talent and developing human resources. It focuses on making employees feel valued and engaged so that they are motivated to stay with the company.

Qualities of a good personnel manager

Some of the important qualities required for a personnel manager are summarized below:

(i) Sense of Vocation: The responsibilities of the job of personnel manager are so heavy that they cannot be carried out without some sense of inner urge. The only safeguard against discouragement and disappointment is the ability to draw upon the springs of an unfailing idealism. The personnel manger must have faith in humanity and also in the possibility of creating a finer social and industrial order.

(ii) Sense of Social responsibility: Industry is a part of society and it is to fulfill the needs of the society from time to time. The success of the industry much depends upon the effective co-operation of the people working in the industry. It is the duty of the personnel manager to create facilities for getting better co-operation of the personnel at work. He must appreciate the people working in their organization as social units and social groups and deal with them in social background.

(iii) Capacity for Leadership: Personnel Manager must have a sense of leadership in matters affecting the people. He, thus has dual role. First, to advise the top management on human problems while deciding the policies relating to workers and next to exercise leadership in matters affecting the efficiency of workers in the interest of the plant. He should be ready to face opposition and to speak fearlessly. He should also be in a position to convince others from his point of view.

(iv) Personnel Integrity: Personnel manager must be a man who can be trusted by all in the organisation so that people in the organisation may come to him and put all their difficulties, worries, anxieties and problems before him. He must have the personality which is trusted not only by his subordinates but also by his fellow managers and directors.

_____

_____

(v) Capacity for Persuasion: This is the intellectual side of leadership. The personnel manager has to persuade his fellow mangers and top management of the wisdom of the proposals he makes. Similarly, he has to persuade the people in the industry to reconcile with the objectives of the orgnaisation.

(vi) Personality: A few points of personality may be added to the above-mentioned qualities or character: -

(a) Public Speech: Public speech is very often a necessity in the working life of a personnel manager. To present his view-point before the management while deciding upon the problems affecting personnel and to put the organization objectives before the workers to make them understand the management point of view, public speech is a must.

(b) Facial Expression: Mobility of facial expression is also important for the personnel manager because it will help him in dealing with the personnel more efficiently.

(c) Spontaneity of Speech: Ability to express oneself in accurate terms avoids misunderstanding. People are more at ease before one who quickly says the word of welcome or introduction. Readiness and fluency combined with good knowledge or words are essential for a personnel manager.

(d)Personal dignity: Personnel manager should maintain his dignity. He should be able to mix himself with the people and yet not to be of them.

(e) Courtesy and social awareness: Actually, the personnel manager is the human relation manger. He has to speak to people of all grenades and ranks-leaders of trade unions, workers representatives, committees and Board of Directors. For all these occasions he is better equipped if he has a sense of courtesy and social awareness.

(f) Foresightedness: Being a human relation manger, he must guess the pros and cons of the action of management and any complexity which may arise out of the decision. He should strongly and advisably defend his view point in the meetings of the committee or board of directors.

ORIGIN AND GROWTH OF PERSONNEL MANAGEMENT IN INDIA

The history of the evolution and growth of personnel management in India is not very old. The various stages in the growth of personnel management is given below:

1. The Report of the Royal Commission on Labour in India: Human resource management in India dates back to the Report of the Royal Commission on Labour in India (1929-31) which recommended the appointment of labour officers to deal with recruitment in order to check corrupt

_____

_____

practices in industries in India, particularly in areas of selection of workers. The Royal Commission observed that:

i.   The jobber should be excluded from the engagement and dismissal of labour and instead, a labour officer should be appointed.

ii.   The qualities required of a labour officer should be integrity, personality, energy and the gift of understanding individuals and he should have a linguistic facility. If he is of the right type, the workers will rapidly learn to place confidence in him and regard him as a friend.

iii. All labour should be engaged consulting him and by him, and none should be dismissed without consulting him and

iv.   The labour officer should fulfill many duties and should particularly initiate and administer welfare measures

2. Appointment of Labour Officers: Labour officers were entrusted with the responsibility of promoting welfare activities. They functioned as industrial relations officers to handle grievances. The Bombay Mill Owners Association in Bengal appointed labour officers to settle grievances and disputes.

3. The Second World War: During the Second World War the need for eliciting labour support for the war effort was considered imperative. These officers were generally entrusted with the handling of welfare and labour administration. They were to deal with working conditions, canteens, ration shops, recreation facilities, medical facilities, workers' housing etc. The Second World War resulted in welfare officers being appointed by the government as well as the industry. The function of the welfare officers included welfare activities, personnel activities and industrial relations.

4. Enactment of Industrial Disputes Act: The enactment of the Industrial Disputes Act 1947 made adjudication compulsory. This made the welfare officer handle disputes and adjudicate relating to conditions of service, wages, benefits etc. The welfare officer thus became industrial relations officers. As a result, employers employed welfare officers.

5. Enactment of Factories Act: Section 49 of the Factories Act 1948 made it obligatory with a legal background. for factories employing 500 or more workers to appoint welfare officers. A welfare officer had a list of duties laid down for him. Thus, they had to perform activities concerned with welfare, personnel administration and industrial relations.

_____

6. 1960 and After: Till 1960, recruitment was untouched by law but the rapid growth of industry and the consequent demand for skilled and semi-skilled workers led to the government enacting the Employment Exchange Act, 1959, to regulate recruitment of workers and the Apprentice Act, 1961, to regulate the training of workers to some extent. Thus, human resource management in India began with industrial discipline and getting rid of troublemakers. At a later stage, personnel officers were appointed as "labour welfare officers" to satisfy statutory requirements. Later, the role of a personnel officer was converted into that of an "industrial relations officer". Today, his role is that of a "human resource manager". He works in the three areas - labour welfare, industrial relations and personnel administration.

Reasons for Slow Growth of HRM in India

The following factors are responsible for the slow growth of human resource management in India.

1. **Late arrival of the Factory System:** Human resource management is conditioned by industrial development. In India, modern industry started with the development of the railways. Even after the progress of industry, human resource management was unheard of. It was the Royal Commission of Labour which recommended in 1931, the appointment of labour officers to deal with the recruitment of labour and to settle their grievances. Thus, the slow growth of human resource management in India can be linked to the late arrival of large-scale industry.

2. **Low Status of the Industrial Worker:** The Indian worker in the early days of industrialisation was found to be illiterate. But over the years, the profile of the industrial worker has changed. Now, his status is enhanced. As a result, the handling of labour has become more professionalized.

3. **Professionalisation of Human Resource Management**: With the emergence of professional personnel managers, the growth of human resource management has accelerated. A professional has knowledge and judgement, which he uses to make his decision. He is not controlled and directed by his employer. He is more loyal to the profession than to the employer. Thus, professionalisation makes a business enterprise more efficient, dynamic and

_____

socially responsible. The growth of personnel management education in India has contributed to professionalisation of human resource management.

4. **Social Responsibilities of Business**: Employees should be treated as human beings and their co-operation must be achieved for the realisation of organisational goals. The business should fulfill the following obligations towards its employees.

a. **Fair Wages:** Business should pay reasonable salaries so that its employees may lead a good life and satisfy their needs.

b. **Adequate Benefits:** Employees should be provided benefits like housing, insurance cover, medical facilities and retirement benefits.

c. **Good Working Conditions:** Good working conditions are necessary to maintain the health of the workers. Therefore, they must be provided with good working conditions.

d. **Opportunity for Growth:** Business should give the employees opportunity to develop their capabilities through training and education.

e. **Recognition of Workers' Rights:** The business should recognise the workers right to fair wages, to form trade unions, to collective bargaining etc.

f. **Co-operation:** The business must win the co-operation of workers by creating the conditions in which workers are willing to put forward their best efforts towards the common goals of the business.

   Therefore, business organisations made a conscious attempt by contributing to the well-being and upliftment of the community in which they were located.

5. **Change of Government's Attitude:** The relationship between the state and the economy has a chequered history since the days of the planner economist, Adam Smith. During the time of Adam Smith, the doctrine of laissez faire was widely accepted as the guiding principle of economic activity. The state was expected to concern itself only with problems relating to law and order. It scrupulously avoided any interference in the working of private business. Laissez faire was the era of free enterprises. The doctrine of laissez faire was based on the assumption "that every individual acting as a rational being tries to get the greatest satisfaction from life for himself and in the process contributes towards the greatest possible satisfaction to society". Thus, the classical economist fondly believed that the principle of non-interference with the economic and business matters led to "the greatest good of the greatest numbers".

_____

_____

Prior to independence, the British government followed a laissez-faire attitude to labour-management relations. But after independence, the national government pledged to establish a welfare state. The government therefore enacted many laws for the benefit of the workers.

Human Resource Policies

Human resource (HR) policies are rules and processes that govern the employment relationship between you and your team members. HR policies describe the rights, responsibilities, and expected behaviours of both the employer and the employees when it comes to working together.

HR Policies – Need

The formulation of HR policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance of its employees.

For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out obligations, standards of behavior and document disciplinary procedures, is now the standard approach to meeting these obligations.

They provide frameworks within which consistent decisions are made and promote equity in the way in which people are treated. HR policies can also be very effective at supporting and building the desired organizational culture.

The need can be highlighted by way of following points:

1. They provide clear communication between the organization and their employees regarding their condition of employment.

2. They form a basis for treating all employees fairly and equally.

3. Policies are a set of guidelines for supervisors and managers.

4. They create a basis for developing the employee's handbook.

5. They establish a basis for regularly reviewing possible changes affecting employees.

6. Policies form a context for supervisor training programs and employee orientation program.

_____

_____

Types of HR Policies

The HR policies are discussed below:

1. Originated Policies – These are set-up by top management intentionally with a view to guiding executive pondering over various levels.

2. Appealed Policies – These policies are formulated to fulfill the requirements of certain unusual situations which are riot found covered by the earlier policies. Usually, such requests came from subordinates who fail to handle the cases on the basis of the guidance offered by the existing policies.

3. Imposed Policies – As it is evident from the name of these policies these are formed under imposition or pressure from external agencies like government, trade associations, and unions.

4. General Policies – These policies manifests the philosophies and priorities of the top management in formulating the broad plan for mapping out the organisation's growth chart.

5. Specific Policies – As it is evident from their name, these policies cover specific issues such as hiring, rewarding and bargaining. Such policies, however, should be in line with the basic framework which is offered by the general policies.

6. Written Policies and Implied Policies – Implied policies as evident from the behaviour of members like dress code, gentle tone while interacting with to customers, not getting angry while at work, etc. On the other hand written policies, spell out managerial thinking on paper so that there is very little room for loose interpretation.

The significance of HR policies can be highlighted with the help of the following points:

i. Sound basis for decisions – HR policies offer a sound basis for taking decisions with regard to HR problems. Once a policy has been laid down, any executive can take a decision easily on the basis of that policy.

ii. Facilitate meaningful and effective HRM – Once HR policies are framed and declared, every-body knows the course of action with regard to different HR problems. Hence, there will be least confusion and HRM will be more effective.

iii. Restrain discrimination and undesirable behaviour towards employees – With the declaration of HR policies, the management cannot discriminate with the employees. It has to main-tain a standard behaviour towards all.

_____

_____

iv. Restrain injustice – After the declaration of HR policies, practically no scope is left for the management to exercise its discretion or sweet will. Hence, even biased management cannot take undesirable decisions.

v. Help in decentralization of authority – HR policies ultimately lead to decentralization of power and authority. As a policy matter, the middle-level or lower-level HR staff may be delegated authority in certain spheres. This eases the job of senior or top-level management.

vi. Distinguish policy from procedure – Although some HR executives know how to tackle the employees, they often confuse a policy with a procedure. A policy is meant for general guid-ance, whereas a procedure is the implementation of the policy on a particular problem.

A manager should know the distinction between policies, rules and procedures. Many of the companies' policy manuals are often a mishmash of policies, rules and procedures. According to Harold Koontz and Cyril O'Donnell, some policies are rules and recognized as such; other so-called policies are really procedures designed to channel action, not thinking.

Therefore, for good planning, good human and industrial relations; and also, for workable delegation of authority, it is necessary that these three types of guidelines, namely policies, rules and proce-dures, must be carefully and correctly separated.

vii. Save time – As the HR policies serve as guidelines, there is no need of analyzing and discussing all problems separately and individually. The problems can be grouped together and solved according to guidelines contained in the HR policies.

viii. Bring continuity and uniformity – Once the policies are formed, whether these are in the field of finance, or human resources, or sales, or distribution and so on, there will be no difficulty if the manager is replaced by a newcomer. Thus, the policies bring continuity and uniformity which, in turn, encourage the morale and faithfulness of the workers.

ix. Help in accomplishing the organizational goals – As the formation and declaration of HR policies lead to the contentment among workers, they offer their willing and effective cooperation in accomplishing the desired objectives of the organization.

Emerging Challenges of human resource management in India

The various factors, which have impeded the growth and progress of personnel management in India, are:

_____

_____

1. Abundance of Cheap Labour: In India, the main source of labour supply has been the growth of population. Modern industrial sector in India attracts labour from the agricultural sector. Industrial centres draw on their surrounding rural area for recruitment of workers. With rapid increase of population, low degree of industrialisation and widespread unemployment both in rural and urban areas, there is an abundant supply of labour to the industries. Since, labour is in abundance, good human relations are not considered necessary in India and there are arbitrary dismissals and layoffs.

2. Weak Labour Movement: The Indian working class is generally passive and depends on outside politicians for leadership. This outside leadership has failed to understand the needs of the working class. The politicians in fact use the workers to achieve their political ends instead of awakening social consciousness amongst the workers.

3. Highly Authoritarian Culture: The Indian society has a highly authoritarian culture. This makes the Indian worker depend on the superiors. Freedom is not of value in India. This culture thus discourages participative style of management and free communication. These two conditions are the basis for ideal human relations, which are lacking in the Indian situation.

4. Technological Backwardness: Technological environment influences business in terms of investment in technology, consistent application of technology, and the effects of technology on markets. The immense technological progress in the west has raised the standard of living of their workers. This is not so with the Indian workers because of our technological backwardness. Technological progress has a very important role to play in the economic development of a country. No backward country can hope to march ahead on the road to economic development without adopting newer and newer techniques of production,

5. Instability in Employment: The Indian workers are attracted to the cities by the lure of higher wages but the instability of their employment, chronic housing shortage, and high rents prevent them from settling down and bringing their families from the village. Thus, the industrial worker would not remain in an industry if he could secure sufficient food and clothing in the village. "They are pushed, not pulled to the city":

6. Unhealthy Growth of Trade Unions: The migratory character of Indian labour leads to unhealthy growth of trade unions. Many workers do not take an active part in the formation of unions and do not like to pay their subscriptions because they do not come to the cities to live permanently.

_____

_____

7. Migratory characteristic of Indian Labour: As a result of migration, the industrial worker finds himself in an unfamiliar environment. Due to lack of houses, workers are forced to leave their families in villages. Separation from families leads to promiscuity, prostitution, venereal diseases and even AIDS. To compound the problem, the health of the worker is subjected to severe strain due to many reasons like change in climate, working and living conditions etc.

EVOLVING ROLE OF HR PROFESSIONAL IN INDIA

In India, the personnel professional has passed through various stages in the past. Perhaps the earliest recognition of the need for such an individual was the institution of the labour officer. The trends today indicate that the personnel management function will have to become more sophisticated to meet the challenges posed to the personnel professional. The personnel professional has been playing a variety of roles at different stages. A brief view of the historical perspective can provide a better picture of the role of the personnel professional in India. However, it has to be stated at the very beginning that the role at different stages has always been set up by the top management. The evolving roles of the personnel professional in India are:

1. Origin of Human Resource Management in India: The origin of personnel management in India can be traced back to the recommendations of the Royal Commission on Labour in India (1929-31). The Royal Commission emphasized recruitment and dismissal as the primary responsibilities of the labour officer.

According to the Royal Commission on Labour, the labour officer should be subordinate to no one except the general manager of the factory and should be carefully selected. No employee should be engaged except by the labour officer personally, in consultation with departmental heads, and none should be dismissed without his consent, expect by the manager himself, after hearing what the labour officer has to say. If he is of the right type, the workers will rapidly learn to place confidence in him as their friend". The employers however were indifferent to the recommendation of the Royal Commission and the British Government in India had to take the initiative. The Government passed the Bombay Disputes Conciliation Act, 1934, which provided for the appointment of a government labour officer to deal with labour grievances. Employers in Bombay and other parts of India soon followed the example set by the British government in India.

_____

_____

2. The Police Man: The labour officer, at this stage, was also visualised as having to perform police functions as the position between the employers and workers was often viewed as a law and order problem. Thus, the earliest role that the personnel man played was that of a policeman. This was so because the management believed the average employee disliked work, avoided responsibility and therefore needed to be directed, controlled and coerced. A man was needed to discipline and control employees on behalf of the management. The personnel professional took over the job. Do's and dont's were laid down and the personnel professional became a watchdog for enforcement of prescribed regulations.

3. The Welfare Professional: Subsequently, the labour officer function changed from mere employment function to welfare activities after the enactment of the Factories Act, 1948. The Factories Act created the institution of labour welfare officers making it compulsory for factories with 500 or more workers to employ the prescribed number of welfare officers. Efforts were now afoot to amend and enlarge the duties of the welfare professional. This was so because, voluntarily provided welfare was not found adequate and thus, the welfare officer had a pious list of duties laid down for him.

4. The Law Professional: With the acceptance of the ideal of welfare state, laws and regulations were enacted to define the rights of employees and to limit the employer's prerogatives. Legal knowledge thus becomes a preferred attribute for the personnel professional. He was assigned the task of issuing charge sheets and holding enquiries. He was called upon to assess the legal obligation of the management and to represent the management in the case of industrial disputes.

5. The Liaison Man: Someone was required to deal and negotiate with the union on behalf of the management. Industrial relations became important with the advent of the trade union. The personnel professional became a shock absorber. He was given the difficult task of bringing two opposite parties to the negotiating table and act as a liaison man.

6. The HR Professional: A gradual shift of emphasis from that of a liaison man to personnel administration has taken place. The function of a personnel manager includes in addition to labour welfare, industrial relations and personnel administration. An organisation must look after the needs of its personnel. It must provide training facilities, motivate employees to put forward their best effort and do manpower planning and development. Thus, more competent managers will be needed for the future.

_____

_____

Summary

Human Resource is no longer a primitive activity. It has become very effectual in terms of manpower planning whether in a big or small enterprise. The role of HR managers has transformed from traditional body shoppers to pride builders. We can differentiate between a successful and unsuccessful company on the basis of how each manager manages its people. It depends on how we use and put our knowledge into work, in an economy where people have unlimited access to information.

In this era of globalisation and modernisation, organisations are becoming more competitive and innovative. The HR persons have to face new challenge each day and they have to prepare themselves and as well as their employees to face those challenges in the economy. The competition has increased so much these days that everyone should be well prepared in advance to face any kind of challenge and working efficiently and effectively should be the key to success. These Days the HR managers even have to develop themselves as service providers to their customers.

Change is the law of nature. What is appropriate today may not be a correct approach for tomorrow. So, the HR managers need to be dynamic in all aspects. Hence, the HR person is also known as a Knowledge Manager who has bucket full of talents and ideas. He must have potential to meet every challenge to outshine his company among its other competitors. A huge amount of responsibility lays over HR Managers from recruiting an employee to provide with an excellent training and from dealing with new technologies to checking the performance of every employer in his company. Companies should understand the Four Ps (people, products, processes and profits) are the mantra for corporate success in the modern competitive environment. The focus on first three Ps, people, products and processes will lead to profits i.e. fourth P.

HR manager take pains to analyse success and failures and learn from them. A good manager and leader understand that people are always motivated to do what they believe to be in their best interests. Also, it is important to mention that what skills a good leader should cultivate to work in the competitive and challenging environment. Few of the skills are- Clarity of the goal, Adopting the method of Delegation, Politeness, Analytical Power and a Manager needs to be a good example for his employees. Therefore, these are all the modification of Human Resource layout in the Twentieth Century and an HR manager is no less than a CEO of a company.

_____

Self Assessment Questions

1. Define HRM

2. What are the functions of HRM?

3. Discuss about the nature of HRM and its relevance in present scenario.

4. Write down the Features of HRM

5. Briefly explain the scope of HRM

6. Discuss the Objectives of HRM

7. Describe the importance of HRM

8. List out the Operating Functions of HRM

9. Outline the Limitations of HRM

10. Bring out the requisites for the success of HRM

11. Trace the evolution and growth of Personnel Management in India

12. What is the Future of Personnel management in India

13. "A good HR manager is no longer just a hirer and firer of men ". Discuss

UNIT: II

ACQUISITION OF HUMAN RESOURCE

Human Resource Planning- Process

Forecasting

Demand & Supply

 Qualitative & Quantitative dimensions

Job Analysis

Assessing Human Resource Requirements

Human Resource Forecasting

Workload Analysis

Job Description

Job Specification

Job Design

Job Characteristics to Job Design

Human Resources Information System (HRIS)

Succession Planning

Summary

Self Assessment Questions

_____

UNIT II

Human Resource Planning (HRP)

Human resource planning is important for helping both organizations and employees to prepare for the future. The basic goal of human resource planning is to predict the future and based on these predictions, implement programmes to avoid anticipated problems. Very briefly humans resource planning is the process of examining an organization's or individual's future human resource needs for instance, what types of skills will be needed for jobs of the future compared to future human resource capabilities (such as the types of skilled employees you already have) and developing human resource policies and practices to address potential problems for example, implementing training programmes to avoid skill deficiencies.

Definition of HRP:

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

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

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

Nature of Human resource planning:

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

_____

_____

HRP is a sub system in the total organizational planning. Actions may include shifting employees to other jobs in the organization, laying off employees or otherwise cutting back the number of employees, developing present employees, and/or increasing the number of employees in certain areas. Factors to consider include the current employees' knowledge, skills, and abilities and the expected vacancies resulting from retirements, promotions, transfers, and discharges. To do this, HR planning requires efforts by HR professionals working with executives and managers.

Objectives of Human Resource Planning

1. To ensure optimum utilization of human resources currently available in the organization.

2. To assess or forecast the future skill requirements of the organization.

3. To provide control measures to ensure that necessary resources are available as and when required. The objectives of human resource planning may be summarized as below:

☐ *Forecasting Human Resources Requirements:* HRP is essential to determine the future needs of HR in an organization. In the absence of this plan it is very difficult to provide the right kind of people at the right time.

☐ *Effective Management of Change:* Proper planning is required to cope with changes in the different aspects which affect the organization. These changes need continuation of allocation/ reallocation and effective utilization of HR in organization.

☐ *Realizing the Organizational Goals:* In order to meet the expansion and other organizational activities, organizational HR planning is essential.

☐ *Promoting Employees:* HRP gives the feedback in the form of employee data which can be used in decision-making in promotional opportunities to be made available for the organization.

☐ *Effective Utilization of HR:* The data base will provide the useful information in identifying surplus and deficiency in human resources. The objective of HRP is to maintain and improve the organizational capacity to reach its goals by developing appropriate strategies that will result in the maximum contribution of HR.

NEED FOR HR PLANNING

☐ To link manpower planning with the organizational planning

☐ To determine recruitment levels.

☐ To anticipate redundancies.

_____

_____

☐ To determine optimum training levels.

☐ To provide a basis for management development programs.

☐ To cost the manpower.

☐ To assist productivity bargaining.

☐ To assess future accommodation requirement.

☐ To study the cost of overheads and value of service functions.

☐ To decide whether certain activity needs to be subcontracted, etc.

IMPORTANCE OF HRP

Estimating future demand for human resources:

HRP determines the future requirement of personnel on the pace of development, expansion and diversification of business. It also deals with surplus and deficit workforce of the organization.

Bridging the gap:

HRP plays a vital role in bridging the gap between the demand and supply of workforce in an organization.

Enhancing workforce:

HRP advocates for training and development of workforce to cater to the future demand for workforce.

Coping with changes:

HRP facilitates to cope up with the changes. Changes are always inevitable. HRP focuses on changes in nature of workforce, technological changes, organizational changes, demographic changes, legality and ethicality in dealing with workforce.

Determining the cost of human resources:

Outflow of money is involved in every process of HRM. HRP takes into account the money spent on every activity of HRM and facilitates cost control and cost reduction.

Cost of hiring and training:

HRP minimizes the cost of hiring and procurement. It is simple to understand that money unspent is money saved.

Diversification and expansion of business:

Diversification and expansion of business result in demand for the workforce. HRP determines the qualitative and quantitative workforce requirements for an organization.

_____

Management development programmes:

HRP decides upon the need for management development programmes and facilitates to conduct the same more effectively and efficiently.

Optimal utilization of human resources:

Effective Human Resource Planning will help to ascertain the adequate workforce and to facilitate to use them optimally. It also prevents disguised unemployment and overloading, leading to job stress.

Essential for strategic planning:

Strategic plans are the long-term plans of the organization. In the absence of HRP, strategic planning will become ineffective.

Human Resource Planning Process

The steps involved in the HRP process are as follows:

1. Analyzing Business Objectives and Policies
2. Study Existing Manpower Inventory
3. Forecasting Demand and Supply
4. Performing Gap Analysis
5. Formulating and Implementing HRP
6. Training and Development
7. Evaluation and Control

1. Analyzing Business Objectives and Policies

The initial step in the HRP process is the analysis of business objectives. The HR manager will conduct a detailed analysis of the business's vision and mission. Subsequently, design the HRP objectives and policies in the direction of the firm's goals. HR manager must try to estimate and reach the justified quantity of human resources.

In this step, the managers create policies on the following HR processes:

Sources of recruitment, i.e., internal or external recruitment.

The selection procedure, training & development program, etc.

_____

Review and restructure the existing job roles strategically.

Adoption of downsizing or rightsizing to remain competitive.

Automation of processes and their impacts.

2. Study Existing Manpower Inventory

It is the second step after mapping out HRP objectives and policies.

The managers need to study their existing workforce skills and capabilities. HR manager must find out whether the present staff can fulfill the future demand.

The following factors are to be considered at the time of the manpower inventory study:

Skills and capabilities of the employees.

Analysis of the demographic characteristics of the employees.

Productivity, Creativity and Absenteeism in the previous year.

Eligibility for the current and future job profile, etc.

3. Forecasting Demand and Supply

Demand Forecasting

With the ever-changing environment, the HR demand varies from time to time. HR manager must anticipate the future HR requirements to achieve multiple goals. The managers find out the number of people with adequate skills to develop a staff mix.

In this stage, projections required are:

Addition of new job roles.

Creation of Vacancies.

Prevent a shortage of people.

Number and kind of personnel required for production and management.

Right quantity of personnel to meet business long-term goals, etc.

Techniques for Demand Forecasting:

Managerial Judgement

Ratio/Trend Analysis

Regression Analysis

Work-study Techniques

Delphi Technique

_____

_____

Flow Model

Supply Forecasting

After demand forecasting, HR manager must assess the firm's capabilities to supply the required workforce. Managers may procure personnel from within and outside the firm.

An alternative name for supply forecasting is Bench Forecasting.

Sources of human resources supply:

Existing Workforce

Internal Supply

External Supply

HR manager must analyze the sufficiency of the existing workforce first. After that, go for the internal and external sources of supply.

Supply forecasting helps in estimating:

Staff mixes for the future.

It helps to prevent excess or shortage of manpower.

The number of personnel required to fill the planned positions.

Techniques for Supply Forecasting:

Staffing Tables

Markov Analysis

Skills Inventory

Replacement Chart

4. **Performing Gap Analysis**

Here, the net human resource requirement is to be estimated. For this, the forecasted demand and supply has to be reconciled.

Variance calculation between future demand and supply is known as Gap Analysis. Both qualitative and quantitative gap is investigated.

The result of this analysis is either Surplus or Deficit of human resource requirements.

Deficit: It depicts the number of personnel to be recruited.

Surplus: It suggests the number of personnel to be terminated.

5. **Formulating and Implementing HRP**

_____

_____

An action plan is formulated and implemented based on the gap analysis. The HR manager may take the following actions:

In the case of Surplus:

Hold hiring

Reduce working Hours

Offer voluntary retirement, etc

In case of Deficit:

Recruit new employees

Retain employees

Transfers & Promotions

Train existing employees, etc

6. **Training and Development**

It is the next step after the successful implementation of the action plan. Training & development programs are organized for fresh recruits. These programs help employees develop the required skills to perform their job efficiently.

Training is of two types:

General Training

Specific Training

7. **Evaluation and Control**

It is the last and final step in the human resource planning process. HR manager must test whether the implementation of the action plan meets the HRP objectives.

Timely review and control help in error detection and taking corrective measures.

Advantages

HRP process is advantageous to firm in following ways:

It is an essential constraint Succession Planning procedure.

Find out the Surplus or Deficit in the manpower inventory of the business.

Helps in reducing unnecessary job positions from the organizational structure.

The HRP process helps cut costs, which also results in improved efficiency.

It enables HR managers to make optimum use of firms' resources.

_____

_____

JOB ANALYSIS

Job analysis is the procedure through which the company determines the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for the jobs. It provides data on job requirements, which are then used for developing job descriptions (what the job entails) and job specifications (what kind of people to hire for the job). Some of the definitions of job analysis are as follows, so as to understand the meaning of the term more clearly:

According to **John A Shubin**. "Job analysis is the methodical compilation and study of work data in order to define and characterize each occupation in such a manner as to distinguish it from all others."

According to Dale **Yoder** "Job analysis is the procedure by which the facts with respect to each job are systematically discovered and noted."

According to **Scott, Clothier and Spriegel** "Job analysis is the process of critically evaluating the operations, duties and relationship of the job."

According to   **Flippo** " Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job."

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 called by some, job descriptions."

According to United **States Department of Labour** Job analysis is defined as "the process of determining, by observation and study and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and the skills, knowledge, abilities and responsibilities required of the worker for successful performance and which differentiates the job from all others."

