KARPAGAM ACADEMY OF HIGHER EDUCATION
(DEEMED TO BE UNIVERSITY)
(ESTABLISHED UNDER SECTION 3 OF UGC ACT 1956)
COIMBATORE – 641 021

HUMAN RESOURCE MANAGEMENT

Syllabus - Elective II **L T P C**
5 - - 5

COURSE OBJECTIVES

- To make the students understand the functions of Personnel Management
- To enlighten the students knowledge in wage and salary administration and trade union

LEARNING OUTCOME

Human resource management provide an in depth overview in the field of personnel management the roles and responsibilities of HR professionals, the primary functional aspect of the broader business strategy. This paper presents the functions of personnel manager, manpower planning, performance appraisal and industrial relations.

UNIT I

Personnel Management – Meaning, Nature, Scope and Objectives – Functions of Personnel Department – The role of Personnel Manager – Organization of Personnel Department – Personnel Policies and Procedures.

UNIT II

Manpower Planning –Job Description – Job Analysis – Purpose and Uses of Job analysis, Steps and Techniques in Job analysis - Job Specification – Recruitment & Selection – Training & Development.

UNIT III

Performance Appraisal – Job Evaluation and Merit Rating – Promotion, Transfer and Demotion – human relation- approaches to good human relations- punishments.

UNIT IV

Wages and Salary Administration – Incentive System – Labour Welfare and Social Security – Safety, Health and Security – Retirement Benefits to Employees

UNIT V

Industrial Relations – Trade Unionism – Grievance Handling – Collective Bargaining and Participation in Management.

TEXT BOOK

T1- C.B.Memoria (2014). "Personnel Management and Industrial Relations" Mumbai: Himalaya Publishing House.

REFERENCE

R1 – N.G. Nair, Latha Nair. (2013). Personnel Management and Industrial Relations New Delhi – S.Chand & Company Ltd.,

R2 – N.D. Kapoor. (2007). Elements of Industrial Law. New Delhi. Sultan Chand & Sons

R3- Tripathy. (2013). Personnel Management and Industrial Relations. New Delhi: Sultan Chand & Sons

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Coimbatore – 641 021.
LECTURE PLAN
DEPARTMENT OF COMMERCE

Staff Name : **Gowtham Raaj V**
Subject Name : **HUMAN RESOURCE MANAGEMENT**
Subject Code : **15PAU603B**
Semester : **VI** **Class** : **III B.Com PA**

UNIT-I

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Personnel management	T.P:7
2.	1	Scope of the personnel management	R1.P:19
3.	1	Objectives of personnel management	T.P:17
4.	1	Functions of personnel department	T.P:38
5.	1	Performance appraisal, grievance handling	T.P:38
6.	1	Functions of personnel department	T.P:38
7.	1	The role of personnel manager	T.P:16
8.	1	Organization of personnel department	T.P:112
9.	1	Formal organization and informal organization	T.P:112
10.	1	Departmentalization	T.P:114
11.	1	Organization of personnel department	T.P:115
12.	1	Line and staff function	T.P:115
13.	1	Personnel policies	T.P:53
14.	1	procedures	T.P:53
15.	1	Recapitulation and discussion of important questions	
		Total no. of hours planned for unit-I	**15 Hours**

UNIT-II

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Man power planning	R2 P:142-144
2.	1	Process of human resource planning	R1 P: 82
3.	1	Job description	R2 P:130
4.	1	Job analysis	R2 P:121
5.	1	Role analysis	R2 P:133-134
6.	1	Job specification	R2 P:132
7.	1	Recruitment	R2 P:162-178
8.	1	Recruitment - Sources and Methods	R2 P:166
9.	1	Factors affecting recruitment	W1
10.	1	Selection	R2 P:186
11.	1	Steps in selection procedure	R2 P:187
12.	1	Training	R2 P:237
13.	1	Methods of training	R2 P:247
14.	1	Development	R2 P:237
15.	1	Recapitulation and discussion of important questions	
		Total no. of hours planned for unit-II	**15 Hours**

UNIT-III

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Performance appraisal- Introduction	R2 P:398
2.	1	Performance appraisal concept	R2 P:398
3.	1	process of performance appraisal	R2 P:405
4.	1	Methods of performance appraisal	R2 P:407-416
5.	1	360° performance appraisal	R2 P:417
6.	1	Job evaluation	R1 P:272
7.	2	Job evaluation- Method and process	R1 P:273-275
8.	1	Merit rating	W2
9.	1	Promotion – Meaning	T1 P :199
10.	1	Advantages and disadvantages	T1 P :199
11.	1	Transfer – introduction	T1 P :208
12.	1	Demotion – Meaning	T1 P :210
13.	1	Demotion policy	T1 P :210
14.	1	Recapitulation and discussion of important questions	
		Total no. of hours planned for unit- III	**15 Hours**

UNIT-IV

S. No.	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1.	1	