According to **Blum** "A job analysis is an accurate study of the various components of a job. It is concerned not only with an analysis of the duties and conditions of work, but also with the individual qualifications of the worker."

According to J**. D. Hackett** "In the process of job analysis, the fundamental elements of a job are established and clarified, while simultaneously the abilities desirable in the worker are known, the abilities that will help him to perform his function skillfully. Thus, job analysis has two aspects, one

_____

_____

the analysis of duties and conditions of work, and the other, the analysis of qualities desired in the worker or employee".

FOUR POINT FORMULA FOR JOB ANALYSIS

The Workman Power Commission in U.S.A. has suggested a four-point job analysis formula to be used in making an accurate and useful job analysis. The points included in the formula are:

1) What the worker does?
2) How he does it?
3) Why he does it?
4) How much of skill is required for doing it?

The commission says, by collecting answers for all these four questions, the job analysis can be done completely and properly.

PROCEDURE FOR JOB ANALYSIS

1. Strategic Choices: Strategies are programmes, which form the basis for organisational activities Strategies may also be required for job analysis. If it is so, strategies are to be formulated and incorporated. In such cases, the following are the strategies that are commonly made

a) Degree of involvement of employee in job analysis
b) Extent of details as to job analysis.
c) Timing of job analysis.
d) Frequency of job analysis,
e) Historical or estimated job analysis,

2. Collection of General Data: Next step in the process of job analysis is collecting general information as to: 1.Organisational charts - shows the relation between the jobs in the organisation, 2. class specifications – specifies the general requirements of the class of the job, and 3. job description - states the duties and responsibilities of a specific job.

3. Selection of Jobs to be Analysed: Sometimes, it may not be possible to analyse all the jobs because it is time consuming and also expensive. Hence, the next step is selecting only the important jobs for analysis.

4. Collection of Data and Information: First of all, all the necessary and relevant data connected with each job must be collected. Such data is generally collected from the following sources

_____

_____

a) Questionnaires completed by jobholders.

b) Diaries maintained by jobholders

c) Personal interviews

d) Personal observations

5. Preparation of Job Description: The analyst should then prepare job description, by condensing the data to represent an accurate and complete picture of the distinguishing features of each job in terms of the task and occupational requirements.

6. Working up of Job Specifications: Finally, the job analyst should draw a standard form of the job specifications, which precisely stipulate the skills, operation routines, responsibilities, types of efforts, working conditions and other requirements of a job. The job specifications serve as a source of data for job rating.

7. Development of Human Qualities: The human qualities, which are required for performing various jobs, are to be developed so that employees possessing the required qualities can be easily recruited for the jobs. This is the final step in the process of job analysis.

JOB ANALYSIS DATA

Generally, the job analysis gives the following data:

1. Job Diagnosis: Job analysis provides information to identify the jobs such as title, code number etc.

2. Job Features: Job analysis supplies information as to the characteristics of jobs such as its location, physical setting, supervision, hurdles etc

3. Job Activities and Tasks: Job analysis provides information as to the activities and tasks that are to be performed by the workers.

4. Duties: It provides a list of duties, which are to be performed for each and every job. It specifies the frequency with which the duties are performed

5. Materials and Equipment Required: Job analysis supplies the data as to the type of materials and equipments that are required for the job.

6. Method of Operation: It states the method of operation to be followed to perform the job such as lifting, cleaning, washing, drilling, driving, sweeping etc.

_____

_____

7. Personal Attributes of Employees: Employees attributes that are required for the job such as experience, training undergone, apprenticeship, physical strength, co-ordination, aptitudes, social skills etc. are also specified by the job analyst.

8. Job Association: Job prospects like opportunities for advancement, promotion patterns, co-operation needed etc. are also specified in the job analysis.

USES OF JOB ANALYSIS

Job analysis is very useful because it provides relevant information for an effective HRM, especially, in the following areas.

HR planning: Proper human resource planning facilitates adequate quality personnel for an organization without leading to surplus or deficit workforce. Job analysis enables the HR manager to determine the nature of workforce requirement. Planning is a must in order to obtain the proper kind and number of employees required to accomplish the common objectives of an organization. It also facilitates strategic planning.

Recruitment and selection: Job analysis helps in deciding internal and external sources of recruitment to fill up the vacancies. Both, qualitative and quantitative aspects of personnel are appropriately and adequately determined and procured through job analysis. As it enables to know the nature and features of the jobs, selection of right person for the right job is very much possible.

Employee training and development: Job analysis enables the manager to know the required job skills the new employees should possess to carry out their jobs most effectively and efficiently. It also facilitates the manager to sketch out appropriate training and development programmes for the employees. Actively participating in training programmes both, on-the-job and off-the-job, the quality of workforce is enhanced.

Performance management: Job description is useful in defining job goals to be achieved by the employees. This is the base on which the employees' level of performance are being measured.

Compensation: Job description, as an outcome of job analysis, helps the manager to know the nature of job, work load, skills required, grade of job, etc. It provides the basic information in evolving adequate and appropriate compensation for employees.

Mobility and career development: Job information enables for internal mobility of employees, both vertical and lateral, in the organization. It facilitates for employee promotion and lateral line of

_____

transfer. Equipping and enhancing the required competencies and skills, the employees climb up in the organizational hierarchy and plan for better career advancement and development.

Placement and induction: As the job analysis facilitates to know the characteristics of the job, it enables appropriate placement of personnel because, proper placement is more important than selecting the right person for the organization. Induction is a process of accustoming the newly recruited people with the existing personnel of the organization. Both job specification and job description helps the managers to make better orientation and socialization of employees.

Counseling: Job description helps the manager to make up the minds of the employees for performing their job effectively. Occupational counseling enables internal fit to the present position and plan for career development.

Health and safety: Job analysis reveals information with regard to equipments and machineries to be used, working condition, outcome of processes such as dust, fumes, noise, temperature, etc. As it is required by law, the management should provide better safety measures for employees to avoid unwanted accidents.

Labour relation: Job description not only helps for grouping the job activities but also serves as a ready reference in case of any conflict or controversies which arise with regard to the jobs performed by the employees.

Job-reengineering: Job analysis provides sufficient information for reengineering the job. It also enables to give room for special provisions required for women and handicapped employees and accordingly alter the contents of the job.

Job evaluation: Job description and job analysis provides valuable information for making job evaluation. It is the process of ascertaining the relative worth of a job. It is a process of comparing, grading and establishing relationships among various jobs based on some common values and criteria. It also enables to plan out adequate and equal compensation for different job grades.

JOB DESCRIPTION

It is a factual summary of the job content, consisting of job title, job duties, equipments and machineries to be used, working condition, supervision needed, personnel requirements and relationship with other jobs. In the words of Tapomoy Deb, "Job description is a written list of job

_____

duties, responsibilities, reporting relationships, working conditions and supervisory responsibilities involved in a job".

According to Edwin B. Flippo, "The first and immediate product of the job analysis process is job description. As its title indicates, this document is basically descriptive in nature and constitutes a record of existing pertinent job facts". In job-task-analysis, if an analyst raises the question, what and how an employee does during his working hours in the organization, his/her response will result in job description. It also enables us to identify Major Job Requirements (MJRS).

Specimen of Job Description

Designation/Position : Asst. HR Manager
Code   : HR/3231
Department   : Human Resources Department
Responsibility   : Recruitment and Selection
Duties   : Facilitating in preparing HR policies, HR
                                  Planning, Analyzing the sources of recruitment,
                                  Deciding on internal or external source
or   both,   Drafting ads, Conducting selection tests,
                                  Finalizing the selection list, Preparing
cost budget
 	
Working Condition: Normal, Eight hours per day, Five days a week
 	
Reporting to   : HR Manager

Characteristics of a good Job Description

a) **Up to date**: It should be kept up to date, i.e., necessary amendments and adjustments should be made from time to time.

b) **Title:** Job title should be short, definite and suggestive as to indicate the nature of the work.

c) **Duties**: Primary, secondary and other duties and responsibilities should clearly be defined.

d) **Specifications:** Job specifications should clearly be mentioned.

e) **Short: It** should be descriptive but short.

f) **Limitations:** Limitations of each job and sub-job should be spelt out clearly in order to meet the objectives of the job.

g) **Universal::** All employees must know the contents of the job description

_____

_____

h) **Understandable:** Job description should be easily understandable.

i) **Special work:** Special work conditions and special qualifications of the job should be clearly explained in job description.

j) **Incorporation of necessary Changes:** In order to make it up to date regular survey should be made in the organisation and necessary changes should be incorporated in the existing job description.

JOB SPECIFICATION

It states the minimum acceptable qualifications required to perform a job satisfactorily by an individual. It identifies the job requirements such as educational qualifications, job related experience, skills and abilities needed to perform the job effectively. It provides physiological, psychological, social, occupational and personal attributes required from an individual to perform a job effectively and efficiently.

According to Bohlander and Snell (2004), "Job specification is a statement of the needed Knowledge, Skills, Abilities (KSAs) of the person who is to perform the job". Bateman and Snell (2002) stated that, "Job specification describes the employee characteristics needed to perform the job".

While analyzing a job, if a job analyst asks the questions, who does the job? what are the personal qualities needed of him/her to do the job?, it will bring out job specification. Job-skills-analysis facilitates identification of Knowledge, Skills, and Abilities (KSAS) to accomplish Major Job Requirements (MJRs). It is a very essential tool in the human resources selection process.

Contents of a job Specification

a) **Physical characteristics.** These include height, weight, sight, physical structure, health etc.

b) **Psychological characteristics.** These include decision making ability, analytical view, mental ability, etc.

c) **Personnel characteristics.** These include behaviour, mental stability, enthusiasm, leadership qualities, etc.

d) **Responsibility.** This means the sense of responsibility in a person to be appointed on the job:

e) **Qualification and Experience.** These include academic qualification, experience, training, etc.

_____

Both job description and job specification are interrelated as well as are important tools in the job study. They are important byproducts of job analysis. Both serve as the basis for scientific selection, promotion, training and development programmes.

Specimen of Job Specification

Job Title	: Data Entry Operator
Education	: Any Degree
Appearance	: Neat and Clean
Physical and mental	: Good Health, Emotional Balance
Mental Ability	: Good numerical ability
Work experience	: Minimum 2 years, preferably in similar jobs
Special ability	: Manual dexterity, ability to work with others
Special skills	: Typing speed 100 words per minute
Maturity	:To assume additional responsibility in another 2 years
Others	: Expect that incumbent would be ready for promotion within 24 months

Job design

Job design follows job analysis i.e. it is the next step after job analysis. It aims at outlining and organising tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s.

Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialised.

_____

_____

There are various steps involved in job design that follow a logical sequence. The sequence is as follows:

- What tasks are required to e done or what tasks is part of the job?
- How are the tasks performed?
- What amount are tasks are required to be done?
- What is the sequence of performing these tasks?

All these questions are aimed at arriving upon a clear definition of a specific job and thereby make it less risky for the one performing the same. A well defined job encourages feeling of achievement among the employees and a sense of high self esteem.

The whole process of job design is aimed to address various problems within the organisational setup, those that pertain to ones description of a job and the associated relationships. More specifically the following areas are fine tuned:

- Checking the work overload.
- Checking upon the work under load.
- Ensuring tasks are not repetitive in nature.
- Ensuring that employees don not remain isolated.
- Defining working hours clearly.
- Defining the work processes clearly.
- The above mentioned are factors that if not taken care of result into building stress within the employees.

Benefits of Job Design

The following are the benefits of a good job design:

Employee Input: A good job design enables a good job feedback. Employees have the option to vary tasks as per their personal and social needs, habits and circumstances in the workplace.

_____

_____

Employee Training: Training is an integral part of job design. Contrary to the philosophy of "leave them alone' job design lays due emphasis on training people so that are well aware of what their job demands and how it is to be done.

Work/Rest Schedules: Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.

Adjustments: A good job designs allows for adjustments for physically demanding jobs by minimising the energy spent doing the job and by aligning the manpower requirements for the same.

Human Resources Information System

A human resource information system (HRIS) is software that provides a centralized repository of employee master data that the human resource management (HRM) group needs for completing core human resource (core HR) processes. An HRIS can help HR and organizations become more efficient through the use of technology.

An HRIS stores, processes and manages employee data, such as names, addresses, national IDs or Social Security numbers, visa or work permit information, and information about dependents. It typically also provides HR functions such as recruiting, applicant tracking, time and attendance management, performance appraisals and benefits administration. It may also offer employee self-service functions, and perhaps even accounting functions.

HRIS benefits

HRIS software can breathe new life into a company's HR processes and procedures. While the benefits may vary depending on the system a company opts for or the modules they choose, the following are the key benefits of HRIS software:

Expedites tasks: An HRIS enables the HR department to spend less time on clerical tasks, helps ensure the accuracy of employee data and can make it easier for employees to manage their information.

Reduces paperwork. Having a centralized repository for employee data removes the need for storing paper files, which can be easily damaged, as well as the need to search through large paper-based employee files to find information.

Simplifies predictive analysis and visualizations: Depending on the type of HRIS software, it may generate various reports, provide ad hoc reporting capabilities and offer HR analytics on important metrics such as headcount and turnover. Modern HRIS software also offers visualization capabilities for employee data, such as automatically rendered organizational charts or nine-box grids.

_____

_____

Empowers employees. Employees can directly access and make changes to their personal information without the need to contact HR.

Improves productivity: When an HRIS offers employee or manager self-service, the process for making employee master data or organizational changes becomes more efficient and uses less time than paper-based requests. Approval workflows enable changes to be approved or rejected, with the necessary individuals automatically notified. An HRIS might also offer mobile capabilities that extend self-service and provide additional flexibility for remote workers.

Maintains compliance: HR tasks are highly regulated and there's little to no margin for error. Many HRIS programs have monitoring capabilities and are designed with specific compliance regulations in mind. This encourages organizations to stay compliant and avoid legal issues, penalties and financial losses.

Offers security and privacy: An HRIS also helps secure employee data and keep information private. When using paper forms or spreadsheets, information can easily be accessed by people who may not have the authority to access it. An HRIS can secure information so that it can only be accessed by authorized individuals. Data security and privacy are important factors when handling sensitive personal information, especially in countries such as Germany and France, where works councils have a strong role in protecting employee data. With the exception of a lock and key, protecting paper records can be extremely difficult.

Succession planning

The term succession planning refers to a business strategy companies use to pass leadership roles down to another employee or group of employees. Succession planning ensures that businesses continue to run smoothly and without interruption, after important people move on to new opportunities, retire, or pass away. It can also provide a liquidity event, which enables the transfer of ownership in a going concern to rising employees. Succession planning is a good way for companies to ensure that businesses are fully prepared to promote and advance all employees—not just those who are at the management or executive levels.

Benefits of Succession Planning

There are several advantages for both employers and employees to having a formalized succession plan in place:

_____

Employees know that there is a chance for advancement and possibly ownership, which can lead to more empowerment and higher job satisfaction.

Knowing there is a plan for future opportunities reinforces employees' career development.

Management's commitment to succession planning means that supervisors will mentor employees to transfer knowledge and expertise.

Management keeps better track of the value of employees so positions can be filled internally when opportunities arise.

Leadership and employees are better able to share company values and vision.

A new generation of leaders is needed when there's a mass exodus of people from the workforce into retirement.

Proper succession planning benefits shareholders of public companies, especially when the next candidate for CEO is involved in business operations and is well respected years before the current CEO retires. Also, if investors observe a well-communicated succession plan, they won't sell the company's stock when the CEO retires.

Succession planning can also cultivate a new generation of leaders, thereby providing an exit strategy for business owners who want to sell their stake.

Succession planning is an important part of any business to help it run smoothly and without interruption whenever there needs to be a change in leadership. Changes can be the result of people leaving the workforce (changing companies, switching careers, or retiring) or if there are unexpected circumstances, such as the death or displacement of a team member.

How Does Succession Planning Work?

Succession planning is used by businesses to streamline the process involving a change of leadership or ownership. It involves recognizing internal employees who merit career advancement and training them to assume new roles within the company. These plans only work if companies take the steps necessary to prepare. Plans are often long-term to prepare for inevitable changes in the future. Emergency plans can be set in place to account for unexpected changes.

Summary

When man is considered as a resource, it is understood, he has some potential characteristics, which can be used to organizational needs in the path of fulfilling the organizational, social and national goals. Manpower or Human resource can be considered as the total knowledge, skills,

_____

creative abilities, talents and aptitudes of an organization's work force, as well as the values, attitudes and benefits of an individual involved.

Among the resources used for production i.e. materials, machines, methods, money and manpower, the most important M is manpower resource. When considered as a resource, it is valuable asset of the organization. Hence, planning for manpower is as important as planning for other resources.

Human resource planning is very important as it helps in determining the future human resource needs of the organization. The effectiveness of human resource planning process decides the adequacy of available manpower in the organization. An unsuccessful human resource planning leads to either shortage or surplus of workforce in the organization and brings serious disaster.

A bad manpower plan may induce dissatisfaction in labor and lead to higher labor turnover, reduces productivity. If Human resource planning is used properly, it helps in maximum utilization of human resources, reduces excess labor turnover and high absenteeism; improves productivity and excels the organization in achieving the purpose for which it is established.

Self Assessment Questions

1) What is Human Resource Planning?
2) Highlight the features of HRP.
3) What are the objectives of HRP?
4) Emphasize the importance of HRP
5) Discuss the process of HRP
6) Describe the various steps involved in human recourse planning
7) Define Job Analysis
8) What do you mean by job analysis? How will you analyze a job?
9) Describe briefly the procedure for job analysis
10) Describe the characteristics of a good Job description
11) Describe the benefits of HRIS.
12) What is Succession Planning? What are its benefits?.

_____

_____

UNIT III

RECRUITMENT, SELECTION, TRAINING AND DEVELOPMENT

Recruitment

Introduction

Factors affecting recruitment

Sources of Recruitment – Internal & External

Recent Trends in Recruitment

e-recruitment – selection process –

orientation process – international staffing – geocentric , ethno centric, polycentring

approaches

Training & Development

Objectives & Need

Training Process

Methods of Training

Tools & Aids

Evaluation of the training Program

Summary

Self Assessment Questions

_____

UNIT III

RECRUITMENT

Recruitment is a process of attracting potential people to apply for a job in an organization. Efficient and effective recruitment will facilitate selection process to absorb the best candidates for filling up the existing vacancies in an organization. It links the job provider and the job seekers. It is a positive process that encourages all the aspiring and potential candidates to apply for the job. From the pool of applications received, the candidates are scrutinized and suitable candidates are shortlisted for further selection processes. The main objective of the recruitment process is to expedite the selection process.

If an organisation fails to procure the services of persons with required qualifications, skill and caliber continuously, a time may come ultimately when all the qualified persons retire and then the organisation is bound to suffer. Therefore, the importance of recruitment and selection of the right type of persons at the right time is indispensable to the organisation.

DEFINITION

According to **Edwin B. Flippo,** "Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in the organization".

David A. DeCenzo and **Stephen P. Robbins** define recruitment as, "discovering potential candidates for actual or anticipated organizational vacancies".

In the words of **Bergmann and Taylor**, "Recruitment is the process of locating, identifying and attracting capable applicants".

Werther and Davis have defined recruitment as follows: "Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected".

IMPORTANCE OF RECRUITMENT

Recruitment is essential to encourage more and more potential candidates to apply for the job which enables to select the right candidate by choice and not by chance. Recruitment is important:

- To attract and encourage more and more candidates to apply for a job in the organization.
- To forward a talented pool of candidates for further selection processes for the job.

_____

- To determine present and future requirements of the organization.

- To facilitate Human Resource Planning more effectively and efficiently

- To bridge the gap between job seekers and job providers.

- To increase applicants at minimal cost.

- To increase the success rate of selection process.

- To reduce the attrition rate by facilitating appropriate selection.

- To explore all sources and techniques of recruitment to procure the right candidates for the organization.

STEPS INVOLVED IN THE RECRUITMENT PROCESS

Recruitment is a process consisting of various activities. Following are the five important steps involved in the process of recruitment.

- Recruitment Planning

- Strategy Development

- Searching

- Screening

- Evaluation and Control

- **Recruitment Planning:** This step involves deciding about the number of applicants and type of applicants to be contacted. It also involves outlining the job responsibilities, skills, experience and qualifications needed to perform the job, grade and level of pay, nature of the job i.e. whether temporary or permanent and so on.

- **Strategy Development**: After deciding about the number of applicants and type of applicants to be contacted, the next step involved in the recruitment process is to develop a suitable strategy for recruiting the candidates.

- **Searching**: At this stage it becomes necessary to decide about the source of recruitment i.e. whether to recruit the candidates from internal sources or external sources.

- **Screening**: This stage is an important part of the recruitment process. At this stage the applications are screened and shortlisted. The techniques adopted for screening candidates will differ according to the nature and requirements of the job.

_____

_____

- **Evaluation and Control**: Finally, it is necessary to evaluate the effectiveness of the recruitment process. For this, the employer has to find out whether the recruitment methods adopted by the organization are appropriate and valid. If not, it is necessary to evolve and implement appropriate control measures to tide over the situation.

FACTORS AFFECTING RECRUITMENT

Recruitment of personnel for an organization can be influenced by internal and external factors.

Internal Factors

Size: It is obvious that an organization which is huge in size will certainly require more people to carry out various functions of the organization. On the contrary, a small organization will require lesser number of personnel.

Image: Good or poor image of the organization has an influence in attracting the potential candidates to aspire to apply for the job. The perception of the people about the image of an organization will decrease or increase the number of applicants while recruiting people to fill the vacancies

Growth: The rate and space of growth and development of an organization determines the volume of workforce required to meet the rising demand.

Nature: The nature of functions and job to be performed resolves the proportionate combination of quality and quantity of the workforce required in an organization. Low profile, unattractive jobs and where there is no possibility for career growth and advancement, will not attract candidates.

Finance: Recruitment involves outflow of money. Inadequacy of finance will lead to postponing recruitment. In turn, it will hamper the growth and expansion of business.

Policies: The human resources policy of an organization affects the recruitment to fill the vacancies in different levels of the organization either from the internal sources or from the external sources.

Union: Interferences of union in recruitment and other functions of human resource management affect it adversely.

_____

_____

External Factors

Government policies: The Central and State Governments emphasize on equitable growth by enforcing quota system, reservation and giving priority for differently - abled people while providing job opportunity in organizations. These policies indirectly influence the recruiters limiting their choice of recruiting people.

Labour laws: The recruiters have to comply with the social and labour legislative provisions in recruiting and using labour forces. They have to consider acts such as, The Factories Act, 1948, The Apprentices Act, 1961 The Contract Labour Act, 1970, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, Bonded Labour System (Abolition) Act, 1976, The Child Labour (Prohibition and Regulation) Act, 1986 and The Mines Act, 1952. Noncompliance with any provision of these acts will lead to other legal implications.

Labour market: Manpower requirement of an organization is met by both internal and external sources. When the internal source of workforce is found to be insufficient then the labour market is preferred to meet the demand for workforce. This factor consists of population, dispersion of population, sex ratio, literacy rate, etc. In fact, all these factors constitute the labour market of the particular region, state or country. In case the labour market is weak or ineffective, it will adversely affect the recruitment.
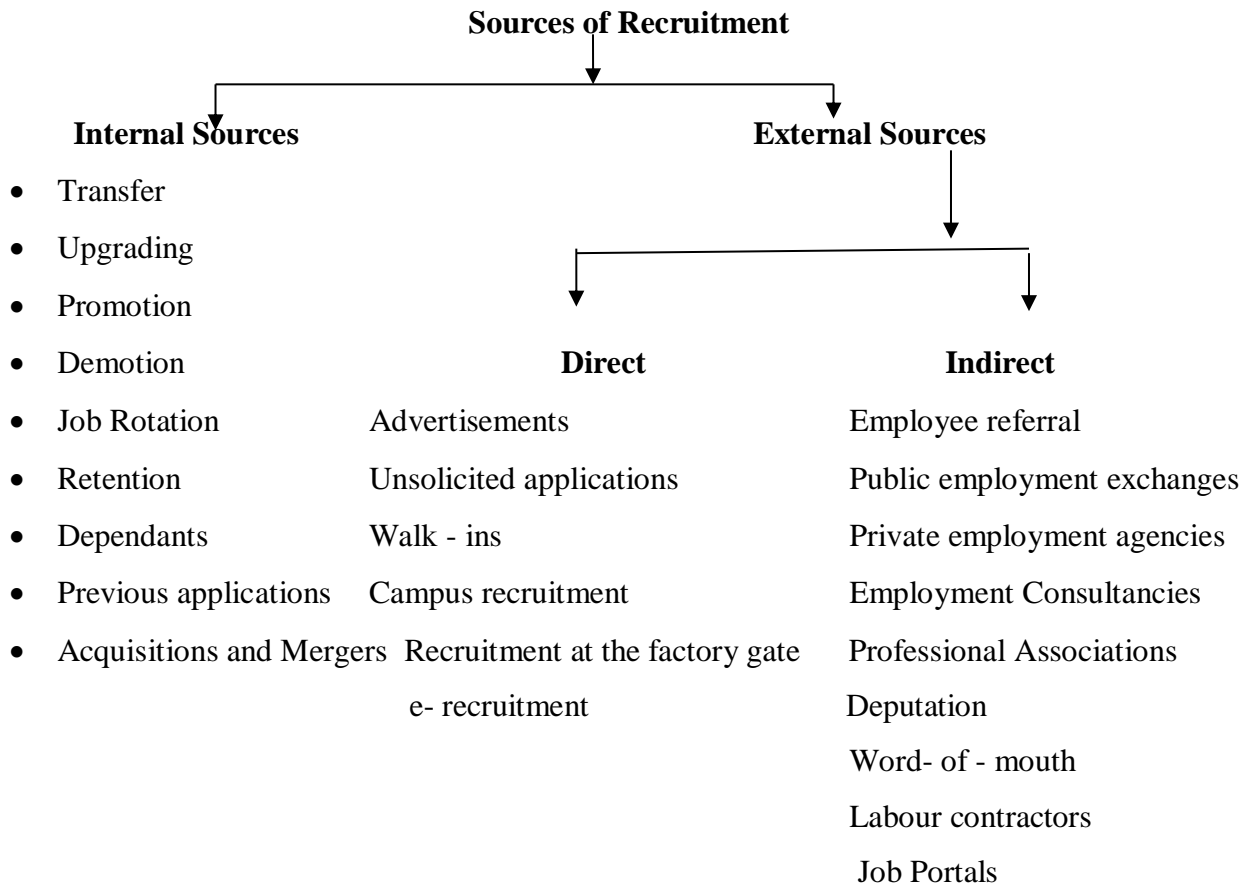
Competition: In the absence of healthy competition, the competitors may employ any other unethical and illegal recruitment practices in procuring good people for their organization. Pouching or riding is an example for such undesirable practices.

Level of Unemployment: The rate of unemployment determines the number of job seekers and facilitates recruitment. Where there is full employment, the recruitment will be more challenging. When the unemployment rate is very high in a country, the number of unsolicited applicants is usually greater. It increases the size of labour pool providing better opportunities for attracting qualified applicants.

External influences: Recruitment is also affected by external influences such as caste, race, religion, place of birth, pressure in terms of sons of soil', etc

_____

_____

SOURCES OF RECRUITMENT

      The sources of recruitment can be classified as Internal sources and External sources. External sources can be studied under two categories, namely, Direct and Indirect sources.

Sources of Recruitment

Internal Sources

- Transfer
- Upgrading
- Promotion
- Demotion
- Job Rotation
- Retention
- Dependants
- Previous applications
- Acquisitions and Mergers

External Sources

Direct

Advertisements
Unsolicited applications
Walk - ins
Campus recruitment
Recruitment at the factory gate
e- recruitment

Indirect

Employee referral
Public employment exchanges
Private employment agencies
Employment Consultancies
Professional Associations
Deputation
Word- of - mouth
Labour contractors
Job Portals

Internal Sources

      According to Flippo, "the present tendency among most business firms is to 'home grow' their executive leaders". As the saying goes, 'a known devil is better than an unknown angel', the internal source of recruitment has more advantages. The following are the internal sources of recruitment.

      Transfer: Workforce requirement is also met by transferring the existing employees from one department to another or from one unit to another considering their efficiency.

      Upgrading: Based on the performance of employees they are upgraded in organizational positions.

_____

Promotion: Considering seniority and merits of the employees they are provided opportunity to climb up in the organizational hierarchy.

Demotion: In case of consistent poor performance of employees they are demoted to make them realize their potential for development.

Job rotation: This is another internal source of recruitment. It is done by engaging the employees to do various jobs on rotation. Everybody in an organization is familiar with the entire job and become a source to do any job.

Retention: If the management considers the retiring employees as an asset to the organization they may retain them after superannuation to meet the workforce requirement.

Dependants: The legal heir or the dependants of the deceased employee may be given a chance to replace the deceased.

Previous applicants: The applicants who have already applied for any job advertised in the past but not selected at that point of time but stored in the data base of the organization are considered as an internal source of recruitment.

Acquisitions and mergers: This is another source of internal recruitment. The internal requirement for personnel is met through the available workforce on account of acquiring other firms or merging with other establishments.

Merits of Internal Sources of Recruitment:

1. Internal sources of recruitment have the advantage of absorbing people already acquainted with the culture of the company.

2. The employees are tried and tested people and the company can depend on them.

3. It is a useful signal to employees and assures them that their services are recognised and this helps in maintaining their motivation and morale.

4. It reduces labour turnover as it gives employees a sense of job security and opportunity for advancement.

5. The employees are fully acquainted with the organisation and hence job training may not be necessary.

6. Internal sources of recruitment are less costly than the other sources of recruitment.

_____

_____

Demerits of Internal Sources of Recruitment:

Internal sources of recruitment suffer from certain demerits which are:

1. It limits the choice to a few employees only.

2. The likes and dislikes of the superiors play an important role in the selection of an employee.

3. It creates frustration among those employees who are not selected.

External Sources

If the existing workforce is not sufficient to cater to the future demand of the organization or falling short of the required skill sets or technical know-how, then the management may lookout for personnel from the external sources. Recruitment may be done directly or indirectly from the external sources.

Direct External Recruitment

Advertisements: Advertisement in dailies, journals, magazines, etc., has been the primary tool in revealing the job vacancies in the organization to the potential job seekers. The main advantage of this method is that it has a wide reach.

Unsolicited applicants: Unsatisfied employees and unemployed job seekers keep looking out for a better opening to begin their career elsewhere. These job seekers do apply to various organizations voluntarily.

Walk-ins: The unemployed job seekers visit organizations in search of job openings. They are considered as direct external source for recruitment.

Campus recruitment: As change is a perennial factor it has also affected recruitment. Rather than leaving the job seekers to knock doors of the organization, the companies go to educational institutions to absorb good young minds.

Recruitment at the factory gate: Casual and unskilled employees are sometimes recruited at the factory gate as and when required. They are employed temporarily and paid on hourly or daily basis.

e-Recruitment: The evolution and revolution in Information and Communication Technology (ICT) has enabled the recruiters to reach out to the potential job seekers worldwide. Online recruitment through internet has become an inevitable external source of recruitment.

_____

_____

Indirect External Recruitment

Employee referral: The employees of the organization may recommend some of their known people whom they believe could be fit for filling the existing vacancies. The recruiter, out of the employees' trustworthiness, may consider his word of mouth referral and absorb the referred person.

Public employment exchanges: There are public employment exchanges established by Governments which facilitate recruitment throughout the country. Its primary objective is to bridge the gap between job seekers and job providers by providing sufficient relevant information to both, to choose the best among the available choices.

Private employment agencies: Similar to the Government employment exchange, there are private employment exchanges which enable the job seekers and job providers to meet and get their objectives achieved.

Employment consultancies: Private consultancy firms facilitate recruitment on behalf of client companies at cost**.** These agencies are particularly suitable for recruitment of executives and specialists. It is also known as RPO (Recruitment Process Outsourcing) and technical positions are filled through professional associations such as The Institute of Chartered Accountants, The Indian Medical Association, The Institute of Training and Development, The Institute of Engineers.

Professional associations: It is also called 'headhunters'. The professional and technical positions are filled through professional associations such as The Institute of Charted Accountants, The Indian Medical Association, The Institute of Training and Development, The Institute of Engineers, All India Management Association, etc. These professional associations serve as a source of external recruitment to find suitable personnel for the organization.

Deputation: To cater to the temporary need of personnel to do a specific job in a particular department or unit, the employees are deputed for a certain period of time.

Word-of-mouth: In this method of recruitment, the information about the job vacancies is passed on through people to learn from them the source of potential personnel for recruitment.

Labour contractors: Unskilled and manual laborers are recruited through labour contractors.

Job portals: There are several job portals available on the internet which helps both the job seekers and the job providers to get in touch with each other and get their demands met.

_____

_____

Merits of External Sources of Recruitment:

1. Fresh talent and skill comes into the organisation.

2. New employees may try to change old habits.

3. New employees may be selected according to the terms and conditions of the organisation.

4. Highly qualified and experienced employees may help the organisation to come up with better performance

5. Since persons are recruited from a large market, the best selection can be made. In other words, the recruiter has a wide range of candidates to choose from.

6. External sources provide the requisite type of personnel for an organisation having the required skill.

7. External sources of recruitment are economical because potential employees do not need extra training for developing their skills.

Demerits of External Sources of Recruitment:

1. External sources of recruitment reduce the morale of employees because outsiders are preferred to fill up superior vacancies.

2. External sources of recruitment deny career advancement for employees.

3. The recruiter may not be in a position to properly evaluate outside candidates because the time at his disposal is very less. This may result in faulty selection of employees.

4. Outsiders are not fully acquainted with the policies and procedures of the organisation. Therefore, they should be given training, which is quite expensive.

After discussing the different sources of recruitment, we can conclude that there is no hard and fast rule whether the recruitment must be internally or externally or exclusive to each other. The best management policy regarding recruitment must be to first look within the organisation and if we are not able to locate the suitable talents, external recruitment becomes inevitable. To use the words of Koontz and O' Donnel "the (recruitment) policy should be to 'raise' talent rather than to raid for it"

RECENT TRENDS IN RECRUITMENT

The following are the recent trends in recruitment.

Outsourcing: The human resource functions are being outsourced for its advantages. The outsourcing firms help the organization in recruiting and do initial screening of the candidates who have applied for the jobs. In turn, these outsourcing firms charge the organization for their service.

_____

_____

Poaching: Poaching is also called 'raiding'. It is an act of buying talent from the external sources than developing the existing employees by conducting training and development programmes. It is to attract the resourceful employees from a competing organization by providing attractive monetary and non-monetary benefits. In fact, it is an unethical practice prevailing to enhance competitive advantage over the competitors. Koontz and O'Donnell observe that the policy should be to 'raise' talents rather than to 'raid' them.

E-recruitment

E-recruitment, also known as online recruitment refers to cloud-based recruitment software, web-based resources, and other technology to find, attract, interview, and hire new personnel.

The purpose of e-recruitment is to make recruiting processes more efficient and less expensive. And, by using e-recruitment, HR managers can reach a larger pool of potential employees and speed up the hiring process.

Types of Online Recruitment Methods

More and more people these days use the internet to search for work and find out more about companies before job interviews. By having a strong presence on the internet and using online recruitment methods, businesses can have access to a large pool of candidates and seamlessly manage their recruitment process.

The most common types of online recruiting methods include:

Sourcing potential candidates on professional social media platforms

Using an applicant tracking system (ATS)

Interviewing candidates online via video conferencing software

Using online testing via surveys and questionnaires

Creating job boards to advertise job offerings

Methods of E-Recruitment

Sourcing and Attracting Potential Candidates

Sourcing is the process of searching for qualified job candidates for a current or pending position in the company. In order to recruit candidates efficiently, it becomes important to know where the pool of interested candidates lies. Which is why, using social media for sourcing and attracting potential candidates is one of the most common methods used for online recruitment. Social media is an effective tool for building employer brands and hiring potential candidates. Platforms like

_____

_____

Facebook, LinkedIn, Instagram have been commonly visited sites for finding, tracking and recruiting candidates online.

Using Applicant Tracking System

An Applicant Tracking System is a software that uses an algorithm to sort out resumes of the potential candidates and simplify the process of recruitment for the hiring HR managers. When a lot of candidates apply for a job opening, this software helps to segregate under qualified resumes and qualified resumes during the hiring process. So, this enables the recruiters to see the resumes that are filtered and as per their criteria asked in the job profile. Thus, an Applicant Tracking System is a useful method for E- recruitment.

Interviewing Candidates Online

Thanks to the internet, it is not mandatory to have job interviews in a physical space anymore. By using free interview video tools like Skype, Google meet, Zoom etc., HR managers can recruit the qualified candidates by interviewing them online. Nowadays, most of the companies use an automated online interviewing system where the candidates are asked questions and are given a certain time limit or thinking and speaking the answers. This is also the reason why this method of E- recruitment has become very common in the corporate world.

Using Job Boards

Job boards are the websites used by the recruiters for advertising job offerings specifically. On the contrary, Job seekers can use job boards to search for new job opportunities in their area and profession. Some job boards use applicant tracking systems to help streamline the application process while in others, individual job postings redirect interested candidates to company websites to complete the application process. For example, sites like Glassdoor and Indeed allow candidates to post their resumes for the recruiters to find them.

Advantages of E-Recruitment

Saves Time

Earlier HR managers used to publish job vacancies and depend on word of mouth for finding job seekers, we'd see how time consuming it used to be to hire a single potential candidate and that too, in a small locality! With methods of E-recruitment where resumes of under qualified candidates can be separated and a larger pool of job seekers can be found, the recruitment process has just got simplified in case of time usage.

_____

_____

Minimises Hiring Cost

Costs in recruiting are usually high in terms of advertising, travel expenses, third-party recruiter fees etc. Which is why, the hiring process usually takes up too much time and its cost increases subsequently. However, with the use of online recruitment methods, labor costs like these can be minimised by implementing a software which allows both, the job seekers and recruiters to post free job openings on multiple social platforms just by one click.

Broadens Scope of Candidates

With the use of digital tools and the web, HR recruiters can also increase the scope of candidates. When they post about a job vacancy, it allows them to dive into the larger pool of potential candidates which also broadens their selection decisions. As a result, they are able to select the appropriate candidates both locally and internationally.

Filters According to Criteria

Recruitment systems have filtration tools to help recruiters to find the ideal candidates with competencies that match the job position. Therefore, the filtration tools provided by E-Recruitment systems speed up the process of sorting the candidates according to experience, education, competencies, and many more criteria.

Where there are advantages, there is always a scope of improvement due to some disadvantages that follow along with this process.

Disadvantages of E-recruitment

Rise in Competition

One of the downsides of recruiting online is that there is also a pool of recruiters waiting to hire the perfect candidate for their specified job role. As a result, the job post can quickly become buried under a mountain of other job offers, forcing the HR manager to either pay more for extra exposure or risk not being seen. When it comes to social media, it is also the decision of the platform's algorithms, to reach the audience the manager wants.

Technical Issues

During online interviews on the free video platforms like Skype or Zoom video calls, it is possible to encounter technical faults. It can be quite embarrassing for a recruiter to be suddenly switched out of a conversation or call due to an electrical outage, while having an unstable internet

_____

_____

connection can be awkward. This also means if the company isn't good at technology, they might encounter such glitches more often.

Attraction of Bad Candidates

With the ease in the process of applying for a job online, it also means that underqualified and fraud candidates might apply for the job role. With hundreds of applicants, many of them will not be suitable for or serious about the role, thus diluting the quality of the talent pool.

Due to the rapid advancement of technology and evolving digital tools, this process is the future of recruiting in the corporate world.

SELECTION

Selection is the process of choosing the most suitable persons out of all the applicants. In this process, relevant information about applicants is collected and deserving candidates are provided with job opportunity. It is a process of matching suitable candidates with available job vacancies. The ultimate objective of selection is to pick the right person for every job because the achievement of common objective of the organization purely relies on such employees. Proper selection is helpful in increasing the efficiency, productivity, growth and development of the organization.

Definition

Koontz and O'Donnell have defined selection as, the process of choosing candidates from within the organization or from the outside, the most suitable person for the current position or for the future position".

According to Aswathappa, "selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job".
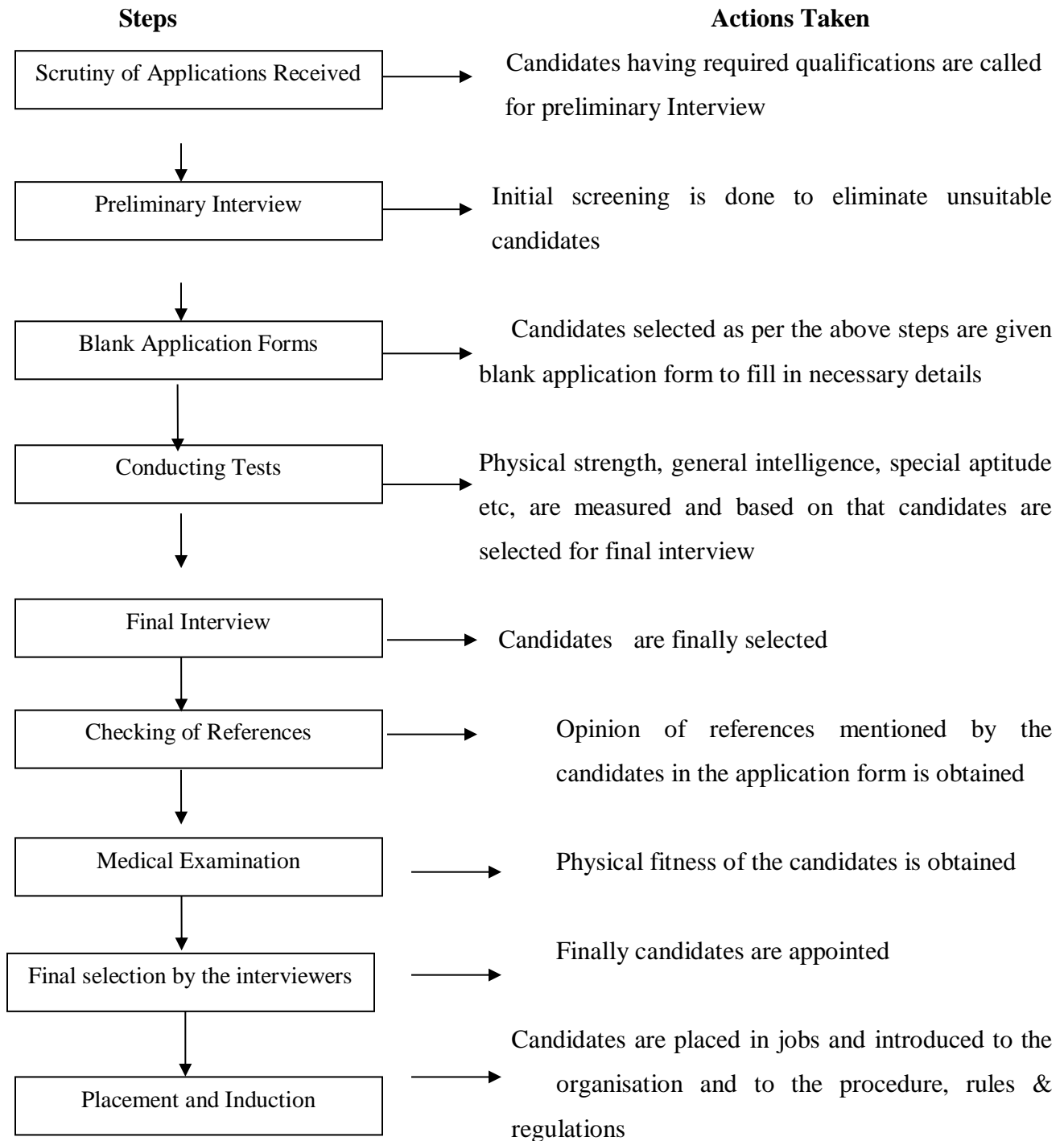
Yoder defines selection as the process by which candidates for employment are divided into two classes - those who will be offered employment and those who will not".

David A. DeCenzo and Stephen P. Robbins state that, "all selection activities, from the initial screening interview to the physical examination if required, exist for the purpose of making effective selection decisions".

SELECTION PROCESS

There is no hard and fast procedure, which can be adopted by all the organisations to select the workers. The procedure varies with the size of the organisation, the type of job to be filled in and

_____

_____

the philosophy of the personnel management. However, the following steps are usually found in all organisations in the process of selection.

Steps		**Actions Taken**
Scrutiny of Applications Received	→	Candidates having required qualifications are called for preliminary Interview
Preliminary Interview	→	Initial screening is done to eliminate unsuitable candidates
Blank Application Forms	→	Candidates selected as per the above steps are given blank application form to fill in necessary details
Conducting Tests	→	Physical strength, general intelligence, special aptitude etc, are measured and based on that candidates are selected for final interview
Final Interview	→	Candidates are finally selected
Checking of References	→	Opinion of references mentioned by the candidates in the application form is obtained
Medical Examination	→	Physical fitness of the candidates is obtained
Final selection by the interviewers	→	Finally candidates are appointed
Placement and Induction	→	Candidates are placed in jobs and introduced to the organisation and to the procedure, rules & regulations

_____

Step 1. Scrutiny of Applications Received

It is a common practice to request candidates to send filled in application forms, which give main facts regarding their education and experience. For this purpose, the existence of a vacancy is advertised in the newspapers calling for applications. Applications are generally received up to a particular date. Generally applicants send their resume along with the application.

All the applications so received will then be divided into two categories

They are: 1. Applications of the candidates who have the required educational qualifications and experience, and 2. Applicants who do not have the required qualifications. This type of sorting out of applications will help the personnel manager to reject the applications of the candidates who are not suitable for appointment. The rejected applicants are later informed by sending a letter of regret. The candidates who have the required qualifications are then called for a preliminary interview.

Step 2. Preliminary Interview

Many companies use an initial screening before the final interview with a view to eliminate the unsuitable candidates even though they have the required qualifications. This practice will not only save the time of the interviewers and applicants but also enables the candidates to become familiar with the firm. Therefore, during the time of final interview, they will be less formal. This will enable the interviewers to judge their ability in a better way. Generally, the assistants of the personnel department conduct the preliminary interview. This interview should be generally very brief. However, it will give an idea about the experience, appearance and personality of the candidates. All unsuccessful candidates shall not be called for the final interview.

Techniques Adopted to Screen the Candidates

The commonly adopted techniques to screen the candidates in the preliminary interview are as follows:

a. Group Discussions: Under group discussion, applicants selected at the first stage will be called for and asked to take part in group discussion. Under the method, applicant will be given an important issue and asked to discuss on that and arrive at a conclusion to solve it. The selection panel will keenly observe how each applicant is performing at the time of discussion, and based on that it judges the candidate's ability and skill and prepare a merit list of candidates for the purpose of selection

b. Games: Games regarding business is another technique used for selecting candidates for management training, executive training and manager personnel at various levels of management. It

_____

evaluates the applicants in areas such as decision-making, identifying the potentials, handling the critical situation, ability to solve problems, nature of human relations etc. Under this technique, applicants are placed in an imagined work situation and are asked to play a particular role in the situation. The assumption in this technique is that candidates who played the role successfully can very well handle the situation in practice successfully. In practice, different business games are followed to evaluate various skills. Important business games are as follows:

i. **Case Study:** Case study is used for evaluating analytical, judgement and decision-making ability of the candidates.

ii. **Role Play:** It is useful for evaluating human relations

iii. **In Basket:** It is used for evaluating situational judgement, social relations and problem - solving skills.

iv. **Sensitivity**: It evaluates the extent of tolerance, frankness, openness etc

v. **Simulations**: It evaluates the fighting skills of the candidates.

Step 3. Blank Application Forms

Selected applicants from the preliminary interview are given blank application forms to be filled in. A blank application is a printed application form used to collect the individual bio-data of the candidate. In the selection process, application blank is an important weeding out device, particularly when the applicants are very large in numbers. Therefore, the application form should be carefully drafted so as to solicit all important information about the candidate. From the particulars furnished by the candidates, the applicants who do not obviously meet the requirements can be removed from consideration and are rejected. They need not be called for final interview. In this way, the number of applicants can be reduced to a manageable few.

Many types of application forms are used in practice. They vary in design and size according to the nature of job specifications. However, the application form should be carefully drafted so as to solicit as much information as possible in a systematic and precise manner. Special questions are essential for obtaining more information on certain important matters. Although, there are no specified norms, or forms for drafting the application blank, Pigors and Myers suggest that the application should conform to the following pattern:

1. The application should be as brief as possible
2. The questions should be so drafted as to obtain adequate information.

_____

_____

3. They should cover only those points, which are absolutely essential for job success

4. All unnecessary questions should be avoided.

It is also advisable for each firm to develop its' own application forms.

J.L. Lundy says that weighted application blanks are more preferable as they can help personnel manager to judge the abilities of the applicant more precisely.

Step 4. Conducting of Tests

Psychological and other tests are becoming accepted in an increasing number of firms all over the world. Tests have been developed in an effort to find more objective means of measuring the qualifications of the applicants such as physical strength, general intelligence and special aptitude. These qualities and qualifications cannot be discovered by interviews. Hence, they are becoming popular in the selection process of all progressive firms and public undertakings in our country also.

Step 5. Final Interview

The Interview is almost a universally accepted selection device. At the same time, it is the most delicate aspect of the selection procedure The Interview enables the interviewer to appraise the candidate and his behavior. In other words, an interview is nothing but a face-to-face observational and personal appraisal method of evaluating the applicant. It brings out the candidate's potentialities for the job and develops a clear Image of the candidate's personality.

It is necessary to supplement the results of the tests by Interview in order to gain a more complete picture of the candidate. A selection committee comprising of three or more senior executives including the departmental heads shall conduct the interview generally.

Objectives of an Interview

An Interview has many objectives. In particular the main objectives, as stated by Robert C. Appleby are as follows:

- To assess the personality of the applicant
- To obtain further details on certain matters
- To agree the terms of employment
- To provide the candidates with more information about the job.

`**Interviews:** Some companies conduct only a single interview, while some companies conduct a second interview otherwise known as final interview. This practice seems to be more appropriate and authorities on the subject also stress the same.

_____

_____

According to Cundiff and Still, the first interview is not sufficient to assess the ability of a candidate. In the second interview, additional facts can be secured and these factors may also cause a revision of the first impression. Many persons present in the first interview feel relaxed in the second interview because they are no longer complete strangers in an unfamiliar situation. Their behaviour shall also be less formal. The first interview is generally of short duration, while the second takes more time.

Limitations of Personal Interview

Personal interview though is an universally accepted method of selection has certain inherent limitations also. The principal limitations are given below:

1. Interview is a costly affair. Sometimes, the company should bear the travelling expenses of the candidates also.

2. Interview can test only the personality of the candidate and not his skill

3. The evaluation of the candidate largely depends on the ability of or ability for the job. The interviewer if he is not an expert, the results may be misleading.

4. The device depends too much upon the personal judgment of the interviewer. If he is biased, the results will not be accurate,

Step 6. Checking of References

Usually, in a blank application form, there is a column for references and the candidates are required to mention the names of the referees, their residential addresses and their present occupation. References, if unbiased, may prove to be a useful source of information regarding the character and reputation of the candidate. The referees should be contacted before the final selection.

Kinds of References

The references can be classified into three categories as shown below:

a. Present and Former Employees. These persons might have observed the applicant under actual working conditions. However, this is not a desirable source. Some employers may get annoyed to know that their employees are searching for alternative positions.

b. Reputable Citizens: If the names of reputable citizens of the area are given as referees, it is desirable to contact them first, because such people do not generally give false information.

c. Mutual Acquaintances: Those who know both the applicant and the employer can also give frank evaluations. What is even more important here is that the employer is better able to judge

_____

the reliability of such evaluations. However, it is often difficult to persuade a referee to give his opinion frankly. They can be contacted by telephone, post or in person. But personal contact with referee is the best way to obtain information about the candidate, because most people are orally frank than in writing. The employer should also give an assurance to the referee that all the information furnished by him shall be kept confidential.

Step 7. Medical Examination

Medical examination is yet another important step in the process of selection. Some authorities consider it as the last step in the process of selection. But this sequence need not be rigid. An organisation may conduct medical examination even before final interview. This will avoid time and expenditure to be incurred on the selection of medically unfit candidates.

During medical examination the Doctor of the firm will examine the candidate. Some organisations ask the candidates to get himself or herself examined by a doctor. But this practice is not desirable. If the medical report declares him for the job, then only the employer will give him appointment

Objectives of Medical Examination

Medical examination has three objectives namely

1. It serves to ascertain the applicant's physical capabilities for the job requirements.

2. It serves to protect the organisation against the unwarranted claims under Workmen Compensation Act in future.

3. It helps to prevent communicable diseases entering into the organisation.

A proper medical examination will, thus, ensure a higher standard of health and physical fitness of the employees and will reduce the rate of accidents, labour turnover and absenteeism.

Step 8. Final Selection

After all candidates have cleared all the hurdles in the selection procedure, he is formally appointed by an appointment order or letter or by entering into a contract of service with him. Generally, the candidates are appointed as probationers for a period ranging from 6 months to 1 year. After successful completion of the probationary period, he will be appointed on permanent basis. This is because no procedure of selection is complete in itself to find out the whole picture of the personality and qualities of the selected candidate. It is only by observing person at work; one can ascertain his actual ability in doing his work and his group behaviour: If the candidate is found

_____

unsuitable in the probation period, he may be terminated or transferred to some other Job, which may be up to his ability.

Step 9. Placement and Orientastion

Placement means the placing of the selected candidate in a job with other workers. Immediately after the placement the candidate will be given training in various related jobs during the period of probation. The organisation generally decides the final placement after the initial training is over. This is made on the basis of the candidate's aptitude and performance during the training/probation period. The probation period generally ranges between six months and one year. If the performance of the candidate during the probation period is not satisfactory, the organisation may extend the probation or ask the candidate to quit the job. If the employee's performance during the probation period is satisfactory, his services will be regularised and he will be placed permanently on a job.

Definition

According to K. Aswathappa, "Placement refers to the allocation of people to jobs. It includes initial assignment of new employees and promotion, transfer, or demotion of present employees".

In the words of Pigors and Myers, "Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands. It is the matching of what he imposes in strain, working conditions, and what he offers in the form of payroll, companionship with others, promotion possibilities".

Principles of placement

The following principles are to be followed while making placement of an employee.

1. The first and foremost principle of placement should be "Job first and Man next". In other words a man should be placed on the job accordingly to the **requirements of the job** and not according to the requirements or qualification of the man.

2. The job offered to a person should **match with his qualifications.** The placement should neither be higher nor lower than his qualifications.

3. The employee should be made **aware of all the information** relating to his job and also about the rules and regulations of the organisation. He should also be made to understand that he has to pay penalty if he does anything wrong.

_____

_____

4. While placing an employee in his job, effort should be taken to develop a sense of **loyalty and commitment** in him, so that he may realise his responsibilities and will sincerely work for the betterment of the organisation.

Process of placement

Employee placement process includes seven steps namely,

1. Collecting details about the employee,
2. Constructing the employee's profile,
3. Matching between sub-group profile and individual profile,
4. Comparing sub-group profile with job family profile,
5. Matching between job family profiles and sub-group profiles,
6. Assigning the individuals to the job family, and
7. Assigning the individual to specific job after further counseling and assessment

JOB ORIENTATION

A job orientation is a process for giving new employees important information about their workspace, equipment, pay, benefits, and dress code. New hires are also introduced to their coworkers during an orientation, which sets them up for success and integrates them into the company culture.

A job orientation occurs on the first few days of a new hire's employment. It involves introducing them to their team, showing them their workspace and administering new hire paperwork. Employees will usually spend a portion of their job orientation reviewing onboarding information like dress code, benefits and salary.

Elements of New Employee Orientation

1. Purpose

In some companies, the orientation aspect of training is taken lightly. However, making an employee feel comfortable and secure is crucial to retention and happiness on the job. If an employee starts a position feeling certainty about his surroundings and role, then he is more likely to do good work and want to stay with the company.

2. Philosophy

_____

_____

An integral component of employee orientation is learning the company's philosophy. The best way to thrive in a continually evolving corporate world is to align the company's goals and values with those of its employees. By taking into account various techniques and approaches that employees use, the owner can make better decisions for the overall good of the company.

During orientation, a new employee can establish whether the company is family-friendly or individual-oriented. Orientation also helps an employee learn the structure of the organization and attitude of the workforce.

3. People integration

Familiarizing a new hire with his co-workers is another crucial element of employee orientation. For this reason, many companies often train new employees in groups. This enables new recruits to start bonding and forming meaningful relationships with fellow employees right away.

Getting to know other employees helps avoid feelings of isolation, which can make a new worker less productive. In some instances, the supervisor may take new recruits to meet the crew they'll be working with. For example, if the new employee is part of the marketing team, the supervisor may take the entire group out for lunch.

Orientation Process

1. **The Pre-Orientation Stage**

    Although all the levels of orientation are essential, some companies skip the pre-orientation stage for new hires, and that could be a mistake. Pre-orientation begins before the start date of the new employees and involves sending a package of information via email or postal service. This package typically includes documents such as an organizational chart, vision statement, mission statement, and explanation of benefits, annual report and a checklist of what the actual orientation will cover. Sending a pre-orientation package increases the level of comfort no new hires will have when they arrive to work on their first day, and it allows them to prepare questions in advance. Some companies also include a small giveaway in the package, such as a company mug or T-shirt, which can help create a sense of camaraderie.

2. **The Introduction to the Job-Site Stage**

    In this orientation stage, company's goal is to make new hires comfortable in their new work environment. In the first part of this orientation stage, new recruits are given information about the company's aims, objectives, culture, organizational structure, strategic plan,

_____

_____

customer base and future goals. The second part of this orientation stage typically is a tour of the workplace, including seeing equipment, identifying potential safety hazards, and meeting some of the managers and supervisors in each department. The purpose of this job-site orientation is to make the new hires familiar with the basic layout of the company and to understand the general precepts that govern how the workplace functions. This orientation usually takes a day to complete.

3. The Job-Specific Orientation Stage

In this stage, new hires are given job- or task-specific orientation, typically by their immediate supervisor. New employees learn details about their specific department or team, including information about breaks, absences, parking facilities, personal phone calls, email and internet policy, as well as the standards of performance for their work. The goal is to shrink the orientation to the actual tasks that the new employee will perform, with an understanding of the normal workday processes that will ensure maximum efficiency.

4. The Follow-Up Orientation Stage

Although there are multiple levels of orientation that last several days, the truth is that new hire orientation is a months-long process. That's why the follow-up stage is so critical – it allows to determine how well company's new employee is adjusting to the job. Follow-up usually occurs on a weekly basis. Supervisors or managers meet with the new employee to discuss any issues and problems that have arisen. Supervisors should encourage new employees to ask questions and honestly express challenges they are facing. The follow-up orientation stage helps to determine how well company's employee is performing assigned duties and also reveals how well the company has done in providing all the tools and help necessary for new hires to flourish. Of all the levels of orientation, this one is most critical to long-term success.

INTERNATIONAL STAFFING

This staffing strategy uses employees from the home country to live and work in the country. These individuals are called expatriates. The second staffing strategy is a host-country national strategy, which means to employ people who were born in the country in which the business is operating.

_____

_____

Why international staffing?

International staffing is a necessary piece to your global expansion puzzle. Moving into a new market requires hiring local employees or contractors to assist effectively and efficiently with growth. For example, hiring an in-country sales representative boosts sales because that rep understands the market and culture.

International staffing is the practice of hiring individuals from another country to fill open positions in your organization. Organizations may hire international staff for a variety of reasons including cost savings, increased productivity, and ability to access a broader range of skills and experience.

International staffing can be advantageous for employers because it can offer them access to both local talent pools as well as wider global talent pools. For example, an organization might employ international staff in another country who are able to provide expertise in that region's culture or language while also maintaining proficiency in their own native tongue.

EPG Model

EPG Model is an international business model including three dimensions – ethnocentric, polycentric and geocentric. It has been introduced by Howard V. Perlmutter within the journal article "The Tortuous Evolution of Multinational Enterprises" in 1969.

The EPG Model

It can be difficult for any organization to maintain its focus and direction, but that is especially true of firms that do business on an international level. When an organization grows to the point of having operations in more than one country, it will always run the risk of going off in too many different directions to be successful. Instead of moving in directions that are not going to allow the business to ultimately reach its desired destination, it is important that the organization remain focused on its core values and culture in order to thrive.

_____
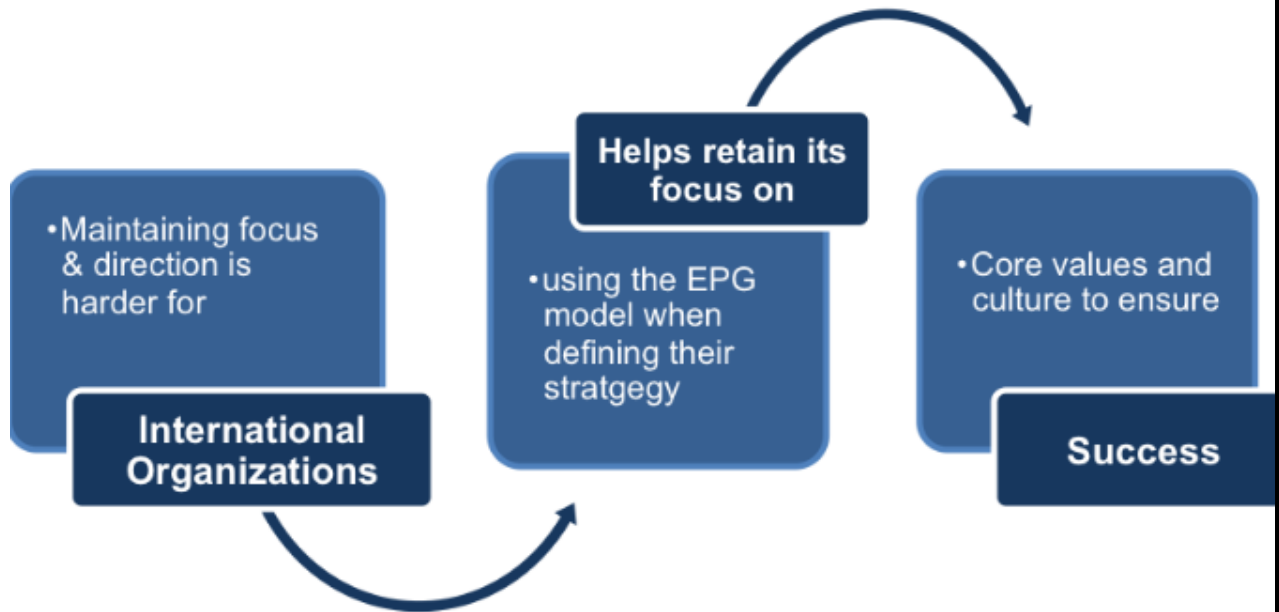
It is against that backdrop that the EPG model comes into focus. This is an important business model which can be used to help organizations who compete on an international level ensure that they are working toward the right goals and objectives. If the 'strategic profile' of the company is out of line with what they are trying to accomplish, trouble will likely be soon to follow. Fortunately, using this model can be a quick and easy way to bring things back into line.

The 'EPG' in the title of this model stands for the following –

Ethnocentrism

Polycentrism

Geocentrism

_____
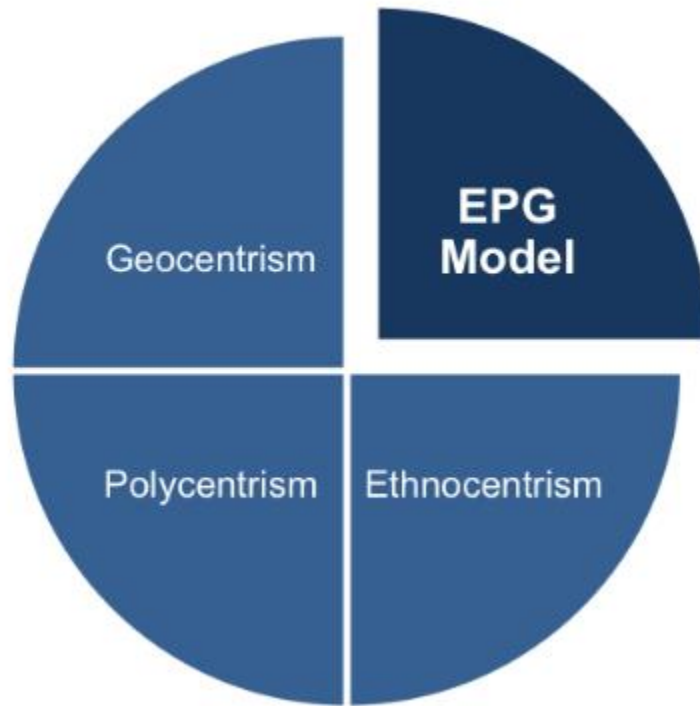
Ethnocentrism

The idea behind ethnocentrism is the concept that the organization is going to default to the thinking, traditions, and more of its home country. For instance, if a company is based in the United Kingdom and has leadership from the U.K., that background is going to shape its decision making. Even if there are plenty of branch offices in locations around the world, the company will default back to the ways of doing business in the U.K. because that is what they know best.

There are both positives and negatives to running an organization in an ethnocentric manner. On the plus side, running the business this way can keep things simple. It is not easy to run a business that is operating around the globe, as there will always be the potential to get off-track in terms of goals and the overall direction of the business. By sticking with an ethnocentric approach, company should be able to keep everyone moving in the same direction – even if they don't necessarily always agree with the decision making or strategy coming from the home office.

_____
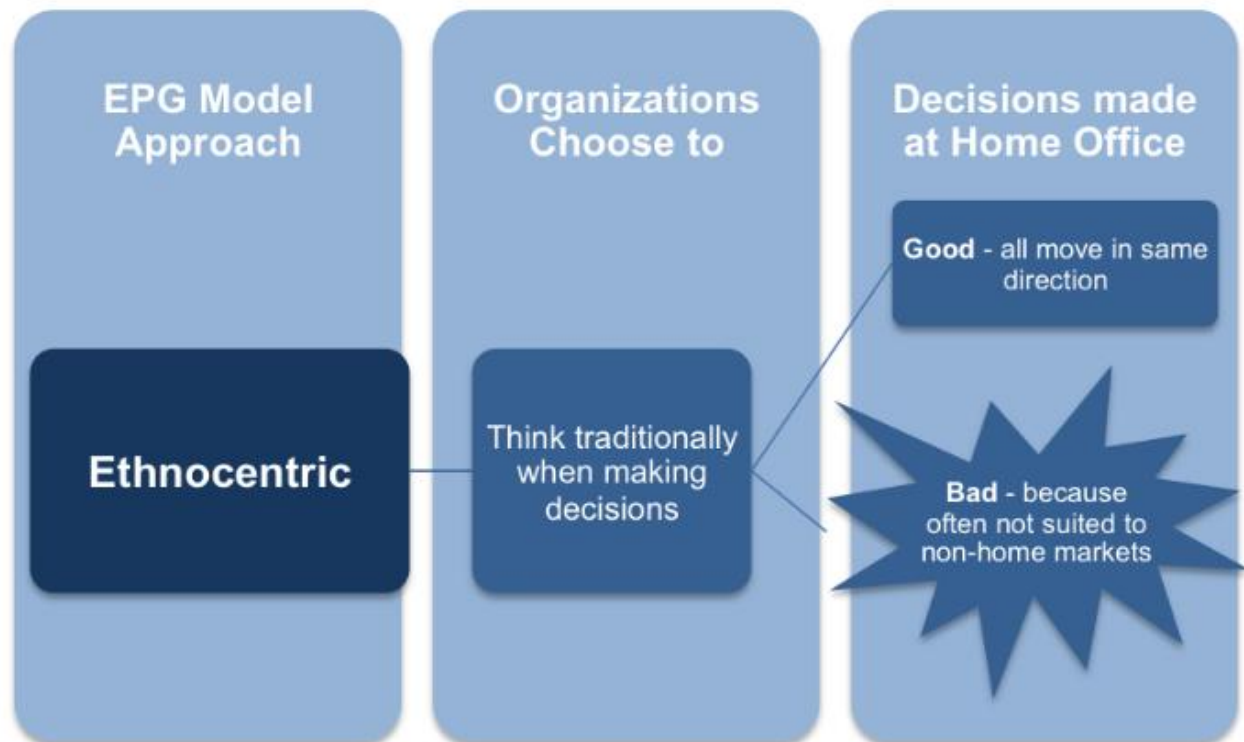
On the downside, it can be hard to properly grow the business in other nations when making decisions based on how things are done at home. Since most decisions are based on the line of thinking that applies to the home market, those choices might not be entirely relevant in other places. Also, if local branches are not trusted to make decisions in a manner that they see fit, those employees may look for other opportunities where they will be more valued as an asset to the business.

Polycentrism

In contrast to ethnocentrism, polycentrism defaults to the strategies, methods, and techniques of the host country when it comes to decision making for the organization. Instead of looking back to the country of origin for the business when making choices, an organization working with a polycentric approach will put more trust in the people working in the various countries in which they operate. Rather than taking a 'one-size-fits-all' approach to decision making and management, there will be more diversity in the company based on how each individual country should be handled.

_____
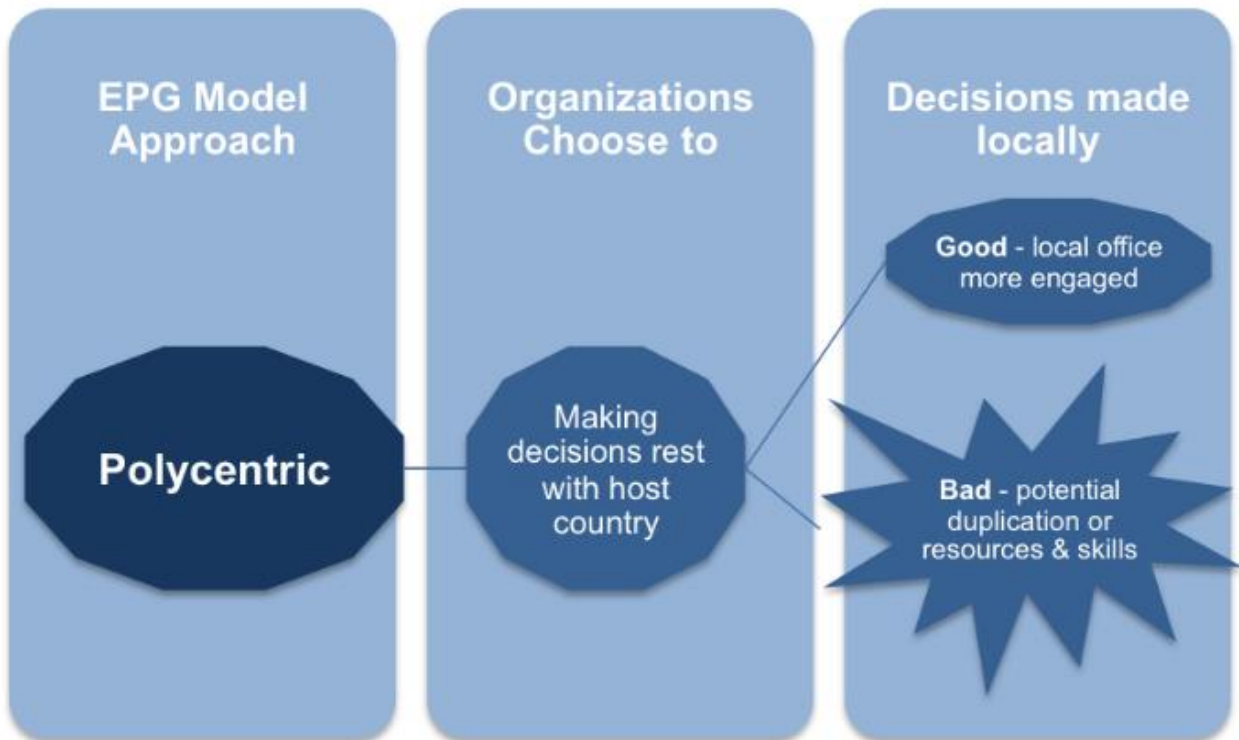
As is usually the case, there are positives and negatives to be seen with this pattern. On the plus side, the local offices around the world tend to be more engaged and more satisfied with their work since they are valued and trusted. Sales are often boosted as a result, since the company remains in touch with local trends, cultures, and more. On the downside, however, there is a concern regarding duplication which can cause costs to rise. Putting more emphasis on the local offices will create a situation in which those offices are doing the same work that is being done in other parts of the world – causing costs to rise unnecessarily. Also, the experience and knowledge that is possessed by the home country office may go to waste, since the emphasis will be placed on locals in branch offices.

Geocentrism

The final element within this model is geocentrism, which is the approach taken by organizations trying to use a 'world view' in order to run their business. In many ways, this is an approach that falls somewhere between the first two approaches. A geocentric organization will not default to either the customs or traditions of their home country or the host country. Rather, this kind of organization will focus only on what they think is best for the needs of the organization and its

_____

_____

customers. To the greatest extent possible, nationalities are largely ignored in this system, with the company being run as a global enterprise rather than a large corporation which is deeply rooted in one specific nation.
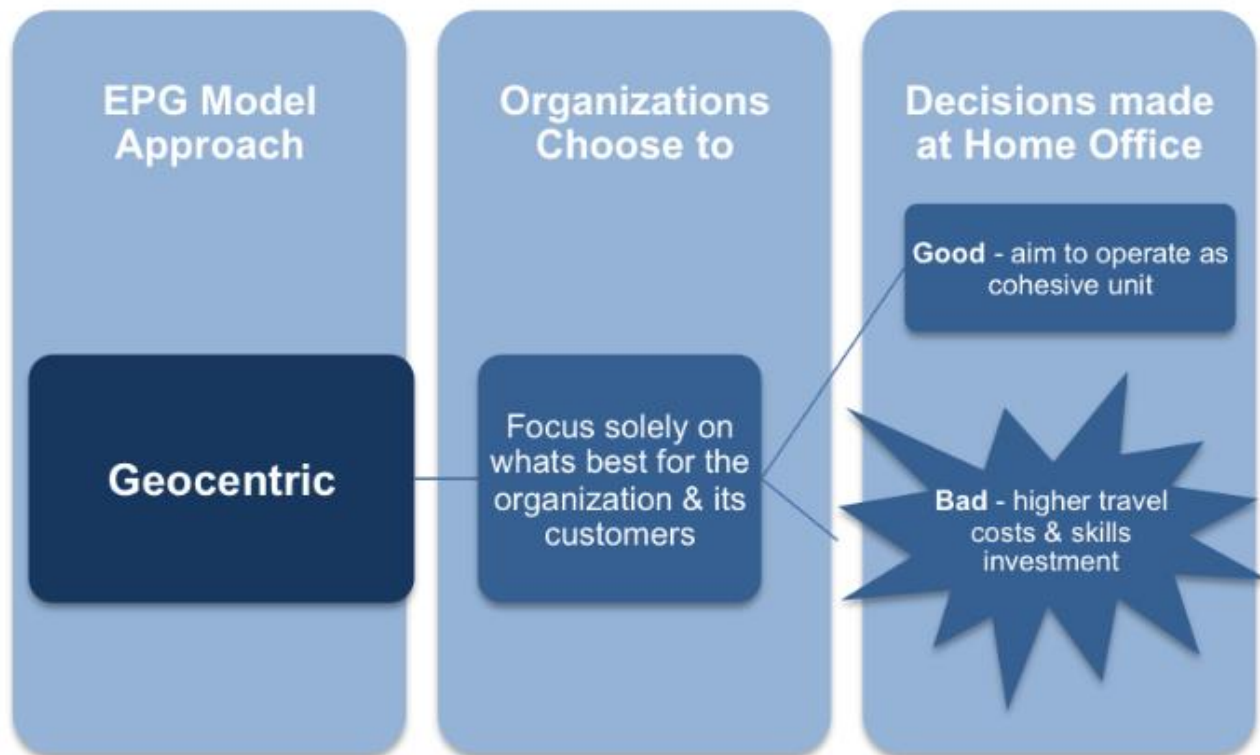
Unification is the ultimate goal of a geocentric operation. The company does not want to have divisions within its ranks based on nationality. Instead, they want to operate as a cohesive unit, just as a company would that is operating in just one country. While there can be drawbacks to this plan in terms of travel costs and educational investments, there are also benefits in the form of a better global outlook and an elevated level of goods and services.

The right way to approach running a business on an international scale is going to depend on the business at hand, the people involved, and plans for the future. Each of the three options included in this model can be successful in the right circumstance, and each can fail in the wrong situation. It will be important to think through these options before moving in the direction that best fits the organisation's needs.

_____

_____

TRAINING & DEVELOPMENT

Meaning

Training is a learning experience through which it seeks a relatively permanent change in an individual that will improve the ability to perform on the job. Training enhances skills, and knowledge. It results in changes in attitudes, or behaviour. It mean changing what employees know, how they work, their attitudes toward their work, or their interaction with their co-workers or supervisor.

Training is more present-day oriented; its focus is on individuals' current jobs, enhancing those specific skills and abilities to immediately perform their jobs.

Once an employee is selected, it is necessary to ensure that he is placed on the right job. But mere induction is not sufficient to extract the best out of the new employee. Some form of training is needed so that the new employee can learn the skill, knowledge, attitude and behaviour needed to perform his job effectively. Thus, training is an act of increasing the knowledge and skill of an employee for doing a particular job.

Definition

"Training is a set of activities that provide opportunity to acquire and improve job-related skills". Schermerhorn, Hunt and Osborn, 2004

"Training is a process of altering employee behaviour and attitude in a way that increases the probability of goal attainment" - Irwin, 2004.

"Training is a process of acquiring skills necessary to do the job" - Robert N. Lussier, 2002.

"Training is the systematic modification of behaviour through learning, which takes place as an outcome of education, instruction, development and planned experience". - Micale Armstrong, 1998.

"Training is a planned process to modify attitude, knowledge, skill, behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose in work situation is to develop the abilities of the individual and satisfy the current and future manpower needs of the organization -British Manpower Service Commission, 1981.

_____

_____

Training is the process of developing knowledge, skill and competency of employees through planned activities in the job performance. It also aims at bringing about behavioural and attitudinal changes in the employees.

Purpose of Training

The purpose of training is to achieve a change in the behaviour of those trained and to enable them to do their jobs better. In order to achieve this objective, any training programme should try to bring positive changes in:

- Knowledge - It helps a trainee to know facts, policies, procedures and rules pertaining to his job.
- Skills - It helps him to increase his technical and manual efficiency necessary to do the job and
- Attitude - It moulds his behavior towards his co-workers and supervisors and creates a sense of responsibility in the trainee.

Objectives of Training

The ultimate objective of training is to achieve company objectives by providing an opportunity to employees to enhance their knowledge, skills and attitude. More specifically the basic objectives of training are:

- To impart job knowledge and skills to the new entrants for higher performance
- To bridge the gap between the current and expected future performance.
- To improve employee efficiency and job satisfaction.
- To reduce employee turnover and absenteeism.
- To enable the employees acquire higher positions in organizational hierarchy.
- To lower the cost of maintenance of equipment.
- To enhance the quality of output

Benefits of Training

It is also needless to stress the need for proper training in a dynamic situation where the technologies are ever changing and new techniques are increasingly discovered. Being an endless

_____

process, proper training benefits the organisation, the existing employees and the new entrants as well. The following are the important advantages of scientific training programme:

1. Better Performance: A sound training programme results in better performance of the employees both in terms of quantity and quality of output.

2. Less Learning Period: Training reduces the learning time considerably. The employees need not indulge in trial and error method or self-training. Besides, the training cost and waste of time are also reduced to the minimum.

3. Elimination of Wastage: The quantity of spoiled work or wastage is also reduced sizably. It leads to reduction in the cost of production.

4. Uniformity of Procedure: With the help of training, the best available method of performing the work can be standardised and made available to all employees. Standardised procedures will ensure peak level of performance.

5. Elimination of Misfits : Mere selection and induction are not sufficient to procure personnel for the organisation. It is only training that makes him suitable for the given job. Besides, promising candidates can also be brought into the light.

6. **Economy in Material Handling:** Trained personnel will be able to make better and economical use of materials and equipments. Wastage will be low and accidents will be reduced to a minimum.

 7. Less Supervision: The need for close and continuous supervision is also reduced considerably. Consequently, a few supervisors are sufficient to manage the whole show. This ultimately results in less supervision cost and lower cost of production

8. High Morale: Training also motivates employees to work hard. Employees who understand the job are likely to have higher morale. They are able to maintain a closer relationship between their effort and performance.

9. Reduction in Labour Turnover: Scientific training reduces the labour turnover and introduces stability and flexibility of employees. If employees are given training for various jobs, short-term adjustments can be made in times of need by transferring one employee from one department to another.

10. Removes Fear of the Employees: Scientific training programmes are highly essential in dynamic companies undergoing changes. Workers very often resist changes such as automation for the fear

_____

that they will be incapable of handling the newly created jobs. Proper and adequate training programmes will remove the fears of the employees and create a sense of confidence in them.
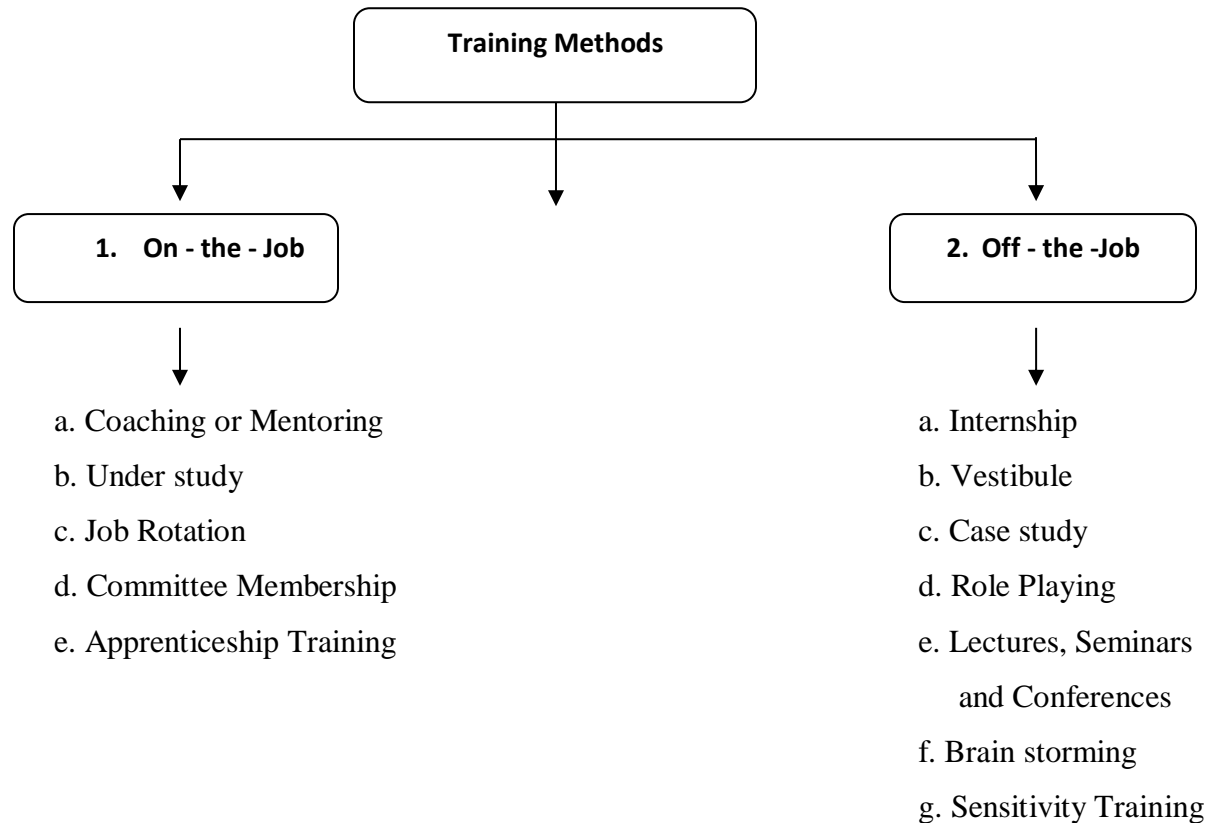
Importance of Training

1. **Job Requirements:** The qualification, knowledge and skill possessed by the employees may not always suit the job requirements. In order to enable the employees to perform their job effectively they need to be trained. Sometimes even the experienced personnel may be inexperienced to the new organisation. Such employees should be given remedial training. Likewise, the new employees may not be familiar with the job and the organisation. Orientation training should be given to such employees.

2. **Technological changes:** Technology is changing at a fast pace. It is necessary for the employees to have updated knowledge of the advanced technological changes. Therefore, training is needed to help the employees to learn the new techniques and procedures.

3. **Higher Productivity:** An organisation can meet the competition in the market only by increasing productivity and reducing the cost of production. Effective training will definitely help the employees to enhance their abilities and skills, so that they can produce more.

4. **Change in the job:** Due to promotion or transfer of an employee, there may be a change in his job. Such employees are to be trained definitely in order to enable them to understand their job and perform better.

5. **To avoid absenteeism and labour turnover:** Training gives confidence to the employees. It gives a feeling of satisfaction and security as a result of which absenteeism and labour turnover rates are reduced.

Methods or Techniques of Training

There are two different categories of Employee Training Methods. They are

1) On-the-Job Training and

2) Off-the-Job Training.

_____

_____

```
                        ┌─────────────────────┐
                        │  Training Methods   │
                        └─────────────────────┘
```

1. On - the - Job

2. Off - the -Job

a. Coaching or Mentoring

b. Under study

c. Job Rotation

d. Committee Membership

e. Apprenticeship Training

a. Internship

b. Vestibule

c. Case study

d. Role Playing

e. Lectures, Seminars
   and Conferences

f. Brain storming

g. Sensitivity Training

1)   **On-the-Job Training:** Under this method, employees are assigned a specific job and they learn by performing the job in the actual work situation. Thus training and job go together.   The employees are guided by a qualified instructor or a supervisor and the   trainees are expected to work as per the guidance and instruction given to them.

Various on-the-job training methods are given below.

a)   **Coaching or Mentoring**: In this method the trainee who is usually the supervisor acts as a coach and instructs and guides the trainees. The new employees learn the ins and outs of the job under the guidance of the supervisor. The trainer also provides feedback on their performance along with suggestions for improvement.

b)   **Under Study**: In this method, a senior and experienced employee gives training. The trainee designated as the successor to the trainer is required to work under him and observe him carefully. The purpose of this training is to fill the vacancy arising due to promotion or retirement of the trainer.

_____

_____

c) **Job Rotation**: In this method, the trainee is periodically moved or shifted from one job to another. The purpose of this method is to make the trainee learn different jobs and to get a better view of the organisation. Rotation not only helps the trainee to learn different jobs but also allows him to develop rapport with the fellow employees.

d) **Committee Membership**: This method involves constitution of a committee and the trainee is made as a member of the committee. The committee is assigned an actual problem of the organisation and is asked to give solution. The trainee interacts with other trainees and learns problem solving and decision making skills.

e) **Apprenticeship Training**: Apprenticeship Training is the combination of on-the-job training and the class room training. In this method new employees are required to work as apprentice under an experienced or senior employee. The trainee observes the trainer and learns the intricacies of the job. Generally stipend is paid during the training period. The apprenticeship training is given to the technical staff such as mechanics, electricians, carpenters, welders, craftsmen etc.

2) **Off-the-job Training:** When the employee is trained away from the job, it is called off-the-job training. Conducting the training away from the work place minimizes distractions and allows trainees to devote their full attention to what is taught.

Various off-the-job training methods are given below.

a) **Internship Training:** This is a joint training programme in which the business enterprises collaborate with educational/technical institutions. In this training the trainees gain both theoretical and practical knowledge. This method is used in medical, management and legal professions, where advanced theoretical knowledge and practical experience is required.

b) **Vestibule Training:** This is a very common training method. The term 'Vestibule' refers to an entrance hall or a large building between the out-doors and interior of an organisation. Vestibule Training is a term for 'near-the-job training' as it is promoted in a hall in which actual work environment is created. Expert   trainees   are

_____

_____

employed to provide training, who trains with the help of machines and equipments installed in the centre. In this method, the emphasis is on learning rather than production. Vestibule training is necessary when it is too costly or dangerous to train employees, on the job. This method of training prevents the trainees from committing mistakes while doing their work. The duration of training ranges from a few days to a few weeks.

c) **Case Study:** In this method, the trainees are given a real life situation or a business problem which they have to study, analyse, interpret and propose a suitable solution. The purpose of case study method is to make trainees apply what they know, develop ideas to manage a situation or to solve a problem. This method helps to test the analytical thinking and problem solving capacity of the trainees.

d) **Role Playing:** Under this method, the trainee is assigned a role. He has to assume himself to be in that role and act accordingly. This method is also called as socio – drama or psycho – drama, wherein the employees act as if, they are really facing the situation and have to solve it on their own spontaneously without any guidance. At the end of the role playing session, there is a critique session in which trainees are given feedback about their role playing.

e) **Lectures, Seminars and Conferences:** These are knowledge based training methods. In this method knowledge is imparted to the trainees by giving lectures and by conducting seminars and conferences. The various concepts, theories and basic principles relating to their jobs are presented and discussed. The trainees are encouraged to interact and express their opinion, which helps them to get clarity and gain confidence.

f) **Brain Storming:** This is a group creativity technique. Webster Dictionary defines Brain storming as "a conference technique by which a group attempts to find a solution to a specific problem by assuming all the ideas spontaneously contributed by its members" .

Here a problem requiring solution is given to a group. Each member is required to give his/her ideas through which the problem can be solved. This method encourages every individual in the group to express their opinions or ideas freely without any hesitation.

g) **Sensitivity Training:** In this method, small groups are constituted and the trainees interact with each other informally without any formal agenda. This training aims at

_____

_____

putting oneself in the position of others, and depicting how he/she will behave in that situation. This method greatly helps to understand the emotions and feelings of others. Sensitivity training is also known as 'T-Group Training' and 'Laboratory Training'

Distinction between On-the-Job and Off-the-Job Training

Basis of Distinction	On-the-Job Training	Off-the-Job Training
1) Nature of Approach	Practical Approach.	Theoretical Approach.
2) Place of Training	Training is given at the workplace.	Training is given away from the work place.
3) Nature of Participation	Participation of the trainees is more active	Participation of trainees is less active
4) Principle	Learning by performing	Learning by acquiring knowledge.
5) Cost	Inexpensive	Expensive
6) Training given by	Experienced Employees	Professionals/Experts/Academicians
7) Suitability	Suitable for manufacturing firms.	Suitable for Non-manufacturing firms.

Steps in Training Programme

Training programme is a costly and time-consuming process. The training procedure discussed below is essentially an adoption of the job instruction-training course. The following steps are usually considered as necessary.

1. Discovering or identifying training needs.

_____

_____

2. Preparing the instructor or getting ready for the job.

3. Preparing the trainee.

4. Presenting the operation.

5. Try out the trainees' performance,

6. Follow-up

1. Discovering or Identifying the Training Needs

A training programme should be established only when it is felt that it would assist in the solution of specific problems, Identification of training needs must contain three types of analysis:

(a) **Organisational Analysis -** determine the organisation's goals, its resources and the allocation of the resources as they relate to the organisational goals.

(b) **Operations analysis** — focuses on the task or job regardless of the employee doing the job.

(c) **Man analysis** - review the knowledge, attitudes and skills a person must acquire to contribute satisfactorily to the attainment of organisational objectives.

Armed with the knowledge of each trainee's specific training needs, programmes of improvement can be developed that are tailored to these needs. The training programme then follows a general sequence aimed at supplying the trainee with the opportunity to develop his skills and abilities.

2. Preparing the Instructor

The instructor is the key personnel in the entire programme. He must know both the job to be taught and how to teach it. The job must be divided into logical parts so that each can be taught at a proper time without the trainee losing perspective of the whole. This becomes a lesson plan. For each part one should have in mind the desired technique of instruction, i.e., whether a particular point is best taught by illustration, demonstration or explanation.

3. Preparing the Trainee

This step consists of

(a) Putting the learner at ease.

(b) Stating the importance and ingredients of the job and its relationship to work flow;

_____

_____

(c) Explaining why he is being taught

(d) Creating interest and encouraging questions, finding out what the leamer already knows about his job or other jobs.

(e) Explaining the 'why' of the whole job and relating it to some job the worker already knows

(f) Placing the leaner as close to his normal position as possible and

(g) Familiarizing him with the equipment, materials, tools and trade terms.

4. Presenting the Operations

This is the most important step in a training programme. The trainer should clearly tell, show, illustrate and question in order to put across the new knowledge and operations. There are various alternative ways of presenting the operation namely, explanation, demonstration etc. An instructor mostly uses the method of explanation. In addition one may illustrate various points through the use of pictures, charts, diagrams and other training aids. Demonstration is an excellent device when the job is essentially physical in nature. The following sequence of training may be followed

(a) Explain the sequence of the entire job.

(b) Do the job step by step according to the procedure:

(c) Explain each step while performing.

(d) Explain the trainee the entire job.

Instructions should be given clearly, completely and patiently. There should be an emphasis on key points and one point should be explained at a time. The trainee should also be encouraged to ask questions in order to indicate that he really knows and understands the job.

5. Try out the Trainees' Performance

Under this, the trainee is asked to go through the job several times slowly explaining each step. Mistakes are corrected, and if necessary, some complicated steps are done for the trainee the first time. Then the trainee is asked to do the job, gradually building up skill and speed. As soon as the trainee demonstrates that he can do the job in the right way, he is put on his own. The trainee, through repetitive practice, will acquire more skill

6. Follow-Up

_____

The final step in most training procedures is that of follow up. This step is undertaken with a view to testing the effectiveness of training efforts. The follow up system should provide feedback on training effectiveness and on total value of training system. It is worth remembering that if the learner hasn't learnt, the teacher hasn't taught.

Summary

Novel skills are required to meet the competition. New strategies are required to overcome the storm created by the new trend. Managers must be shrewd enough to prove their dominance over rivals. This is an era of tough competition where weak can hardly survive.

Need for Training in India

Training is necessary not only for doing the present job but also for acquiring the desirable extra skill or knowledge for filling higher jobs. The main goal of training is to induce a suitable change in the individuals concerned. Inexperienced employees can, for example, be taught to operate unfamiliar equipment. Persons raised to supervisory levels can be taught how to plan and control the work of their units and help their subordinates.

Industrial training started when the first apprentice was hired or when the first employee was employed on the job. Systematic methods were thereafter evolved for increasing the new employee knowledge and developing his skills. For devising adequate training programmes for individuals it is necessary to conduct an accurate analysis of the individual's aptitude and performance level. This must then be compared with the requirements of the job he is required to perform. The need for training is thus to bridge this gap between existing performance ability and desired performance. As soon as the training needs are identified, the objectives express the gap to be bridged between the present and the expected performance levels. A suitable training programme can then be developed for the employee concerned.

In Indian industry we find three types of employees - young workers, rural workers and managerial personnel. Training is necessary for all the. To improve the skill of young workers apprenticeship training is a must. For rural workers training is necessary so that they can adjust themselves with the work place and in the social life of the urban environment. Young graduates recruited find it difficult to adjust to the traditional style of management. Induction training will help them to adjust with the new working environment.

Self Assessment Questions

1. What is recruitment? List out the various sources of recruitment

2. Explain the various techniques of recruitment

3. What are the advantages and disadvantages of internal sources of recruitment?

4. State the recent trends in recruitment.

5. Write an account of the merits and demerits of external sources of recruitment.

6. Define selection. State the various stages in selection

7. Describe the various stages involved in the selection process of an employee

8. What is placement? State its process.

9. Define Training

10. What are the benefits of training?

11. What are the various methods of training?

12. Distinguish between On-the-Job and Off-the-Job Training

UNIT IV

PERFORMANCE APPRAISAL AND COMPENSATION MANAGEMENT

Compensation management- Performance Appraisal and Audit   - nature – objectives & Process – Job evaluation – Base Compensation – Supplementary Compensation – innovations in Compensation management – pay band system – Employee Stock Ownership plan , flexi – time schedules.

Performance appraisal – Concept – Objectives & methods – traditional & modern methods – MBO – 360 degree appraisal – Potential Appraisal – Employee counseling – job changes – transfer & promotion – Human Resource Accounting – Human Resource Audit

_____

UNIT IV

Compensation Management

Compensation Management refers to the establishment and implementation of sound policies, programmes and practices of employee compensation. It is essentially the application of a systematic and scientific approach for compensating the employees for their work in a fair, equitable and logical manner. The factors affecting the determination of fair and equitable compensation are many and are very complex.

Compensation Management includes various areas such as job evaluation, surveys of wages and salary analysis of relevant organisational problem, development of suitable wage structure, framing of rules for administering wages and salaries, wage payment, incentive, control of compensation cost etc. Hence, in the era of globalisation, privatisation, liberalisation, compensation management has become very complex.

Compensation is defined as the consolidated amount, allowances received and various other kinds of benefits and services which are offered by the organisation to their employees. In other words, compensation refers to all forms of financial returns, services and benefits received by the employees from their organisation as a part of their employment relationship. Such compensation may be received in the form of cash i.e. wages/salaries, bonus, overtime payments, incentives (i.e. gross payment). This is called as 'direct compensation'. While benefits that come under indirect compensation may consist of life, accidents and health insurance, pay for vacation or illness, retirement benefits and so on.

Thus, in short, compensation is direct and indirect monetary benefits and rewards received by employees on the basis of the value of the jobs, their personal contributions and overall performance. Such rewards are given to employees by their organisation according to the ability of the organisation to pay and the legal provisions.

OBJECTIVES OFCOMPENSATION ANAGEMENT

1. To attract competent and qualified persons towards organization by offering fair wage and incentive.

2. To retain present employees by paying competitive remuneration.

3. To establish fair and equitable remuneration so as to avoid pay disparities.

4. To improve production, productivity and profitability of the organization.

_____

_____

5. To minimise un-necessary expenditure and to control cost through a device of internal check and establishment of standard.

6. To improve and maintain good human relation between employer and employee through a process of payment of bonus, profit sharing and other fringes benefits.

7. To enhance the name and fame of the company through a proper system of wage payment.

8. To ensure prompt and regular payment of wage and salary to all the employees.

PERFORMANCEAPPRAISAL

After an employee has been selected for a job, has been trained to do it and has worked on it for a period of time, his performance should be evaluated. Performance appraisal or merit rating is the mechanism to assess the contribution of all human resources working at each level of the organisation during a specific period of time. Performance appraisal enables the employees to know as to how they are performing in comparison with the set standards. They can then try to improve their performance.

Performance appraisal could, thus, be seen as an objective method of judging the relative worth or ability of an individual employee in performing his tasks. If done objectively, performance appraisal can help identify a better worker from a poor one. If also lets the employee know how well he is performing and help him to improve his performance.

Performance appraisal is done by the immediate supervisor or a specially trained person meant for the job. Performance appraisal has direct linkage with such personnel systems as selection, training, mobility, etc. Appraisal and selection has a lot to do with the criteria or job expectation. Well-developed job descriptions can be extremely useful in not only selecting people but also evaluating them on the same criteria.

MEANING

Performance appraisal is a method of evaluating the behaviour of employees in the workstation, normally including both the quantitative and qualitative aspects of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the demands of the job. Often the term is confused with effort, but performance is always measured in terms of results and not efforts. A student for example, may exert a great deal of effort while preparing for the

_____

_____

examination but may manage to get a poor grade. In this case the effort expended is high but performance is low. In order to find out whether an employee is worthy of continued employment or not, and if so, whether he should receive a bonus, a pay rise or promotion, his performance needs to be evaluated from time to time. Effective performance appraisals not only let the employee know how well he is performing but should also influence the employee's future level of effort, activities, results and task direction. Under performance appraisal not only the performance of a worker is evaluated but also his potential for development.

DEFINITION

According to **Wendell French,** performance appraisal is, "The formal, systematic assessment of how well employees are performing their jobs in relation to established standards, and the communication of that assessment to employees"

According to **Flippo**, "Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job"

According to **Dale Yoder,** "Performance appraisal includes all formal procedures used to evaluate personalities and contributions and potentials of group members in a working organisation. It is a continuous process to secure information necessary for making correct and objective decisions on employees".

According to **Cummings and Schwab**, "The objectives of performance appraisal schemes can be categorized as either evaluative or developmental. The evaluative purpose has a historical dimension and is concerned primarily with looking back at how employees have actually performed over a given time period, compared with required standards of performance. The developmental, future-oriented performance appraisal is concerned, for example, with the identification of employees' training and development needs and the setting of new targets."

According to **Heyel,** "It is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed for purposes of

_____

_____

administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally".

According to **C.D. Fisher, L.F. Schoenfeldt and J.B. Shaw**, "Performance appraisal is the process by which an employee's contribution to the organisation during a specified period of time is assessed".

Thus performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally includes both the quantitative and qualitative aspects of job performance. It is a systematic and objective way of evaluating both work-related behaviour and potential of employees. It is a process of determining and communicating an employee how he is performing the job and of ideally establishing a plan of improvement. Performance appraisal emphasizes individual development. It is also used for evaluating the performance of all the human resources working at all levels of the organisation. It evaluates the performance of technical, professional and managerial staff.

Features of performance appraisal

Some of the important features of performance appraisal are:

➢ Performance appraisal is the systematic description of an employee's job-relevant strengths and weaknesses,

➢ The basic purpose is to find out how well the employee is performing the job and to establish a plan of improvement.

➢ Appraisals are arranged periodically according to a definite plan.

➢ Performance appraisal is not job evaluation. Performance appraisal refers to how well someone is doing the assigned job. Job evaluation determines how much a job is worth to the organisation and, therefore, what range of pay should be assigned to the job.

➢ Performance appraisal is a continuous process in every large scale organisation.

OBJECTIVES OF PERFORMANCE APPRAISAL

The objective of performance appraisal has shifted from an evaluation of employees to the identification of their potential and development. In the traditional approach the performance

_____

_____

appraisal system is used merely as a mechanism to control employees by taking administrative action in respect of salary and reward.

The only true measure of an employee's effectiveness on the job is job performance. Systematic personnel appraisal means that a manager's judgement about a subordinate's performance will be free from personal bias. It is a planned way of letting the subordinate to know where he stands and how he is progressing.

From time immemorial people have been measuring performance. An appraisal of the employee is necessary at the time of his appointment. It is also necessary during the working life for his promotion and transfer. A systematic procedure for evaluating performance is known as rating. Here an individual, after comparison with another, is ranked as excellent, average or below average.

IMPORTANCE OF PERFORMANCE APPRAISAL

1. Promotion. It is in the best interest of the management to promote the employees to the positions where they can most effectively use their abilities. A well-organised, developed and administered performance appraisal programme may help the management in determining whether an individual should be considered for promotion because the system not only appraises the worth of the employee on the present job but also evaluates his potentialities for higher job.

2. Personnel Actions. Personnel actions such as layoffs, demotions, transfers and discharges etc. may be justified only if they are based on performance appraisal. While in some cases, actions are taken because of unsatisfactory performance of the employee, in some other cases it may be due to unforeseen economic conditions beyond control. In former case, the action can be justified only on the basis of the result of performance appraisal.

3. Wage and Salary Administration. The wage increase given to some employees on the basis of their performance may be justified by the results of performance appraisal. Merit and seniority are combined for offering higher salaries and better positions.

4. Training and Development. An appropriate system of performance appraisal helps the management in devising training and development programmes and in identifying the areas of skill or knowledge in which several employees are not at par with the job requirements. Thus the appraisal system points out the general training deficiencies which may be corrected by appropriate training,

_____

interviews, discussions or counselling. It helps in spotting the potential to train and to develop them to create an inventory of executives.

5. Personnel Research. Performance appraisal aids in research in the field of personnel management. Theories in personnel field are the outcome of efforts to find out the cause and effect relationship between personnel and their performance. By analyzing the various problems faced by the performance appraiser, new areas of research may be developed in personnel field.

6. Self Evaluation. Performance appraisal helps the employee in self evaluation also. Every employee is anxious to know his performance on the job and his potentials for higher jobs so as to improve himself to the level of that position.

7. Self-improvement: Performance appraisal brings out the deficiencies and shortcomings of the employees. Discussions between rater and rates may be conducted in a spirit of co-operation and mutual understanding. This gives an opportunity to the employer to have an insight on their performance and to take corrective measures to improve their performance.

8. Healthy Competition. The performance appraisal provides an incentive for improving performance. It serves to maintain fair relationship in work groups. It creates a psychological pressure on employees to improve their performance.

PURPOSE OF PERFORMANCE APPRAISAL

Purpose of performance appraisal can broadly be of two types viz., administrative purpose and developmental purpose.

Administrative Purpose: Administrative purpose includes:

- Document human resource decisions with regard to performance and its related issues.
- Determine promotion of employees.
- Determine transfers and changes in job assignments.
- Identify poor performance areas of employees.
- Decide about retention or termination
- Decide on layoffs.
- Validate selection criteria relating to performance scores of selection and interview.
- Meet legal requirements.

_____

- Evaluate the performance of training programmes.

- Plan for changes in human resource requirements.

- Decide on salary and reward issues. Many contemporary companies those who are performing successfully have linked performance ratings to a certain percentage of salary and rewards.

Developmental Purpose:

Developmental purpose includes:

- Provide performance feedback to all concerned.

- Identify individual skills, core competencies, strengths and weaknesses.

- Recognise individual performance levels.

- Assist the employees in setting goals/identifying goals based on unit level, departmental level and at organisational level.

- Evaluate goal achievement of employees.

- Identify individual training needs.

- Determine organisational training needs.

- Reinforce authority structure.

- Allow employees to discuss concerns.

- Improve communication network.

- Provide a forum for leaders to help the subordinates.

Benefits of performance appraisal

The benefits of performance appraisal are of two-fold:

Benefits for the organization

Employee assessments can make a difference in the performance of an organization. They provide insight into how employees are contributing and enable organizations to:

Identify where management can improve working conditions in order to increase productivity and work quality.

Address behavioral issues before they impact departmental productivity.

Encourage employees to contribute more by recognizing their talents and skills

Support employees in skill and career development

_____

_____

Improve strategic decision-making in situations that require layoffs, succession planning, or filling open roles internally

Benefits for the employees

Performance appraisals are meant to provide a positive outcome for employees. The insights gained from assessing and discussing an employee's performance can help:

Recognize and acknowledge the achievements and contributions made by an employee.

Recognize the opportunity for promotion or bonus.

Identify and support the need for additional training or education to continue career development.

Determine the specific areas where skills can be improved.

Motivate an employee and help them feel involved and invested in their career development.

Open discussion to an employee's long-term goals.

Limitations of Performance Appraisal

1. Personal Characteristics. Though it is a useful technique of efficiency rating but there are certain personal characteristics which cannot be expressed either in figures or any other measures.

2. Systematic. However systematic and objective system of performance appraisal is used in the organisation, it is impossible to eliminate personal and subjective element from it.

3. Halo Effect. Generally, there is the presence of halo effect which leads to a tendency to rate the same individual first, which once have stood first.

4. Individual Differences. Some people are more distinct while some are very liberal in assigning the factors, points or number to the employees. They are unable to maintain a fair distinction between two individuals. It also nullifies the utility of this system.

5. Unconfirmed. Sometimes the results of performance appraisals are not confirmed by other techniques of motivation, incentive wages plans and so on. Criteria are included in the managerial appraisal system due to bias of the person concerned conducting the appraisal.

_____

_____

PREREQUISITES FOR PERFORMANCE APPRAISAL

Performance appraisal of an individual or a group is done based on some well defined criteria. These criteria may be objective or subjective. Qualitative and quantitative production, training, absenteeism, accidents, etc., are examples for objective criteria. Job knowledge, personality, socio-cultural values, etc., are examples for subjective criteria. The relevance and importance of these criteria depends on effective job analysis which brings about the job description (Job) and job specification (Employee).

Job Description ⟵— Job Analysis —⟶ Job Specification

Objective Criteria ⟵— Standards/Criteria Establishment —⟶ Subjective Criteria

Performance Appraisal
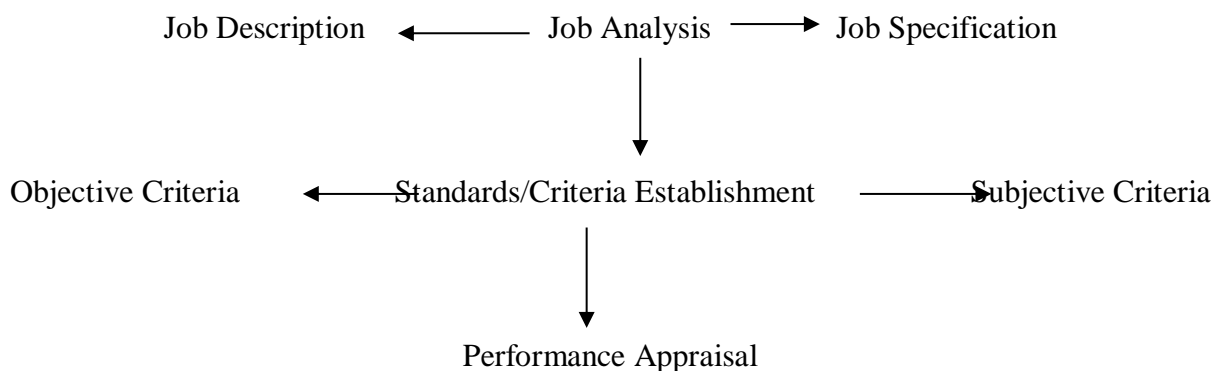
Job analysis and criteria identification are the prerequisites for performance appraisal.

PROCESS OF PERFORMANCE APPRAISAL

Though the process of performance appraisal is organization specific, some common steps of performance appraisal are as follows:

1. Establishment of performance expectation.
2. Communication of performance expectation to employees.
3. Measurement of actual performance.
4. Comparison of actuals with the standards.
5. Discussion of appraisal with the employees.
6. Initiation of corrective action.

1. Establishing performance standards: The managers need to decide about what has to be evaluated viz., outputs, accomplishments and skills. The standards should have been evolved based on job analysis and job descriptions. Standards should be clear and be expressed in unambiguous terms.

_____

2. Communicating the expected standards: Once the standards are established, they need to be communicated to the employees concerned. The transmission of standards should be ensured through feedback from employees on the basis of which standards may to be modified if necessary. In other words, Communication of standards should be of two way traffic.

3. Measuring the actual performance: Actual performance is measured in terms of information collated from different sources like personal observation, statistical reports, performance records, oral reports, etc. Care is to be taken to see that rater's bias does not enter into the evaluation process. Measurement should be purely based on facts and findings.

4. Comparing the actuals with the standards: Comparison may reveal the facts like over performance (extraordinary), under performance and near performance. Extraordinary performance needs acknowledgement through rewards and awards while under performance deserves management attention for rectification. This process leads the evaluator to the next step i.e., discussion with the appraisee.
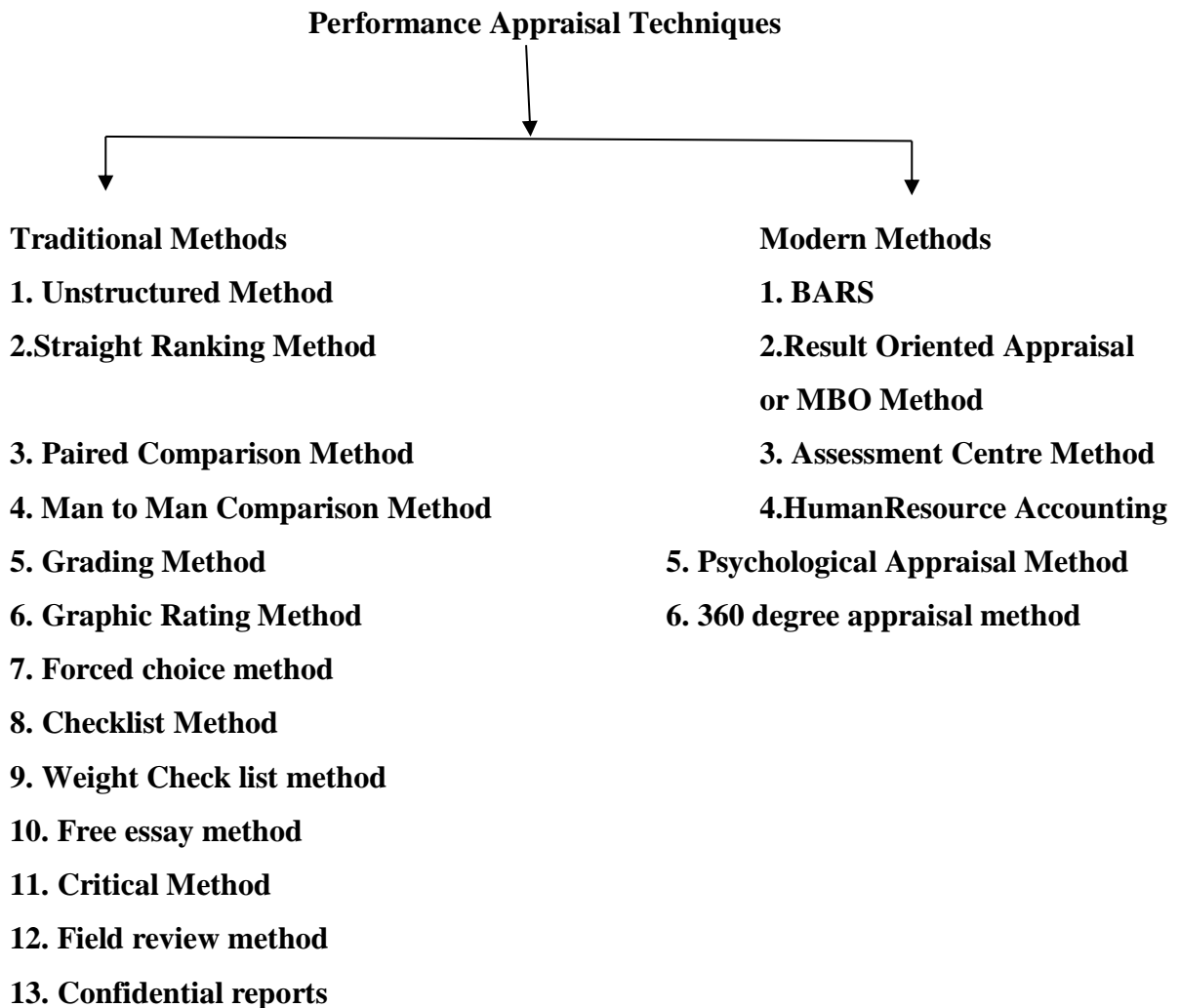
5. Discussion with the appraisee: This is one of the most challenging tasks that the manager encounters in the appraisal process. Appraisal makes the appraisee know their strengths and weaknesses. The latter should be convinced of his weakness. Therefore, the report should be discussed in such a way so as to inspire the appraisee to overcome his weakness by availing himself of various facilities available in-house or outside the organization.

6. Initiating corrective action: This is the final stage of appraisal process. In the light of report of performance appraisal, management spots out areas requiring corrections and measures warranted to set right those defects hindering achievement of standards. The corrective actions fall into two types namely, instant corrections and fundamental corrections. The former addresses the symptoms. It is also called fire fighting measures. The latter addresses the causes of underperformance. Training, coaching, counselling, education and mentoring are all long-term remedies in this connection.

METHODS OR TECHNIQUES OF PERFORMANCE APPRAISAL

A number of different performance appraisal methods or techniques are available for evaluating the performance of the employees. These methods try to explain how management can establish standards of performance and devise ways and means to measure and evaluate the

_____

performance of employees. There is no foolproof method of evaluating the performance of employees. Every method suffers from certain drawbacks and some merits. These methods can broadly be divided into traditional and modern methods.

Performance Appraisal Techniques

Traditional Methods   **Modern Methods**
1. Unstructured Method   **1. BARS**
2.Straight Ranking Method   **2.Result Oriented Appraisal**
                                                 or MBO Method
3. Paired Comparison Method   **3. Assessment Centre Method**
4. Man to Man Comparison Method   **4.HumanResource Accounting**
5. Grading Method   **5. Psychological Appraisal Method**
6. Graphic Rating Method   **6. 360 degree appraisal method**
7. Forced choice method
8. Checklist Method
9. Weight Check list method
10. Free essay method
11. Critical Method
12. Field review method
13. Confidential reports

Traditional Methods

These are the old methods of performance appraisal based on personal qualities like knowledge, capacity, initiative, attitude, loyalty, leadership, judgement etc.

The following are the traditional methods of performance appraisal.

_____

_____

1. Unstructured Method of Appraisal: Under this method, the appraiser has to discrete his impressions about the employee under appraisal in an unstructured manner. This is a simple method of performance appraisal. The rater has to list his comments specifically on qualities, abilities, attitude, aptitude and other personal traits of the employees. This makes the method highly subjective in nature.

2. Straight Ranking Method: In this technique, the evaluator assigns relative ranks to all the employees in the same work unit doing the same job. Employees are ranked from the best to the poorest on the basis of overall performance. This method is also highly subjective and lacks fairness in accessing the real worth of an employee .

While using this method, the evaluator is asked to rate employees from highest to lowest on some overall criterion. Though it is relatively easier to rank the best and the worst employees, it is very difficult to rank the average employees. Generally evaluators pick the top and bottom employees first and then select the next highest and next lowest and move towards the average (middle) employee. The limitations of this method are:

a. It is highly subjective.

b. Comparison of the various components of a person's performance is not done. The "whole man" is compared with another "whole man" in this method. In practice, it is very difficult to compare individuals possessing varied behavioural traits.

c. This method speaks only of the position where an employee stands in his group. It does not tell anything about how much better or how much worse an employee is when compared to another employee.

d. The magnitude of difference in ability between ranks is not equal at different positions. For example, the difference in ability between the first and second individual may be much greater in absolute terms than the difference between the second and third. In terms of ranks, however, the differences between these individuals are the same.

e. There is no systematic procedure for ranking individuals in the organisation. The ranking system does not eliminate the possibility of snap judgements. Its use is difficult in large groups when the rater cannot compare several people simultaneously. As an answer to this problem the paired comparison method of ranking has been evolved.

_____

_____

3. Paired Comparison Method: Ranking becomes more reliable and easier under the paired comparison method. This method is an improvement over the simple ranking method. Under this method, employees of a group are compared with one another at one time. If there is a group of five employees A, B, C, D and E, then A's performance is compared with that of B's and decision is taken as to whose performance is better. Similarly A's performance is compared with C, D, and E and decisions regarding comparatively better performance are taken. Comparison is made on the basis of overall performance. The number of comparisons to be made can be decided on the basis of the following formula:

$$\frac{N(N-1)}{N}$$

where N is the number of persons to be compared.

This method is illustrated in the following figure:

Employees rated / Performance Compared with	A	B	C	D	E	Final Rank
A	*	-	-	+	+	3
B	+	*	-	+	+	2
C	+	+	*	+	+	1
D	-	-	-	*	+	4
E	-	-	-	-	*	5

Ranking Employees through Paired Comparison Method

4. Man-to-Man Comparison Method: Under this method, certain factors are selected for analysis. The factors include leadership qualities, initiative etc. The appraiser develops a scale for each factor. The standards are very concrete because these are neither numbers nor alphabets nor descriptive adjectives but are persons of varying ability whom the rater has selected and ranked in the ability under consideration. Thus a scale is created for each trait. In rating other persons, the rater simply looks over this scale and compares them with the persons on the scale.

_____

_____

This method is also known as factor comparison method. It was used during World War I by the American army. The defect of this method is that developing a scale is quite a tough and complicated task.

5. Grading Method: Under this technique of performance evaluation, certain categories of grades are determined in advance and they are carefully defined. These selected and well defined categories include

Grade 'A' for outstanding

Grade 'B' for very good

Grade 'C' for average

Grade 'D' for poor etc.

These grades are based on certain selected features of employees such as knowledge, judgement, analytical ability, leadership qualities, self-expression etc. The actual performance of employees is compared with the above grades and employees are allotted grades for their performance.

6. Graphic Rating Scale: Perhaps the most commonly used method of performance evaluation is the graphic rating scale. The evaluator is asked to rate employees on the basis of job related characteristics and knowledge of job. Evaluation is given in printed forms. The performance is evaluated on the basis of these traits on a continuous scale. It is a standardised, quantitative method of performance appraisal. The scores are tabulated indicating the relative worth of each employee.

Poor   Average   Good   Excellent
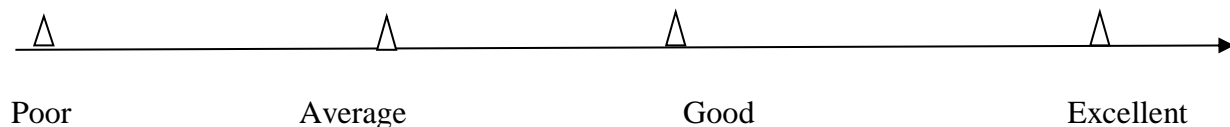
Note: Just above the category notions an uninterrupted line is provided. The rater can tick at any point along its length

The rating scale is the most common method of evaluation of an employee's performance today. One positive point in favour of the rating scale is that it is easy to understand, easy to use and

_____

permits a statistical tabulation of scores of employees. When ratings are objective in nature, they can be effectively used as evaluators.

The method has certain demerits. It is arbitrary and highly subjective in nature. It assumes that all characteristics are of equal importance for performance of all jobs. It is based that high score on one factor may compensate for low score on another. A superior may favour his subordinates unnecessarily.

7. Forced Choice Method: This method was developed during World War II for evaluating the performance of American army personnel. The evaluators have the tendency to rate the performance as high, moderate or low and escape the important responsibility assigned to them. The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statements are grounded in such a way that the rater cannot easily judge which statements applies to the most effective employee. The evaluator is forced to select from each group of statements (normally two).The statements may be of the following types.

   a) Good work organiser
   b) Shows patience with slow learners
   c) Dishonest or disloyal
   d) Careful and regular
   e) Avoids work
   f) Hardworking
   g) Cooperates with fellow workers
   h) Does not take interest in work

From the above list of statements, favourable statements are marked plus and unfavourable statements are marked zero. Under this method, subjectivity of evaluator is minimised.

8. Check List: A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behaviour. The rater checks to indicate if the behaviour of an employee is positive or negative to each statement. The performance of an employee is rated on the basis of the number of positive checks. The following are some of the sample questions in the checklist.

_____

(a) Is the employee regular on the job   yes/no

(b) Is the employee respected by his subordinates   yes/no

(c) Is the employee always willing to help his peers   yes/no

(d) Does the employee follow instructions properly   yes/no

(e) Does the employee keep the equipment in order   yes/no

The objections to this method are:

1. It is difficult to construct a good checklist.

2. A separate checklist is needed for each job because statements used in one checklist to evaluate one category of workers cannot be used in another checklist to evaluate other category of workers.

9. Weighted Checklist: The checklist provides to the evaluator statements about work related behaviour of the employees where every statement is given equal importance. However, under weighted checklist the items having significant importance for organisational effectiveness are given weightage. Thus, in weighted checklist, weights are assigned to different statements to indicate their relative importance.

Weighted Checklist	
Traits	**Weights**
1.Attenndance	0.5
2.Knowledge of the job	1.0
3. Quantity of work	1.0
4. Quality of Work	1.5
5.Dependability	1.5
6. Interpersonal Relations	2.0
7.Organisational loyalty	1.5
8. Leadership Potential	1.5

This method has some demerits. It suffers from evaluators' bias. A separate checklist is required for each job which increases the cost. It is also difficult to provide due weightage to the particular characteristic of the employee.

10. Free Essay Method: Under this method, no quantitative approach is undertaken. It is an open-ended appraisal of employees. Evaluator describes in his own words what he perceives about the employee's performance. While preparing the essay of the employee, the rater considers the following factors:

_____

_____

(a) Job knowledge and potential of the employee.

(b) Employee's undertaking of the company's programmes, policies, objectives, etc.

(c) The employee's relationship with co-workers and superiors.

(d)The employee's general planning, organising and controlling ability

(e) The attitudes and perceptions of the employee in general.

The description is expected to be as factual and concrete as possible. An essay can provide a good deal of information about the employee especially if the evaluator is asked to give examples of each one of his judgements.

The essay evaluation method, however, suffers from the following limitations:

1. It is highly subjective in nature, the supervisor may write a biased essay.

2. Some evaluations may be poor in writing essays on employee performance,

3. A busy appraiser may write the essay hurriedly without properly assessing the actual performance of the worker.

4. It is not possible to compare two essay appraisals due to variations in their length and contents.

11. Critical Incidents Method: Under this method, the performance of the worker is rated on the basis of certain events that occur during the performance of the job (i.e.. the evaluation is based on key incidents). These critical incidents or events represent the outstanding or poor behaviour of employees on the job. The rater maintains logs on each employee, whereby he periodically records critical incidents of workers behaviour. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance. Critical incidents method helps to avoid vague impressions and general remarks as the rating is based on actual records of behaviour/ performance. The feedback from actual events can be discussed with the employee to allow improvements. The rater can fully defend his ratings on the basis of his record

The method requires that the behaviour of employees in all significant incidents be recorded (the effective and ineffective behaviour) in a specifically designed notebook. The notebook contains various categories of characteristics about the employees. An evaluator or supervisor should refrain himself from passing his own judgements but should discuss the facts as he observes. This method provides an objective basis for conducting a thorough discussion of an employee's performance. This method avoids bias.

_____

_____

Like other methods, this method is also with limitations:

(a) Negative incidents may be more noticeable than positive incidents.

(b) It requires very close supervision, which is generally not liked by the employees.

(c)The supervisors have the tendency to unload a series of complaints about incidents during an annual performance review session.

(d) If the recording of incident is put off for some time, supervisor may forget the same and fails to record it later.

12 Field Review Method: In this method, a HR specialist interviews line supervisors to evaluate their respective subordinates The interviewer prepares the questions to be asked in advance. By answering these questions, a supervisor gives his opinions about the level of performance of his subordinate, the subordinate's work progress, his strengths and weaknesses, promotion potential etc. The evaluator takes detailed notes of the answers, which are then approved by the concerned supervisor. These are then placed in the employee's personnel service file.

Since an expert is handling the appraisal process, in consultation with the supervisor, the ratings are more reliable. However, the use of HR experts makes this approach costly and impractical for many organisations.

13. Confidential Report: A confidential report by the immediate supervisor is still a major determinant of the subordinate's promotion or transfer. This is a traditional form of appraisal used in most government organisations. It is a descriptive report prepared generally at the end of every year, by the employee's immediate superior. The report highlights the strengths and weaknesses of the subordinate. The disadvantages of this method are as under:

(a) It involves a lot of subjectivity because appraisal is based on impressions rather than on data.

(b) No feedback is provided to the employee being appraised and, therefore, its credibility is very low.

(c) The method focuses on evaluating rather than developing the employee. The employee who is appraised never knows his weaknesses and the opportunities available for overcoming them.

In recent years, due to pressure from courts and trade unions, the details of a negative confidential report are given to the appraisee.

_____

_____

Base compensation

Basically, Base or primary compensation means the wage or salary, allowances and other benefits paid in cash to employees. It is the fixed sum of money paid as compensation to the employees every month or year. Components of Base Compensation: 1) Basic pay- It depends on the pay scale or salary scale of the job.

Base or Primary compensation refers to basic pay in the form of wages and salaries. It is a fixed and non-incentive payment on the basis of time expended on the job.

Supplementary compensation

Supplementary compensation consists of incentives and variable payments , based on either individual output or output of the group as a whole.

A compensation model that encourages innovation should strike a balance between the risks and rewards associated with the work. Entrepreneurs and initial investors who launch a new company take on the risk of losing their wealth. If the venture succeeds, they are rewarded for that risk handsomely.

PAY BAND SYSTEM

A compensation model that encourages innovation should strike a balance between the risks and rewards associated with the work. Entrepreneurs and initial investors who launch a new company take on the risk of losing their wealth. If the venture succeeds, they are rewarded for that risk handsomely.

A pay band is a range of salaries assigned to a specific job or group of jobs. Pay bands are generally used by employers as a way to simplify their compensation structure and create salary ranges that are based on market rates. Pay bands can also help employers control labor costs, since they can be designed to limit the amount of money that an employee can earn.

Benefits

Pay bands offer employees a range of possible salaries for their position, rather than a set salary. This provides employees with the opportunity to earn more money as they gain experience and skills in their position. Pay bands also offer employers some flexibility in setting salaries, as they can adjust the band based on business needs or the market rate for similar positions.

_____

Disadvantages

One of the main disadvantages of a pay band is that it can create a pay gap between employees who are doing the same job but have different levels of experience. This can be unfair to newer employees who may feel like they are not being paid as much as their more experienced colleagues, even though they are doing the same job. Pay bands can also make it difficult for employers to give raises or promotions to individual employees, as they may need to raise the entire pay band in order to do so. Finally, pay bands can make it difficult to attract and retain top talent, as potential employees may be lured away by companies that offer higher salaries.

How can a pay band help an organization?

A pay band is a salary range within which an organization pays its employees. Pay bands are often used in conjunction with a job grading system, and they can be helpful for employers in a number of ways.

For example, pay bands can help to:

Attract and retain talent: By grouping together jobs with similar levels of responsibility, skills and experience, pay bands can help to attract and retain employees who may otherwise be tempted to leave for roles with more competitive salaries.

Facilitate succession planning: Pay bands can make it easier for employers to identify potential successors for key roles within the organization.

Support employee development: By MOVING employees to different pay bands as they gain new skills and experience, organizations can encourage employee Development and progression.

Improve organizational efficiency: By ensuring that employees are paid fairly and in line with their skills and experience, pay bands can help to improve organizational efficiency and effectiveness.

How can a pay band hinder an organization?

A pay band is a predetermined salary range for a group of jobs with similar duties, qualifications, and levels of responsibility. An organization may use pay bands to control labor costs and to make salaries more equitable among employees. While pay bands can provide some structure and stability to an organization's compensation system, they can also hinder an organization's ability to attract and retain top talent.

Some common challenges with implementing pay bands include:

Communicating the rationale for pay bands to employees

Determining the appropriate size and structure of pay bands

Ensuring that pay bands are equitable and internally consistent

Designing compensation programs that work within the constraints of pay banding

Developing an effective process for managing exceptions to pay band limits

Employee Stock Ownership Plan

An employee stock ownership plan (ESOP) is an employee benefit plan that gives workers ownership interest in the company in the form of shares of stock. ESOPs encourage employees to give their all as the company's success translates into financial rewards.

Definition: An employee stock ownership plan (ESOP) is a type of employee benefit plan which is intended to encourage employees to acquire stocks or ownership in the company.

Description: Under these plans, the employer gives certain stocks of the company to the employee for negligible or less costs which remain in the ESOP trust fund, until the options vests and the employee exercises them or the employee leaves/retires from the company or institution.

These plans are aimed at improving the performance of the company and increasing the value of the shares by involving stock holders, who are also the employees, in the working of the company. The ESOPs help in minimizing problems related to incentives.

Eligibility. Excluding directors and promoters of a company who have more than 10% equity in the company, every employee is eligible for ESOP.

One of the benefits of Employee Stock Ownership Plans is the tax benefit that employees enjoy. The employees do not pay tax on the contributions to an ESOP. Employees are only taxed when they receive a distribution from the ESOP after retirement or when they otherwise exit the company.

Flexi Time Schedules

Flex time refers to a working schedule with a flexible set of starting and ending hours. Whereas a traditional schedule is from 9 a.m. to 5 p.m. per day, a flex-time schedule allows employees to arrive, for example, at 8:30 a.m. one day and 10 a.m. the next.

Flexitime, sometimes also called flextime, is a working schedule which allows employees to choose when to start and end their workday, and/or how long to take their break for, within agreed limits set

_____

by management. It's one of the key ways to increase work flexibility and attractiveness of a workplace.

The main advantages of flexitime for employees are:

- A better work environment with greater satisfaction and motivation
- Reduced stress and fatigue
- Easier and faster commuting, rush hours can be avoided
- Easier planning of quiet time in the office
- Full pay and benefits are kept
- Extended office hours
- Better fit of working hours with school hours, college hours, or care arrangements

The main advantages for employers are: higher productivity, reduced absenteeism and tardiness, and a more attractive working place for keeping and attracting top talents.

The main challenges of flexitime for employees:

- It can take more discipline to manage flexible work
- Company need a good software solution to keep logs
- Flexitime also presents some challenges for employers, such as less supervision during certain time periods, and understaffing at times.
- It may also create difficulties with scheduling meetings, and tracking working hours can be difficult

Modern Methods of Performance Appraisal

Result Oriented Appraisal or MBO Technique: The result-oriented appraisals are based on the concrete performance targets, which are usually established by superior and subordinates jointly. This procedure has been known as Management by objectives (MBO). Much of the initial impetus for MBO was provided by Peter Drucker (1954) and by Douglas McGregor(1960). Drucker first described MBO in 1954 in his book "The Practice of Management". Drucker pointed the importance of managers having clear objectives that support the purposes of those in higher positions in the organisation. McGregor argues that by establishing performance goals for employees after reaching

_____

agreement with superiors, the problems of appraisal of performance are minimised. MBO in essence involves the setting out clearly defined goals of an employee in agreement with his superior. Refinements brought out by George Odione, Valentine, Humble and others have enriched the concept and made it more acceptable all over the globe as an appraisal technique.

The definition of MBO, as expressed by its foremost proponent, Dr. George S Odiorne is "Management by objectives is a process whereby the superior and subordinate Psychological appraisal results are useful for decision-making about employee placement, career planning and development, training etc.

360 Degree Appraisal: It is a method of appraisal in which people receive performance feedback from all of them in the organisation - their boss, their colleagues and peers and their own subordinates. Thus, the feedback comes from all around them, 360 degrees. This form of performance evaluation can be very beneficial to managers because it typically gives them a much wider range of performance-related feedback than a traditional evaluation.

360 degree feedback

360-degree feedback is a method and a tool that provides each employee the opportunity to receive performance feedback from his supervisor and four to eight peers, reporting staff members, co-workers and customers. Most 360 degree feedback tools are also responded to by each individual in self-assessment. 360 degree feedback allows each individual to understand how his effectiveness as an employee, co-worker, or staff member is viewed by others. The most effective process provides feedback that is based on behaviours that other employees can see. The feedback provides insight about the skills and behaviours desired in the organisation to accomplish the mission, vision, and goals and values. The purpose of the 360 degree feedback is to assist each individual to understand his strengths and weaknesses, and to contribute insights into aspects of his work for professional development.

Potential Appraisal

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.

_____

Potential appraisal is a part of performance appraisal that helps to identify the hidden talents and potential of the individuals. Identifying these potential talents helps in preparing the individuals for higher responsibilities and positions in the future.

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.

Many organisations consider and use potential appraisal as a part of the performance appraisal processes.

The purposes of a potential review are:

to inform employees of their future prospects;

to enable the organisation 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.

Potential appraisal helps to identify what can happen in future so that it can be guided and directed towards the achievement of individual and organizational growth and goals. Therefore, potential should be included as a part of the Performance appraisal in organisations.

The Potential for Improving Performance, or PIP, measures the performance of the average worker versus the best person performing a particular task. Large differences suggest that performance can be improved by bringing average performance up closer to the best performance.

Methods of potential appraisal

A good potential appraisal system should provide an opportunity for every employee to know the results of assessment.

Techniques of potential appraisal:

1. Self – appraisals.

In this type of appraisal, an individual self-assesses and provides the necessary evaluation of his outlook relating to his achievements.

A self-appraisal datasheet is generally provided to the individual, in which the worker evaluates himself on many dimensions, tells about various achievements, virtues, susceptibilities, difficulties encountered during the work period, etc. These self-appraisals are quite helpful in situations where the supervisor needs to be employed in the potential appraisal process.

_____

_____

2. Peer appraisals.

This type of appraisal furnishes facts that remain unidentified from the evaluation by the bosses. The peers can throw light on such facts regarding the performance of employees.

This is so because peers are well-versed with their co-workers' strong and weak aspects, and they are more informed of their managerial and individual capabilities.

The appraisal by the peers has more authenticity and credibility, unlike the appraisal by the bosses.

3. Superior appraisals.

It is the most commonly used method of potential appraisal. Most of the time, an appraisal by a superior is appropriate and useful; however, it cannot always be applied.

Appraisals by the existing supervisors are objective and provide an extensive understanding of the performance of the workers.

4. MBO.

MBO includes collective goal-establishment in which both the superior and subordinates come together to establish goals.

Subordinates are provided with an opportunity to take part in the goal- an establishment of their relevant work areas. Thus, it would minimize ambiguity and maximizes efficiency on the job.

One more significant thing in MBO is the collective evaluation. While giving feedback about performance, both superiors and subordinates are concerned in order to discuss the issues and barriers which took place while accomplishing the tasks.

5. Psychological and psychometric tests.

Psychological compositions like cognitive and impulsive functioning present in a certain worker are mainly evaluated through the application of psychological tests.

Psychometrics is a mechanical terminology of the science used in psychological testing. This is a method that compares a worker with colleagues at the workplace and how much perfection that worker possesses in particular work in comparison to his peers.

This method also recognizes individual distinctness, i.e., individual peculiarities, fundamental behaviours, and probable future actions.

6. Management games like role playing.

_____

Business or management games are factual business conditions that are exhibited in the form of imitations. In business games, two or more hypothetical establishments compete against each other in a supposed product market.

The participants play the assumed role of the Chairman, General Manager, Managing Director, Marketing Manager, etc. Decisions influencing the price rise, volume of production, and stockpiles are taken by each competitor.

Their outcomes and findings are manipulated by the computer systems, and a comparison is made between the outcomes of the competitors and the outcomes of the factual business conditions.

The competitors can evaluate their performance level and can notice the influence of their actions on the other competitors and vice versa.

These management games are helpful and contribute to the appraisal of the performance of the employee.

7. Leadership exercises etc.

In an organization, the leader is the supreme head and leads from the front. The leader is fully proficient in recognizing the qualities of himself as well as his staff. He is also skilled in utilizing those qualities for the benefit of the organization. The leader is aware of the perfect time to head the organization and implement the decisions for its betterment and is also fully aware of the appropriate time to hand over the control of the authority to a competent administrator. These capabilities are developed through various leadership exercises.

Psychological Appraisals

Psychological appraisals come in handy to determine the hidden potential of employees. This method focuses on analyzing an employee's future performance rather than their past work. These appraisals are used to analyze seven major components of an employee's performance such as interpersonal skills, cognitive abilities, intellectual traits, leadership skills, personality traits, emotional quotient, and other related skills.

Qualified psychologists conduct a variety of tests (in-depth interviews, psychological tests, discussions, and more) to assess an employee effectively. However, it is a rather slow and complex process and the quality of results is highly dependent on the psychologist who administers the procedure.

_____

Specific scenarios are taken into account while performing psychological appraisal. For instance, the way in which an employee deals with an aggressive customer can be used to appraise his/her persuasion skills, behavioral response, emotional response, and more.

Advantages of psychological appraisals:

1. It extracts measurable, objective data not only about an employee's performance but also of their potential,
2. It can be deployed easily when compared with other performance appraisal methods.
3. It offers introverted or shy employees a platform to shine and prove their potential.

Ideal for:

Large enterprises can use psychological appraisals for an array of reasons including development of leadership pipeline, team building, conflict resolutions, and more.

Common reasons for failure:

Absence of proper training, lack of trained professionals to administer reviews, and nervousness or anxiety of candidates can skew results.

Employee Counseling

In today's fast-paced corporate world, there is virtually no organization free of stress or has employees who are stress-free.

The employees can be stressed, depressed, suffering from too much anxiety arising out of workplace related issues like managing deadlines, meeting targets, lack of time to fulfill personal and family commitments, or bereaved and disturbed due to some personal problems.

Employee counselling is a psychological technique and that is used in various forms. The main objective of it is to support the employees by providing them advice, guidance, suggestions to solve the prevailing problems and improve physical and mental conditions, performance and which can take many forms. It is conducted with problem-solving approach by supervisors, managers or consultants.

Employee counselling is defined as a process which is initiated by the responsible manager or counsellor for providing assistance to employees facing problems. It is conducted to listen, understand

_____

_____

problems and provide guidance, advices and suggest ways to solve them. It is mainly to provide job related, personal and confidential help to those who are facing the problems.

Main Characteristics of Employee Counselling are:

    (a) Service offered to employees.

       (b) Service is conducted in organisation.

       (c) Focus is on problems faced by employees.

       (d) Objective of counselling is problem solution.

       (e) Employee counselling serves all concerned.

       (f) Employee counselling is a continuous process.

       (g) Role of counsellor is important in counselling.

       (h) Half knowledge is a dangerous thing, is completed through counselling.

Importance of Employees Counselling:

Through counselling the supervisor tries to speak to his subordinates, ensure a two-way communication, and help them grow and develop in the organisation.

The various importance of employee counselling are listed as under:

1. It provides employees with an atmosphere where they can share and discuss their tensions, conflicts, concerns, and problems with their supervisors.

2. It is a process of helping employees to realise their full potential by making them understand their strengths and weaknesses.

3. Counselling provides employees with the reassurance and cour-age to face the problems confidently.

4. Releasing emotional tension is an important function of counselling. Release of tension may not solve the entire problem but it removes mental blocks to the solution.

5. Counselling sessions also help employees to get an opportunity to understand the business environment and set realistic goals for further improvements.

6. It even gives the employer an opportunity to understand the employee's perspective and set mutually agreeable goals for fu-ture.

_____

7. It can even help the management decide about the need for train-ing and development programs to sharpen the employees skills and increase their level of confidence on the job.

8. A good counselling session generally helps in winning the trust and faith of the employees.

9. It provides more autonomy to employees and positively reinforces their desirable behaviour and tries to create conditions in which the employee is able to learn from his mistakes.

Process/Stages of Counselling Process:

1. Rapport/Relationship Building – Rapport building is the first step in counselling. It demonstrates such essential skills as mirroring, tracking, pacing, attentive listening, and empathizing and presents such tools as obtaining informed consent, using self-disclosure, reflecting client feelings etc.

2. Assessment/Problem Definition – The counsellor assesses the employee's feelings, thoughts, behaviours, and interpersonal dynamics. It involves asking the Counselee exploring questions.

3. Goal Setting – Third stage of the counselling process, involves focus on goal setting. It shows how goal setting is a collaborative focus and demonstrates the use of the three Cs choice, change, and coping in the process.

4. Intervention – It demonstrates establishing a plan for change, reviewing the goals set in the process, and preparing for dealing with the problem

5. Termination – The counsellor assesses goal accomplishment, skills gained, available resources and supports, and potential obstacles and looks at follow-up planning. It involves finding alternative ways to help the Counselee.

Job Changes

A job change refers to a situation where an employee is leaving one company and beginning to work for another. The term is a popular one in business and also has application in other fields, from healthcare to human resources to sales.

Job Change means any change in an Eligible Employee's job duties that is deemed significant by the Company in its sole and absolute discretion. No determination by the

_____

_____

Company as to the significance of any such change shall be deemed a precedent or shall limit in any way the Company's sole and absolute discretion in deciding whether any change in any Eligible Employee's job duties is significant.

Job Change means either (i) a decrease in the Total Pay Package of an Eligible Employee's current job, (ii) a transfer of an Eligible Employee to another job having a lesser Total Pay Package, or (iii) the imposition of significantly different job duties, shift, work location or number of scheduled work hours.

Promotion

A promotion is when an employee advances to a position that is classified at a higher salary grade, or in certain circumstances, an acknowledgment of significant greater responsibilities within the same grade.

A salary increase is typically appropriate at the time of the promotion, based upon an evaluation of relevant experience, performance, relative position in the new salary range, internal equity, and external competitiveness.

Transfer

A transfer is when an employee moves to a position outside his or her current department. A transfer can be lateral (no change in grade), a promotion (increase in grade), or demotion (decrease in grade). Salary changes may or may not be warranted in the case of a transfer.

Human-Resource Accounting Method

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

When an employee's performance is evaluated based on cost accounting methods, factors like unit-wise average service value, quality, overhead cost, interpersonal relationships, etc are taken into account. Its high-dependency on the cost and benefit analysis

_____

_____

and the memory power of the reviewer is the drawback of human resources accounting method.

Advantages of the human resource accounting method:

- It effectively measures the cost and value that an employee brings to the organization
- It helps to identify the financial implications that an employee's performance has on the organization's bottom line

This method is ideal for Startups and small businesses where the performance of one employee can make or break the organization's success.

Implementation of human resource cost accounting method:

1. Identify the gap between the market and the current package of an employee
2. Determine the monetary and non-monetary value that an employee brings to the table
3. List down the credits that an employee achieved in the review period (increase in the subscriber count, improvement in revenue, number of new deals won, etc.,)

Human Resource Audit

HR audit is an objective examination of business's HR policies, practices, and procedures. The goal is to look for trouble spots and/or identify ways for improvement. Outside company may be hired to perform the audit or HR department may be instructed to perform an internal audit. Human Resource Audit is a comprehensive method of objective and systematic verification of current practices, documentation, policies and procedures prevalent in the HR system of the organization. An effective HR audit helps in identifying the need for improvement and enhancement of the HR function. It also guides the organization in maintaining compliance with ever-changing rules and regulations. HR audit, thus, helps in analyzing the gap between 'what is the current HR function' and 'what should be/could be the best possible HR function' in the organization.

_____

_____

Though HR auditing is not mandatory like financial auditing, yet, organizations these days are opting for regular HR audits in order to examine the existing HR system in line with the organizations policies, strategies and objectives, and legal requirements. HR auditor can be internal or external to the organization. Generally, HR consulting firms render the service of external HR auditors.

It is necessary for the top management to establish the terms and scope of the audit clearly before the external firm to make the audit successful. This includes defining the exact purpose of audit, viz. examining compliance with legal requirements and organization's policies, identifying problem areas to avoid crisis situation with appropriate planning, analyzing ways to better serve the needs of relevant parties – employees, partners or society, measuring the work processes, seeking HR related opportunities available within the organization, dealing with situation of merger and acquisitions, etc.

Primary components of the HR system which are generally audited include – documentation, job descriptions, personnel policies, legal policies, recruitment and selection, training and development, compensation and employee benefit system, career management, employee relations, performance measurement and evaluation process, termination, key performance indicators, and HR Information Systems (HRIS).

The entire process of HR auditing is broadly segmented in following phases:
ʻpre-audit information, on-site review, records review, and audit report.

The first three phases involve extensive collection of quantitative as well as qualitative information. The method for collection of information depends upon the size of the target audience, availability of time and type of data to be collected.

The pre-audit information phase includes a review of the organization's policies, HR manuals, employee handbooks, reports, etc. which form the basis of working in the organization.

The next phase of on-site review, involves questionnaires, interviews, observation, informal discussions, surveys, or a combination of such methods to get the necessary inputs from the members of the organization.

_____

_____

The records review phase requires detailed scanning of current HR records, employees' files, employee absenteeism and turnover statistics, notices, compensation claims, performance assessments, etc.

Utilizing the data so collected, the HR checklist is completed which is the widely used method for carrying out HR audit. In the checklist method, a list of all the system particulars under audit, viz. the policies, procedures, or practices, is created in a sequential manner. Against each particular item, the actual practice as followed by the organization is mentioned. The defined practice and the actual practice are then compared to determine compliance between the two as well as analyzing the deviation from compliance. On the basis of this analysis, the final audit report is complied with appropriate conclusions and recommendations highlighting the strengths and weaknesses of the HR function along with the necessary improvements as required.

HR audit, thus, contributes towards the best possible use of internal resources and maximizing the effectiveness of human capital in the organization. At the same time, it is useful in streamlining the HR processes and practices with the industry best practices and standards.

PROBLEMS OF PERFORMANCE APPRAISAL

None of the methods for appraising performance is absolutely valid or reliable. Each has its own strengths and weaknesses. Inspite of our recognition that a completely error free performance appraisal can only be an idealised model, with all actual appraisals being something less than this optimum, we can isolate a number of factors that significantly impede objective evaluation. The major problems in performance appraisal are:

1. **Rating Biases:** Most appraisal methods involve judgements of one kind or the other. The performance appraisal process and techniques rely on the evaluator who has his own personal biases, prejudices and idiosyncrasies. It would be naive to assume that all evaluators will impartially appraise their subordinates.

   The evaluator or raters bias includes **:**

   a. **Leniency and Strictness error:** Errors of leniency are caused by the tendency of the lenient rater to put most of the rates on the higher side of the scale, while the tough

_____

_____

rater places them on the lower side of the scale. Because even evaluator has his own value system, which acts as a standard against which appraisals are made. Relative to the true or actual performance an individual cxhibits, some evaluators mark high and others low. The former is referred to as positive leniency error and the latter negative leniency error (strictness error). When evaluators are positively lenient in their appraisal, an individual's performance becomes overstated. Similarly, a negative leniency error understates performance, giving the individual a lower appraisal. If the same person appraised all individuals in an organisation, there would be no problem. Although there would be an error factor, it would be applied equally to everyone. The difficulty arises when we have different raters with different leniency errors.

b. **Halo Error.** The "halo effect" is a tendency to allow the assessment on one trait to influence assessment on others. According to Bernardin and Beatty, halo effect is a "tendency to rate high or low on all factors due to the impression of a high or low rating on some specific factors". This arises when traits are unfamiliar, are ill defined and involve personal reactions. One way of minimizing the halo effect is appraising all the employees by one trait before rating on the basis of another trait.

c. **The Error of Central Tendency**: The central tendency error refers to the tendency of not using extreme scores on the judgement scale, most of the rates are clustered in the middle. According to Bernardin and Beatty, central tendency is the reluctance to make extreme ratings (in either direction); the inability to distinguish between and among raters; a form of range restriction" Raters who are prone to the central tendency error are those who continually rate all employees as average. They follow play safe policy because of answerability to management or lack of knowledge about the job and person he is rating or least interest in his job. This type of rating will create problems, especially if the information is used for pay increases.

d. **Personal Prejudice:** The rater's personal prejudice can influence the objectivity of performance appraisals. If the rater dislikes an employee, he may rate him very poorly and vice versa.

_____

_____

e. **Consequence of Appraisal:** If the evaluator knows that a poor appraisal could significantly hurt the employee's future (particularly opportunities for promotion or a salary increase) the evaluator may be reluctant to give a realistic appraisal.

f. **The Recency Effect:** The raters generally remember the recent actions of the employee at the time of rating. If a favorable action has taken place recently, the employee will be given a high rating. Otherwise he will be given a poor rating if an unfavourable action has taken place recently

2. Opportunity Bias: This results when the amount of output is influenced by factors beyond the control of employees. Some employees have better working conditions, supportive supervisors, more experienced co-workers and hence their output may be greater than others working on identical tasks.

3. Group Cohesiveness: Cohesive groups with high morale can produce more than less cohesive groups with low morale.

4. Knowledge of Predictor Bias: A rater's knowledge of the performance of an employee on predictors can influence his appraisal ratings. An employee who topped in the selection list might leave the impression that he is the best among the employees and hence, the rater may rate him as 'good' when his performance is moderate.

5. Similarity Error: When evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error. Based on the perception that evaluators have of themselves, they project those perceptions on others. For eg: the evaluator who perceives himself as aggressive may evaluate others by looking for aggressiveness.

Summary

The Human Resources Management (HRM) is rational allocation of human resources in planned way based on the requirements of development strategy of organizations, which ensure the corporate strategic objectives. The HRM is a series of corporate policies in human resources affairs and relevant management activities. A diversity of functions are included in

_____

_____

the HRM, and the key is to determine the employment needs of an organization and whether to outsource or hire staffs to fill these vacancies, recruiting, training, evaluating performance, and guaranteeing the personnel and management performs conform to numerous rules.

HRM makes a great contribution for either private or public sector organizations to achieve organization goals, therefore, as an important function of HRM, the performance appraisal has significant importance in organizations. If there is no performance appraisal system, an organization can hardly have a clear understanding of its current situation, therefore it cannot get the direction and goals for improvement for future, the situation of the organization will be dangerous. If the performance appraisal system is full of deviation or even error, it can possibly lead the organization into a wrong direction of resource inputting, thus the organization will lose its long-term competitiveness. On the contrary, an effective performance appraisal system can ensure resources of the organization invested into the most critical processes, which can improve competitive advantage of organization.

Performance appraisal is one of the key functions of the HRM, it has a largely effect on the success of the organizations. Effectively performance appraisal leads to better staff management. It means that an organization can make better evaluation of staff performance, which results in more reasonable remuneration and incentive. It also means that an organization will be able to offer more help to employees' self-development since performance evaluation can explore the potential of employees and help them know clearly about what they should do to meet expectations better. Besides, it will help to achieve better communication between superiors and staffs, which promote greater unity of purpose.

Self-assessment Questions

1. Describe in detail the process of performance appraisal
2. What is 360^0 appraisal?
3. What is MBO?
4. List out the merits of BARS
5. Describe the traditional methods of performance appraisal

_____

_____

6. State the prerequisites of performance appraisal

7. Describe the modern methods of performance appraisal

8. State the steps involved in developing BARS system

9. Mention the significance of performance appraisal

10. Suggest suitable measures to address inadequacies in performance appraisal system

UNIT V

Maintenance of Employees and Emerging horizons of HRM

Employee health and safety

Employee Welfare

Social Security

Employer & Employee Relation – an overview

Grievance

Employee Grievances

Grievance Handling and Redressal Procedure

Industrial Disputes

Causes & Settlement

Green HRM

e- HRM

Impact of HRM practice in an organization performance

Contemporary issues in HRM

Quality Circle

Labour and International Organisation

Reports of the National Labour Commissions

Summary

Self assessment questions

UNIT V

Employee Health & Safety

Employee safety refers to providing a safe working environment for employees by incorporating safe equipment and safe procedures at the workplace to ensure worker safety.

There are four basic elements to all good health and safety programs:

Management Commitment and Employee Involvement. ...

Worksite Analysis. ...

Hazard Prevention and Control. ...

Training for Employees, Supervisors, and Managers.

Employee safety refers to providing a safe working environment for employees by incorporating safe equipment and safe procedures at the workplace to ensure worker safety. Employee safety is important to maintain a good safe work environment to improve morale and efficiency, which in turn contribute to the growth and profitability of the company. Lack of safety procedures for employees could have legal and financial repercussions.

Facilitating a safe and healthy work environment is not just considered a measure to protect the workers from injury and illness; safety measures also lower injury/illness costs, reduce absenteeism and improve employee morale in the organization. Simply put, safety is good for business.

What is Employee Safety?

Employees have a legal right to be safe at work. An employer must ensure that the workplace is free from as many hazards as possible. Some hazards cannot be completely eliminated, in which case every precaution should be taken to reduce the chances of injury.

Employee safety involves the following:

Adequate and ongoing safety training

Machinery that is well maintained and has adequate protective guards

Being provided with the required safety gear

Protection from toxic chemicals

The ability to report any injury

Employee safety also has other benefits, including

Improving employee retention

Helping to remain OSHA compliant

Creating a safe work environment to improve productivity

Safeguarding company reputation in the eyes of customers, competitors, and general public.

Employee Welfare

Employee welfare means anything done for the comfort and improvement, intellectual or social of the employees over and above the wages paid which is not a necessity of the industry.

Employees are one of the most important resources of the organisation and it is important that the physical and mental well-being of the employees is ensured. For this, the organisation has to view employees as an investment rather than as an expense. This is essential as the profitability of the organisation is directly linked with the productivity of the workforce.

The productivity of the employees depends on the environment of the organisation and the welfare measures taken by the organisation. The main aim of undertaking employee welfare measures is to earn and retain the goodwill and loyalty of the employees and their union.

In order to ensure these things, it is very essential that the safety of the employees is guaranteed. But this is one of the major challenges for the organisation, especially in such situations where unsafe conditions are part of the job profile of the employees. An organisation which overlooks the safety of the employees may have to face many consequences such as opposition from employee unions or even legal proceedings.

So, it is very essential that the physical, mental and emotional well-being of employees is ensured so that a motivated and loyal workforce is created which works with full commitment towards the achievement of organisational goals.

Features of Employee Welfare

The following are the features of employee welfare:

Employee welfare is a voluntary activity of the organisation which is done for the general well-being of the employees.

It is usually an activity which is over and above the statutory and contractual obligations of the organisation.

Objectives and strategies of the organisation provide a broad outline of the policies of employee welfare.

Such measures enhance the mental, physical, intellectual and moral well being of the employees.

_____

It is a continuous and ongoing process and not a one-time activity.

Such activity can extend even to the personal life of the employees.

Objectives of Employee Welfare

The following are the major objectives of employee welfare:

Employee welfare creates a motivational environment which enables better cooperation from the employees for plans and proposals of the organisation.

The focus is on retaining employees who are talented.

The long-term aim is to achieve a level of productivity and performance which is desired by the organisation.

Through such measures, the organisation aims to create goodwill among the labour market which helps them to attract the best talents with ease.

It creates a strong bond of loyalty between the organisation and the employees.

It facilitates the creation of team spirit and cooperation among the employees of the organisation.

Through welfare measures, the organisation aims to get complete attention and devotion of the employees towards their jobs.

Principles of Employee Welfare

These are the principle of social responsibility:

Social Responsibility

Democratic Values

Fair Wages

Work Efficiency

Reconstruction of Personality

Shared Responsibility

Universality of Welfare

Types of Employee Welfare

These are the types of employee welfare:

- Intramural Facilities

- Extramural Facilities

- Statutory Facilities

- Mutual Facilities

_____

_____

- Voluntary

Intramural Facilities

The facilities provided inside the factory are known as intramural facilities. These facilities include activities relating to minimization of industrial fatigue, provision of safety measures like fencing and covering of machines, good layout of the plant and machinery, sufficient lighting conditions, first aid appliances etc. Provisions of such facilities are also obligatory in all industrial establishments all over the world.

Extramural Facilities

Facilities offered to the workers outside the factory are known as extramural facilities. They include better housing accommodations, indoor and outdoor recreation facilities, sports, educational facilities etc. The provocation of these facilities is voluntary.

Earlier, due attention was not given to the provision of extramural facilities to the workers but now it is realized that these facilities are very important, for the general welfare and enlistment of the workers.

Statutory Facilities

Under this category, welfare facilities are provided according to the labour legislation passed by the Government. The nature and coverage of these facilities vary from country to country. Again these facilities very are either intramural facilities or extramural facilities.

These facilities must be provided by all the employers and cannot be ignored. Any contravention of the statutory provisions shall render the employer punishable under the Act concerned.

The National Commission of Labour has divided all the statutory measures under two distinct heads:

Facilities have to be provided irrespective of the size of the establishment e.g., drinking water.

Facilities which are to be provided subject to the employment of a specified number of persons, e.g., crèches.

Mutual Facilities

These facilities are usually outside the scope of the statutory facilities. These activities are voluntarily undertaken by the workers themselves for their own interest. As such the employer has no say in it.

Voluntary

_____

_____

The facilities which are voluntarily provided by the employers come under this category. Hence these are not statutory. No doubt, the activities under this category ultimately lead to an increase in the efficiency of workers.

Social security

Social security, any of the measures established by legislation to maintain individual or family income or to provide income when some or all sources of income are disrupted or terminated or when exceptionally heavy expenditures have to be incurred (e.g., in bringing up children or paying for health care).

Social Security replaces a percentage of a worker's pre-retirement income based on your lifetime earnings. The amount of average wages that Social Security retirement benefits replaces depends on the earnings.

These are retirement, healthcare, disability, childcare, gratuity and provident fund and insurance programs mostly governed by The Code on Social Security, 2020, most of which are mandatory for all Indian and foreign employees' working in India.

Social Security – Importance for the Employees as well as the Society

Social security is basically related to the high ideals of human dignity and social justice.

The importance of social security for the employee as well as the society is incredibly high:

(a) Social Security is the main instrument of bringing about social and economic justice and equality in the society.

(b) Social Security is aimed at protecting employees in the event of contingencies. This support makes the employees feel psychologi-cally secured. This enhances their ability to work.

(c) Money spent on social security is the best investment which yields good harvest. The workforce maintenance is very essential not only for the organization but also for the country at large.

(d) In a welfare state, social security is an important part of public policy. In countries where social security is not given adequate consideration in public policy, the government remains unsuc-cessful in maintaining equality and justice.

Social Security Laws

The principal social security laws enacted in India are the following:

_____

The Employees' State Insurance Act, 1948 (ESI Act) which covers factories and establishments with 10 or more employees and provides for comprehensive medical care to the employees and their families as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement.

The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act) which applies to specific scheduled factories and establishments employing 20 or more employees and ensures terminal benefits to provident fund, superannuation pension, and family pension in case of death during service. Separate laws exist for similar benefits for the workers in the coal mines and tea plantations.

The Employees' Compensation Act, 1923 (WC Act), which requires payment of compensation to the workman or his family in cases of employment related injuries resulting in death or disability.

The Maternity Benefit Act, 1961 (M.B. Act), which provides for 12 weeks wages during maternity as well as paid leave in certain other related contingencies.

The Payment of Gratuity Act, 1972 (P.G. Act), which provides 15 days wages for each year of service to employees who have worked for five years or more in establishments having a minimum of 10 workers.

Separate Provident fund legislation exists for workers employed in Coal Mines and Tea Plantations in the State of Assam and for seamen.

Social Security protects not just the subscriber but also his/her entire family by giving benefit packages in financial security and health care. Social Security schemes are designed to guarantee at least long-term sustenance to families when the earning member retires, dies or suffers a disability. Thus the main strength of the Social Security system is that it acts as a facilitator - it helps people to plan their own future through insurance and assistance. The success of Social Security schemes however requires the active support and involvement of employees and employers.

Employer and Employee Relation

An employer/employee relationship, then, is the way an employer (either an individual or an entity) and employees view and treat one another in a work setting. From the moment a person signs his or her employment contract, a relationship starts to develop between that employee and their employer.

_____

Strong employer employee relationship has many other benefits like;

Increased productivity for the organization: A Strong employer employee relationship creates a pleasant work environment for the employee. Subsequently, he works with increased confidence and morale. This leads to better performance and increased productivity.

Improved Employee Loyalty: A good employer-employee relationship helps in increased employee loyalty and improves the prospects of employee retention. For most businesses, the increased cost of employee turnover outweighs the cost of the employee relations program that they have in place. Additionally, it ensures that the employer has a trained and skilled set of employees.

A healthy and conflict free work environment: A smooth employer-employee relationship reduces the possibility of conflicts within the work place. This helps in developing a cordial relationship within the workforce too and leads to greater productivity.

Good employee-employer relations are sure to have a positive impact on the growth and revenue of a company. This leads to a positive, happier and healthier work environment. This is not only reflected on the employer and employee, but also on the end customer associated with the organization, through enhanced productivity and quality. Hence, employer-employee relationship is key to the prospects of any organization and forms the backbone of the organization's progress.

GRIEVANCE
MEANING

A grievance is a sign of employee's discontentment towards the job and its nature. The employee has certain aspirations and expectations which he thinks must be fulfilled by the organisation where he is working. When the organisation fails to satisfy the employee needs, he develops a feeling of discontentment or dissatisfaction. For instance, the employee expects proper implementation of the Central and State Government's laws, collective agreements, company policies and management responsibilities. Any violation of these laws, agreements and policies cause dissatisfaction on his part. Thus, grievance is caused due to the difference between the employee expectation and management practice.

_____

_____

DEFINITION

The concept "grievance" has been defined in several ways by different authorities. According to Dale S Bearch, "grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management".

In the words of Michael J Jucious, "a grievance is any discontentment or dissatisfaction, whether expressed or not, 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".

According to Flippo, grievance is, "a type of discontentment which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous, and must grow out of something connected with company operations or policy. It must involve an interpretation or application of the provisions of the labour contract".

According to Kieth Davis, grievance is "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship".

In the words of Pigors and Myers, "A grievance is simply a complaint which has been ignored, over-ridden or in the employee's opinion, dismissed without consideration; and the employee feels that an injustice has been done, particularly when the complaint was presented in writing to a management representative or to a trade union official".

In the opinion of the National Commission on Labour, "Complaints affecting one or more individual workers in respect of wage payments, overtime, leave, transfer, promotion, seniority, work assignment and discharges constitute grievances".

The International Labour Organisation (ILO) defines a grievance as "a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service".

Grievances generally give rise to unhappiness, frustration, discontent, indifference to work, poor morale; and they ultimately lead to inefficiency of workers and low productivity. An HR manager should therefore see to it that grievances are redressed at the earliest possible moment.

FORMS OF GRIEVANCES:

A grievance may be of the following forms:

(a) Factual:

_____

_____

The employer-employee relationship depends upon the job contract in any organisation. This contract indicates the norms defining the limits 'Within which the employee expects the organisation to fulfill his aspirations, needs or expectations. When these legitimate needs of expectations or aspirations are not fulfilled, the employee will be dissatisfied with the job.

Such dissatisfaction is called factual grievance. For instance, when an employee is not given promotion which is due to him or when work conditions are unsafe, grievances of employee relating to these issues are based on facts. In other words, these grievances reflect the drawbacks in the implementation of the organisational policies.

(b) Imaginary:

When the job contract is not clear-cut and does not indicate the norms defining the limits within which the employee shall expect the organisation to fulfill his needs or aspirations, the employee develops such needs which the organisation is not obliged to meet.

Here, grievances are not based on facts. Even then the employee feels aggrieved. Normally, the organisation does not feel any kind of responsibility for such grievances and their redressal, because they are based not only on wrong perceptions of the employee but also on wrong information.

However, such grievances can have far-reaching consequences on the organisation because the employees are likely to develop an altogether negative attitude towards the organisation which decreases their effectiveness and involvement in work

(c) Disguised:

In general organisations consider the basic requirements of their employees. Psychological needs of the employees such as need for recognition, affection, power, achievement etc., are normally unattended and ignored.

For instance, an employee complaining very strongly about the working conditions in the office may in turn be seeking some recognition and appreciation from his or her colleagues.

Hence, disguised grievances should also be considered since they do have far-reaching consequences in case they are unattended and ignored.

CAUSES OF GRIEVANCES

1. Economic Reasons:

_____

Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance- related pay awards.

2.Work Environment :

Undesirable or unsatisfactory conditions of work may cause dissatisfaction among the employees. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, frequent break-up of machines, disruption in the supply of material, continuous and unjustified cut in wages, more rejection of goods, and lack of recognition.

3. Supervision :

The attitudes of the supervisor towards the employees such as perceived notions of bias, favoritism, nepotism, caste affiliations and regional feelings may trigger discontentment among the employees.

4. Organizational Change :

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

5. Employee Relations :

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

6. Difference of Opinion.

An important reason of grievance is the difference of opinion on any particular point between the workers and the management. Different interpretations of legal provisions lead to such differences of opinion.

7. Status of Trade Union.

The determining age, strength and status of trade union is also a leading factor in grievance. If a trade union is comparatively young and it has substantial strength, it is more militant and it gives air to the grievances of the workers in a big way.

8. Doubts and Fears.

Many grievances arise due to conservative attitude of the managers and supervisors. For example, the partial attitude of the manager towards the workers may create fear and dissatisfaction in the mind of workers.

9. Miscellaneous

Violations in respect of promotions, Safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc. also result in displeasure among the employees.

Grievances are always dynamic and changing. At times, there is less change and vice versa. The change in the number of grievances depends to a large extent on the operation of the causes leading to them. The management should try to eradicate those causes from their very roots.

FEATURES OF GRIEVANCES

An analysis of the above-mentioned definitions reveals the following features. They are

1. A grievance refers to any form of discontentment or dissatisfaction with any aspect of the organisation.

2. The dissatisfaction must arise out of employment and not from personal or family problems.

3. The dissatisfaction may be expressed or implied. Expressed grievances are com paratively easy to recognise and are manifested in several ways e.g., gossiping, active criticism, argumentation, poor workmanship etc., unexpressed grievances are indicated by indifference to work, daydreaming, absenteeism, tardiness etc.

4. The discontent may be valid, legitimate and rational or untrue and irrational or completely ludicrous. The point is that when a grievance held by an employee comes to the notice of the management, it cannot usually dismiss it as irrational or untrue.

5. A grievance is traceable to perceived non-fulfilment of one's expectations from the organisation.

6. A grievance arises only when an employee feels that injustice has been done to him.

7. Grievances if not redressed in time, tend to lower morale and productivity of employees.

UNDERSTANDING EMPLOYEE GRIEVANCES

The best approach towards grievances is to anticipate them and take steps to tackle them before they assume dangerous proportions. An ordinary manager redresses grievances as and when they

arise. An excellent manager anticipates and prevents them. A manager can know about the simmering grievances even before they turn into actual grievances through several means. They are:

1. **Observations:** A manager /supervisor can usually track the behaviour of people working under him. If a particular employee is not getting along with people, spoiling materials due to carelessness or recklessness, remaining absent etc., the signals are fairly obvious. Since the supervisor is close to the scene of action, he can always find out such unusual behaviour and report promptly.

2. **Opinion Surveys:** Surveys may be conducted periodically to elicit the opinions of employees about organisation and its policies. Group meetings, periodical interviews with workers and collective bargaining sessions are also helpful in knowing employee discontentment before it becomes a grievance.

3. **Gripe Boxes:** A gripe box may be kept at prominent locations in the factory for lodging anonymous complaints pertaining to any aspect relating to work. Since the complainant need not reveal his identity, he can express his feelings of injustice or discontentment frankly and without any fear of victimisation. Gripe boxes are different from suggestions with names written on them.

4. **Exit Interview:** Employees usually leave their current jobs due to dissatisfaction or better prospects outside. Exit interviews, if conducted carefully, can provide important information about the employee's grievances. If the manager tries sincerely through an exit interview, he might be able to find out the real reasons why the employee is leaving the organisation. To elicit valuable information, the manager must encourage the employee to give a correct picture so as to rectify the mistakes promptly. It should be remembered that those employees who believe in keeping their relationship cordial, because they never know when their paths may cross again, will not like to bum their bridges behind them by speaking about their grievances. If the employee is not providing fearless answers, he may be given a questionnaire to fill up and post the same after getting all his dues cleared from the organisation while he is leaving.

5. **Grievance handling Procedure:** A systematic grievance redressal is the best means to highlight employee dissatisfaction at various levels. Management, to this end, must encourage employees to use it whenever they have anything to say. In the absence of such a procedure, grievances pile up and burst up in violent forms at a future date.

6. **Open Door Policy:** Some organisations extend a general invitation to their employees to informally drop in the manager's room any time and talk over their grievances. The manager can crosscheck the details of the complaint through various means at his disposal. This policy is useful in keeping in touch with employee feelings. At glance, this policy may appear very attractive but it has the following limitations:

   a) This policy is workable only in very small organisations.

   b) The frontline supervisor is bypassed.

   c) Top management is unfamiliar with the work situation.

   d) The doors may be physically opened but psychological and social barriers prevent employees from actually entering them.

GRIEVANCE HANDLING PROCEDURE

The nature and pattern of grievances, the way of their expression differs but the need for creating a formal grievance handling procedure is a must. The causes of employee dissatisfaction cannot be removed without an analysis of their nature and pattern. The personnel administrator of an organisation should go into the details of the grievances. He should find out the best possible method of setting them. He should help the top management and line managers, the foremen and the supervisors, in the formulation and implementation of the policies, programmes and procedures which would enable them to handle employee grievances. These policies, programmes and procedures are known as the grievance redressal procedure. Grievance redressal procedure is a problem-solving, dispute-setting machinery which has been set up following an agreement between labour and management. It is the means by which a trade union or an employee makes the claim that there has been a violation of the labour agreement by the company.

Basic Elements of a Grievance Handling Procedure:

The basic elements of a grievance redressal procedure are:

(i) The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub-stages.

_____

(ii) The procedure should be simple, definite and prompt, for any complexity or vagueness or delay may lead to an aggravation of the dissatisfaction of the aggrieved employee.

(iii) The steps in handling a grievance should be clearly defined.

These should comprise:

     (a) Receiving and defining the nature of the grievance:

     (b) Getting at the relevant facts, about the grievance;

     (c) Analysing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them;

     (d) Taking an appropriate decision after a careful consideration of all the facts; and

     (e) Communicating the decisions, to the aggrieved employee.

(iv) Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

IMPORTANCE OF GRIEVANCE HANDLING PROCEDURE

According to Mangurlkar "a grievance handling procedure is essential because it brings uniformity in handling the grievances." It is a device by which grievances are settled generally to the satisfaction of the trade union or employees and the management. It is an important part of labour relations. It is essential, even if the plant is not organised. It enables a management to detect defects or flaws in the working conditions or in labour relations, and undertake suitable corrective measures. In order to create a good morale and a code of discipline, it is essential that the grievance handling procedure is applied honestly and without prejudice, failing which there is likely to be an explosion, and employees would be irretrievably impaired. It gives confidence to the worker. If he does not get a fair deal, he knows what to do and whom to approach to ensure that he does get justice. It gives him confidence that "his complaint will be investigated and a decision will be given within a reasonable period of time."

NEED FOR GRIEVANCE HANDLING PROCEDURE

Grievance handling procedure is necessary for any organisation due to the following reasons:

_____

(i) Most grievances seriously disturb the employees. This may affect their morale, productivity and their willingness to cooperate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence.

(ii) It is not possible that all the complaints of the employees would be settled by first-time supervisors, for these supervisors may not have had a proper training for the purpose, and they may lack authority. Moreover, there may be personality conflicts and other causes as well.

(iii) It serves as a check on the arbitrary actions of the management because supervisors know that employees are likely to see to it that their protest does reach the higher management

(iv) It serves as an outlet for employee gripes, discontentment and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievance redressal procedure which also acts as a means of upward communication. The top management becomes increasingly aware of employee problems, expectations and frustrations. It becomes sensitive to their needs, and cares for their well-being. This is why the management, while formulating plans that might affect the employees — for example, plant expansion or modification, the installation of labour-saving devices, etc., should take into consideration the impact of such plans on the employees.

(v) The management has complete authority to operate the business as it sees fit - subject, of course, to its legal and moral obligations and the contracts it has entered into with many of its workers or their representative trade union. But if the trade union do not like the way the management functions, they can submit their grievance in different accordance with the procedure laid down for that purpose.

A well-designed and a proper grievance procedure provides:

(i) A channel or avenue by which any aggrieved employee may present his grievance

(ii) A procedure which ensures that there will be a systematic handling of every grievance:

(iii) A method by which an aggrieved employee can relieve his feelings of dissatisfaction with his job, working conditions, or with the management; and

(iv) A means of ensuring that there is some measure of promptness in the handling of the grievance.

_____

CAUSES OF ADOPTION OF GRIEVANCE HANDLING PROCEDURE

1. Attending to Grievance. Most grievances seriously disturb the employees and affect their morale, productivity and willingness to cooperate with the organisation. If an explosive situation develops, it may promptly be attended by the grievance handling procedure already in existence.

2. Limitations of Supervisors. It is not possible that all the complaints of the employee would be settled by first-line supervisors. These supervisors may not have had a proper training for the purpose, or they may lack authority. Moreover, there may be personality conflicts and other causes as well.

3. Check on Arbitrariness. It serves as a check on the arbitrary action of the management since the supervisors know that employees are likely to see to it that their protest does not reach the higher management.

4. Pressure Valve. It acts like a pressure valve on a steam boiler. It serves as an outlet for employee gripes, discontent and frustrations. It makes employees entitled to legislative, executive and judicial protection. Grievance redressal procedure, which also acts as a means of upward communication gives this protection.

5. Awareness of Top Management. Due to Grievance Handling Procedure the top management becomes increasingly aware of employee problems, expectations and frustrations. It becomes sensitive to their needs and cares for their well-being. While formulating plan that might affect the employees, for example, plant expansion or modification, the installation of labour saving devices, etc the management should take into consideration the impact of such plans on the employees.

6. Way of Protest. The management has complete authority to operate the business as it sees fit-subject to its legal and moral obligations and the contracts it has entered into with its workers or their representative trade union. But if the trade union or the employees do not like the way the management functions, they may submit their grievance in accordance with the procedure laid down for that purpose.

ESSENTIALS OF A SOUND GRIEVANCE HANDLING PROCEDURE

The efficiency of a grievance handling procedure depends upon the fulfillment of certain pre requisites. These are as follows:

(a) Conformity with Prevailing Legislation: The procedure should be in conformity with the existing law. It should be designed to supplement the statutory provisions. In other words, the existing

_____

grievance machinery as provided by law must be made use of. The procedure may be incorporated in the standing orders .or collective bargaining agreement of the organisation.

(b) Acceptability: The grievance procedure must be acceptable to all and should, therefore, be developed with mutual consultation among management workers and the union.

(c) Clarity: There should be clarity regarding each and every aspect of the grievance handling procedure. An aggrieved employee must be informed about the person to whom a representation can be made, the form of submission (written or oral), the time limit for the redressal of grievance etc.

(d) Promptness: The grievance procedure must aim at speedy redressal of grievances. The promptness with which a grievance is processed adds further to the success of the grievance procedure. Since justice delayed is justice denied, the procedure should aim at rapid disposal of the grievances. Promptness can be ensured in the following ways:

(i) As far as possible the grievance should be settled at the lowest level.

(ii) There should be only one appeal.

(iii) Time limit should be prescribed and rigidly enforced at each level.

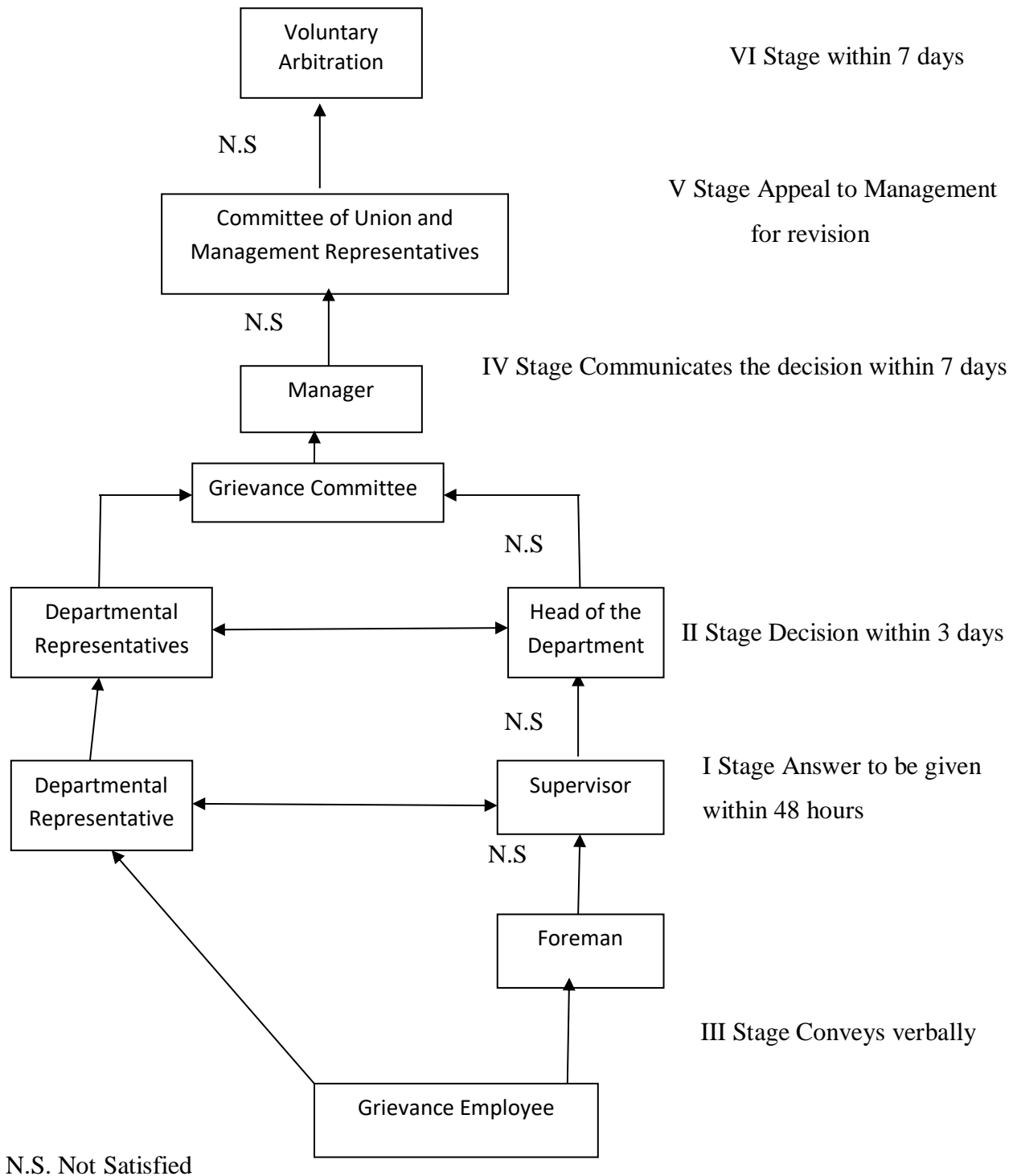(iv) Different types of grievances may be referred to appropriate authorities.

(e) Simplicity: The grievance procedure should be simple. The procedure should consist of only few steps. If there are too many stages in the procedure, too many forms to be filled up, too much going around etc., the very purpose of the procedure is defeated. Instead of resorting to the formal procedure, an employee may ignore it. Information about the procedure should be communicated to the employees.

(f) Training: The success of the procedure also depends upon imparting training to the supervisors and union representative in handling grievances. This will help to ensure effective working of the grievance handling procedure.

(g) Follow up: The working of the grievance handling procedure should be reviewed at periodical intervals by the HR department. The department should periodically review the procedure and introduce the essential structural changes making it more effective

MODEL GRIEVANCE HANDLING PROCEDURE

The Model Grievance Procedure suggested by the National Commission on Labour has provided for the successive time bound steps each leading to the next in case of lack of satisfaction.

VI Stage within 7 days

V Stage Appeal to Management for revision

IV Stage Communicates the decision within 7 days

II Stage Decision within 3 days

I Stage Answer to be given within 48 hours

III Stage Conveys verbally

N.S. Not Satisfied

_____

At the outset an aggrieved worker shall approach the foreman and informs his grievance orally and seek the redressal of his grievance. If it is not redressed to his satisfaction, he approaches the supervisor who has to resolve the complaint of the worker within 48 hours. If the decision (answer) is not acceptable to the worker or if the superior does not give an answer, the worker can go to the next step. At the third stage the worker can, either in person or accompanied by his departmental representative, approach the head of the department who has to give an answer before the expiry of three days. If the department head fails to do so or if the decision given by him is not acceptable to the worker then the worker can resort to the Grievance Committee which comprises of the representatives of employers and employees.

This Committee shall communicate its recommendations to the manager within seven days of the grievance reaching it. If there are unanimous decisions, these shall be implemented by the management. In case, unanimous decisions have not been arrived at, the views of the members of the Committee shall be recorded and all the relevant records shall be placed before the manager for decision. The manager shall communicate his decision within three days. The worker has got a right to appeal against the manager's decision. These appeals shall be decided within a week. If the aggrieved desires, he can take along with him a union official for discussion with the authority. In case a decision has not been arrived at, at this stage, the union and management may refer the grievance to voluntary arbitration within a week of receipt of the management's decision by the worker.

All the above-mentioned steps may not be resorted to by a worker. In case the grievance arises on account of dismissal or discharge of the worker, he can resort to the second step. In the latter stage, he can make an appeal to the dismissing authority designated by the management within a week from the date of dismissal or discharge.

`**Industrial dispute**

Industrial Dispute means any dispute or differences between employers and employers or between employers and workmen or between workmen and workmen which is connected

_____

_____

with the employment or non-employment or the terms of employment or with the conditions of labour of any person.

Types of industrial dispute

Industrial disputes can be classified into four major types, known as interest disputes, grievance disputes, unfair labour practices disputes and recognition disputes.

Causes of industrial dispute

Causes of industrial disputes can be broadly classified into two categories: economic and non-economic causes. The economic causes will include issues relating to compensation like wages, bonus, allowances, and conditions for work, working hours, leave and holidays without pay, unjust layoffs and retrenchments.

Possible causes of a dispute are, e.g.:

- Break-down of communication.
- Lack of appreciation and respect.
- Change of economic and commercial circumstances.
- Differing legal concepts / change in law.
- Technical problems / defective products.
- Differing views of underlying facts.
- Impact of third parties / force majeure.

The most striking cause of industrial disputes in India is the demand for higher wages and allowances by the workers. While the price level has been increasing constantly at a higher rate but the increase in the rate of wages could not keep pace with it.

Green HRM

Green Human Resource Management (Green HRM) as a research field includes all aspects and practices of HRM that pursue the goal of environmental sustainability. The aim is to reconcile the goals of companies and society without compromising financial performance. The main objective of green HRM is to make the employees aware of the intricacies of environment management i.e. what action is needed, how it functions, and how does it help

_____

the environment. The exercise really motivates the employees and develops a sense of pride in them for being a part of the going green program.

GHRM includes five dimensions: green recruitment and selection, green training, green performance management, green pay and reward, and green involvement.

Why is Green HRM Important?

Within thousands of businesses today, sustainability plans are growing steadily due to the threats and uncertainties that climate change has caused our world. The support of senior management is crucial in the implementation of its sustainability management by an organization.

Benefits of Green HRM

Companies need to carry out an environmental audit that can focus on recycling and help society and its people. It will help the workers and members of organizations to understand the use of natural resources and promote eco-friendly goods.

Some benefits of Green HRM are as follows-

- It can support organizations to minimize expenses without losing talent.
- It decreases a company's total costs as it becomes more effective concerning the use of electricity, water, and manufactured goods.
- It helps to achieve greater employee job satisfaction and dedication, which leads to increased productivity.
- Develop a culture of concern for the holistic wellbeing of fellow employees.
- Small companies can also reduce their electricity costs by using technologies that are energy-efficient and less costly.
- It can be used to create good public relations if an organization adds a green initiative to its workplace.

The main challenges in green HRM are:

poor level of knowledge, no rules for practicing, a lack of managerial interest and organisational support, high costs of practicing, and high employee turnover

Impact of Green HRM

Green HRM increases productivity among the employees.

_____

Green HRM has its prime importance in the achievement of broader objectives such as cost-saving, improving corporate social responsibility practices and making companies more attractive, employer branding-wise

ROADBLOCKS OR HINDRANCE TO PROGRESS OF HRM IN INDIA

Following are the factors retarding or stunting a healthy growth of human resource management in India:

1. Staff functions of HR manager in the past: Factories Act 1940, mandated personnel managers to perform functions relating to welfare, industrial relations and routine personnel activities. Personnel manager failed to win the cooperation of line officers as personnel management was viewed to be a staff function.

2. Negative attitude towards HR managers: The attitude of employees, management and line executives is not always favourable towards the HR manager. They viewed HR managers as staff executives who prevented them from performing their jobs effectively. More often HR managers found themselves partly as file clerks, partly as housekeepers, partly as social workers and partly as trouble shooters. Thus HR manager were supposed to be staff specialists. They could not do any of the aforesaid roles effectively with limited powers and authority vested in them**.**

3. Inability to think of long-term HR plan: HR managers in the past had to spend much of their productive time in attending to disputes and grievances of workers. Besides many labour laws and excessive legalistic approach to labour problems did not allow HR managers to contemplate long term HR plans.

4. Treatment of human capital as cost centres: Human resources function was not given its due weightage in the past. The value of employees remains unknown to the employers since most of the jobs done by employees were of non-technical nature in the past. Owners viewed the employees as adversaries. Human assets were viewed as cost centres and not as investment centres.

5. Talented HR professionals: HR functions did not attract people of talent and knowledge because of low pay scales, lack of job security, possible threat to the life of HR managers from militant labour force and lack of creativity in the job.

_____

_____

6. Failure to nurture professional mind set: The education and training institutions failed to nurture professional attitude and values in employers in the changing environment. These institutions were merely teaching outmoded curriculum which was totally unsuited to the needs of modern organization.

7. Reliance on legal avenues to address labour issues: Management sought to address most of the labour problems through the legal route. Their excessive dependence on labour legislation has impeded the growth of HRM along the desired lines in India

8. Lack of measure to assess the contribution of HR managers: The absence of any mechanism to measure objectively the contributions of HR managers caused a lot of frustration in them.

9. Conflict between line executive and HR managers: The constant conflict between line executives and HR managers did not allow the HRM to grow in a healthy fashion in Indian industries.

10. Absence of HRD approach to HR management: Human resource development approach to human resource management could not take deep root in Indian industries characterized by abundance of cheap labour, technological backwardness, lack of professional management, militant trade union, authoritarian culture, traditional management system, etc

QUALITY CIRCLE

A quality circle or quality control circle is a group of workers who do the same or similar work, who meet regularly to identify, analyze and solve work-related problems. Normally small in size, the group is usually led by a supervisor or manager and presents its solutions to management; where possible, workers implement the solutions themselves in order to improve the performance of the organization and motivate employees.

A Quality Circle or Quality Control Circle is a group of workers who do the same or similar work, meet regularly to identify, analyze and solve work- related problems. It is said that 95% of the problems in workshops can be solved through quality control tools.

A quality circle is a volunteer group composed of workers , usually under the leadership of their supervisor , who are trained to identify, analyze and solve work-related problems and present their solutions to management in order to improve the performance of

_____

_____

the organization, and motivate and enrich the work of employees. When matured, true quality circles become self-managing, having gained the confidence of management.

Quality circles are typically more formal groups. They meet regularly on company time and are trained by competent persons (usually designated as facilitators) who may be personnel and industrial relations specialists trained in human factors and the basic skills of problem identification, information gathering and analysis, basic statistics, and solution generation. Quality circles are generally free to select any topic they wish (other than those related to salary and terms and conditions of work, as there are other channels through which these issues are usually considered).

These are related especially to the quality of output or services in order to improve the performance of the organization / department and motivate and enrich the work of employees. This group carries on continuously as a part of organization-wide control activities, self and mutual developments and control and improvement within the workplace utilizing quality control techniques with all the members participating. Generally six to twelve volunteers from the same work area make up a circle. The members receive training in problem solving, statistical quality control and group processes.

Quality Circle generally recommends solutions for quality and services which may be implemented by the management. Thus Quality Circle is not merely a suggestion system or a quality control group but extends beyond that because its activities are more comprehensive. Furthermore, it is not a taskforce because it can be made a permanent feature of the organization or a department.

Labour and International Organisation

The International Labor Organization (ILO) is devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that labour peace is essential to prosperity.

The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

Main features of international Labour Organisation are:

Country ownership.

_____

_____

A comprehensive and integrated approach.

Broad-based participation.

Systematic programme monitoring and evaluation.

The ILO is composed of three organs: the General Conference of representatives of member states (the "International Labour Conference"); the Governing Body; and the International Labour Office.

The ILO aims to ensure that it serves the needs of working women and men by bringing together governments, employers and workers to set labour standards, develop policies and devise programmes.

The four pillars of decent work as per the ILO are: full and productive employment; rights at work; social protection; and promotion of social dialogue.

Tripartite principle of ILO

The ILO is based on the principle of tripartism - dialogue and cooperation between governments, employers, and workers - in the formulation of standards and policies dealing with labour matters.

Four fundamental policies of ILO

- The right of workers to associate freely and bargain collectively
- The end of forced and compulsory labour
- The end of child labour
- The end of unfair discrimination among workers

Key impacts of ILO in India

It criminalises the use of forced labour and requires ratifying countries to ensure that it is strictly enforced. Ratifying States must also ensure that forced labour legislation is covered and enforced for all workers, regardless of the nature of their work or the sector of the economy in which they work.

Challenges faced by ILO

Critiques of the ILO focuses on its declining standard setting role, low ratification rates of its conventions, perceived non-representativeness, overambitious mandate and restrictive decision-making processes.

_____

_____

Reports of National Labour Commission

India's Labour Policy is mainly centred towards various labour laws. These laws have evolved over a period of time in response to two main needs. In the first place, they reflected certain needs of individuals; society and the nation based on the Fundamental Rights guaranteed by the Constitution. For example, Article 19 guarantees freedom of speech and expression, freedom to form Association or Unions and freedom to practice any profession or to carry on any occupation, trade or business, subject to reasonable restrictions that may be imposed by law on the exercise of these freedoms. Article 23 prohibits traffic in human beings and forced labour and Article 24 prohibits employment of children in factories etc. These are constitutionally binding and are reflected in the labour laws. In addition, the Directive Principles of State Policy in Part IV of the Constitution are fundamentals in the governance of the country and it shall be the duty of the State to apply these principles in making laws. The Principles enshrined in Articles 39, 41, 42, 43, 43-A are the basic pillars for formulating the policy for our workers.

The labour laws were also influenced by important Human Rights and the conventions and standards that have emerged from the United Nations and the International Labour Organization. These include the Right to: work of one's choice; against discrimination; prohibition of child labour; just and humane conditions of work; social security; protection of wages; redressal of grievances; organize and form trade unions; collective bargaining and participation in management.

The country has, therefore, a plethora of labour laws covering various facets of labour issues such as factories, mines, plantations, transport, shops and commercial establishments, industrial housing, safety and welfare, wages, social security, industrial relations, employment and training, emigration, compensation insurance etc. The labour being in the concurrent list, laws are enacted and implemented both by the Central and State Governments. As on date, we have about 50 Central and more than 100 State Labour Acts.

_____

Main Recommendations of the National Commission on Labour

1. Central Government and the State Government should have a uniform policy on holidays, only 3 national holidays be gazetted - namely Independence Day, Republic Day and Gandhi Jayanti Day, two more days may be added to be determined by each State according to its own tradition and apart from these each person must be allowed to avail of 10 restricted holidays in the year, Government holidays should be delinked from holidays under the Negotiable Instruments Act.

2. Flexibility in the hours of work per week and compensation for overtime.

3. Attempt to change the basis of tenure in all jobs (permanent as well as non-permanent) to contractual and for stipulated periods, involves a basic change in attitude and notion. If transforming the basis of all employment is a social necessity because it has become economic necessity for industrial and commercial enterprises, then, it is equally necessary to create social acceptability for the change and the social institutions that can take care of the consequences.

4. The commission recommends that government may laid down list of highly paid jobs who are presently deemed as workman category as being outside the purview of the laws relating to workman and included in the proposed law for protection of non-workmen. Another alternative is that the Govt. fix a cut off limit of remuneration which is substantially high enough, in the present context such as Rs.25,000/- p.m. beyond which employee will not be treated as ordinary "workman".

6. Existing set of labour laws should be broadly grouped into four or five groups of laws pertaining to:

i) Industrial relations

ii) Wages

iii) Social security

iv) Safety

v) Welfare and working conditions and so on

7. It is necessary to provide minimum level of protection to managerial and other (excluded) employees too against unfair dismissal or removal. This has to be trough adjudication by labour court or Labour Relations Commission or arbitration.

8. Central laws relating to the subject of labour relations are currently the ID Act, 1947, The TU Act, 1926, Industrial Employment (SO) Act, 1946, Sales Promotion Employees (Conditions of Service) Act, 1976. There is State level legislation too on the subject. The provisions of all these laws be judiciously consolidated into a single law called "The Labour Management Relations Law" or "Law on Labour Management Relations".

10. Commission has recommended to the withdrawal of essential services maintenance Act.

11. The Commission has suggested to identify a bargaining agent on the basis of check-off system, with 66% entitling the Union to be accepted as a single negotating agent and if no union has 66% support, then Unions that have the support of more than 25% should be given proportionate representation on the college.

12. Check-off system in an establishment employing 300 or more workers must be made compulsory for members of all registered trade unions.

13. Commission also recommended that recognition once granted, should be valid for a period of 4 years to be co-terminus with the period of settlement. No claim by any other Trade Union / Federation / Center for recognition should be entertain till at least 4 years have elapsed from the date of earlier recognition.

15. Every establishment shall establish a grievance redressal committee consisting of equal number of workers and employers representatives. The said committee is the body to which all grievance of a worker in respect of his employment will be referred for decision within a given time frame.

18. The commission has recommended for maintenance of panel of arbitrators by the LRC concern, to settle the disputes.

19. The matters pertaining to individual workers, be it termination of employment or transfer or any other matter be determined by recourse to the Grievence Redressal Committee, conciliation and arbitration / adjudication by the Labour Court. Accordingly, Sec.2 a of the ID Act may be amended.

20. The system of legal aid to workers and trade unions from Public Fund be worked out to ensure that workers and their organisations are not unduly handicapped as a result of their inability to hire legal counsel.

_____

21. Strike should be called only by the recognised negotiating agent and that too only after it had conducted a strike ballot among all the workers, of whom at least 51% of support the strike.

22. Workers participation in management - the legislative teeth should be provided.

23. The Commission urges that these recommendations are taken up as a whole and not in a piece-meal manner that may destroy the context of inter-relation and holistic approach.

24. The provisions in respect of small establishments can be in the form of a separate law name Small Enterprises (Employment Relations Act) or be included in the general law as a separate chapter to ensure that the interest of the workers are fully protected, even while lessening burden on the management and providing them with vigilance in exercising managerial functions.

26. The Commission would recommend that no worker should be kept continuously as a Casual or temporary worker against a permanent job for more than 2 years.

27. The Commission recommends that every employer must pay each worker his one-month's wage, as bonus before an appropriate festival, be it Diwali or Onam or Puja or Ramzan or Christmas. Any demand for bonus in excess of this upto a maximum of 20% of the wages will be subject to negotiation. The Commission also recommend that the present system of two wage ceilings for reckoning entitlement and for calculation of bonus should be suitably enhanced to Rs.7500/- and Rs.3500/- for entitlement and calculation respectively.

28. There should be a national minimum wage that the Central Government may notify. This minimum must be revised from time to time. It should, in addition, have a component of dearness allowance to be declared six monthly linked to the consumer price index and the minimum wage may be revised once in five years. The Commission also recommends the abolition of the present system of notifying scheduled employments and of fixing/revising the minimum rates of wages periodically for each scheduled employment, since it feels that all workers in all employments should have the benefit of a minimum wage.

29. There is no need for any wage board, statutory or otherwise, for fixing wage rates for workers in any industry.

30. The Commission recommended enactment of a general law relating to hours of work, leave and working conditions, at the work place. For ensuring safety at the work place and in

_____

_____

different activities, one omnibus law may be enacted, providing for different rules and regulations on safety applicable to different activities.

32. The National Employment Service has to be strengthened to help efficient utilisation of manpower and particularly critical skills required for planned economic growth. The national character of the service should be fostered and strengthened for this purpose.

33. Provision of gainful employment to physically handicapped/disabled persons should form part of an enlightened social policy. To the extent possible, employers should accept it as a matter of industrial ethics to rehabilitate persons disabled because of industrial accidents. Rehabilitation Homes for the physically handicapped should be provided jointly by employers and Government.

34. A solution to the problem of "sons of the soil" has to be sought in terms of the primacy of common citizenship, geographic mobility and economic feasibility of locating industrial units on the one hand and local aspirations on the other.

35. Young persons from families whose lands are acquired for industrial use should be provided training opportunities for employments likely to be created in new units set up on these lands.

36. The steps recommended above should apply equally to recruitment in the private sector, though the mechanism to regulate recruitment in the private sector will necessarily differ from that in the public sector.

37. (a) The Training and Employment Organisations in the State should be under the State Labour Department, (b) There should be uniform minimum qualifications and comparable enhancement prospects for instructional staff and uniform vocational standards of training in all States, (c) A sustained publicity of the programmes and achievements of the employment and training services should be organised in order to convey their full importance to employers/ trainees and the public.

39. The main burden of training of workers should necessarily fall upon industry. The States should supplement rather than supplant the activities of employers in this matter. It should step in only in such fields and areas where employers cannot undertake training programmes. The State Apprenticeship Adviser should be appointed as the Authority for registering the training schemes organised by employers.

_____

_____

40. Introduction of new machines renders traditional skills obsolete and possibly creates shortages in new ones. Facilities should be provided by the plant authority for retraining of employees. A system of granting study leave to a worker to equip himself for senior levels of responsibility should be introduced; this will facilitate internal promotion and make for better industrial relations.

41. Induction will add to the satisfaction of a new worker if relevant facts about his place of work, management and its policies are communicated to him through the management itself.

42. (a) Where promotions are not based on known standards, the management should evolve a promotion policy in consultation with the recognised union where it exists, (b) As a general rule, particularly among the operative and clerical categories in the lower rungs, seniority should be the basis for promotion. In respect of middle-management, technical, supervisory and administrative personnel, seniority-cum-merit should be the criterion. For higher managerial, technical and administrative positions, merit alone should be the guiding factor.

43. (a) The present scheme of workers' education, like any other scheme, is not altogether perfect and there is need for improving and strengthening it. (b) The programme for production of literature by the Central Board of Workers' Education should be not only intensified but improved. (c) As an aid to the workers' education programme the Government should undertake an extensive adult literacy programme for eradicating illiteracy among workers.

44. (a) The Central Board of Worker's Education should, as early as possible, allow the programme of workers' education to be formulated and implemented by trade unions, For this purpose, current procedures and rules for giving aid to unions for workers' education should be simplified and adapted to the structure and needs of unions consistent with accountability of public funds, (c) Employers should cooperate with unions by giving workers such facilities as are made available by them for the programme under the Board.

45. National trade union centres should draw up a suitable programme for union officials and union organisers in collaboration with universities and research institutions. It should cover practical field work and education in the fundamentals of trade unionism, industrial relations, labour laws and evolution of the country's economy. The Government should encourage universities to provide extension courses for the benefit of union leaders and organisers.

_____

46. (a) The Board of Governors of the Central Board of Workers' Education should be presided over by a nominee of the trade unions. The Director of the Scheme should also be a trade union nominee, (b) The Central Board should have on it a representative of the public sector; in granting this representation, the present arrangement by which the largest single representation on the Board is ensured for workers should not be disturbed, (c) Subject to the changes in the constitution and functions of the Board as proposed, the Board should be put on a continuing basis in respect of its tenure.

49. The workers should be compensated for loss of wages suffered by them during closures of mines on account of violation of safety standards.

50. A fully qualified Safety Officer should be appointed at each port. The Dock Workers' (Safety, Health and Welfare) Scheme, 1961 and the Indian Dock Labourers' Regulations, 1948 should be merged into one enactment covering all workers.

52. (a) The current requirements of the economy do not permit immediate reduction in working hours. As conditions improve, working hours should be brought down to 40 a week but in two stages; in the first they "should be brought down to 45. (b) Working hours during the night shift should be reduced. A credit of ten minutes should be given for each hour of work in the night shift. Six hours' work should thus entitle a worker to extra payment for one hour. (c) It is not necessary to relax restrictions on the duration or nature of overtime work.

53. The Plantations Labour Act, 1951 should be amended to reduce the prescribed hours of work from 54 to 48

54. The Railway Administration should examine once in five years all cases of classification of railway servants under the Hours of Employment Rules in Railways.

55. Uniformity in the number of paid national and festival holidays is desirable. Every employee should be allowed in a calendar year 3 national and 5 festival holidays.

56. The penal provisions should be made stringent so that their deterrent effect is felt. Serious offences should be made cognizable.

57. The concept of labour welfare is dynamic; its content will be different from region to region even within a country.

_____

58. Contract labour should be entitled to use the welfare facilities which are meant for direct workers under the existing legislation. The standard of facilities for direct workers should not suffer on this account.

59. Inspection of welfare aspects of the law does not requires any technical knowledge or engineering qualifications. This can be best handled with the assistance of the recognized union or with the help of a works committee where it operates.

60. The welfare officer has to be a maintenance engineer on the human side; he does not have job satisfaction at present, since welfare is not accorded adequate importance in an industrial unit. His presence is treated more as a statutory requirement to be tolerated. The officer should not be made to handle, on behalf of management, disputes between management and workers.

MEASURES TO SPEED UP THE GROWTH OF HRM IN INDIA

1. Promotion of right values by HR focused institutions: Institutions like XLRI, NIPM Shree Ram Centre for Industrial Relations and various universities, etc, should inculcate right values and attitude in the contemporary work force for the growth of HRM,

2. Revamping organizational culture: The organizational structure should be thoroughly revamped so as to promote interdependence and mutuality between line and staff officers.

3. Greater importance to HR department: Top management should accord greater importance to HR department on par with other functional departments.

4. Rewriting job description and job specification: Job description and job specification should be thoroughly rewritten to suit current developments in human resource and behavioural sciences.

5. Objective selection of HR manager: HR managers should be selected objectively. The selected ones should have pursued the course in institutions of repute.

6. Comprehensive knowledge: HR managers should expand their horizon and perception of their roles. They should be of a creative and adaptive nature. They should have a broader knowledge about various sub-systems of HRM.

7. Professionalisation of HR: Efforts should be made to professionalize HRM practices in industries.

_____

_____

Summary

In today's world, organizations have become more adaptable, resilient, agile and customer-focussed to succeed. The role of an HR manager has transformed to parallel the needs of his or her changing organizations. Gone are the days when the HR managers were just expected to perform administrative functions like employee related paperwork, managing payrolls, etc. It has become imperative for the HR professional to evolve and become a strategic partner in the operations and the functioning of the organization. He has become more of an employee sponsor or an advocate, a change mentor within the changing environment of the organization.

The organizations have started perceiving HR management as a business and a strategy driven function involving thorough understanding of the organization's bigger picture and contributing in formations of key policies and decisions. It's expected out of them to think like business people, know finance and accounting and become accountable and responsible for cost reductions and the measurement of all HR programs and processes.

A major responsibility that has been entrusted over the HR professionals over the last few years has been that of workplace diversity management. These days, if the organizational environment does not support diversity broadly, one risks losing talent to competitors. And a lot of these changes can be attributed to the stepping up of MNC culture all over the world. They have operations on a global scale and employ people of different countries, ethical and cultural backgrounds. The HR manager has to perform a skillful balancing act to keep both the local professionals and the foreign talents motivated and aligned towards achieving a common goal of the organization.

In general, the focus of today's HR Manager is more on strategic personnel retention rather than just acquisition. A lot of it depends on the kind of training and developments taking place in an organization. While education provides the basic cognitive skills to prepare one for work, it is knowledge about one's competency that one has to develop. This can only happen when the HRM Department lures people to becoming more competitive, which is where training initiatives become imperative. However, trainings are no longer a way of just imparting them the knowledge on their competencies; it's more about delving their values and

_____

_____

attitudes. It is a change management process with an aim of enhancing employees' potentials in a holistic manner, turning their work into a value addition for the organization.

Self-Assessment Questions

1. What is a grievance? What are the characteristics of grievance?
2. What are the different forms of grievances?
3. Enumerate the causes of grievances.
4. What are the elements of grievance handling procedure?
5. Discuss the need for grievance handling procedure
6. Explain the different steps of grievance handling procedure
7. Explain the advantages of a grievance redressal procedure
8. Explain the procedure for redressal of grievance
9. What are the essentials of a sound grievance handling procedure?
10. Elucidate the model grievance handling procedure
11. What is Green HRM? What are its benefits?
12. What are the Main Recommendations of the National Commission on Labour ?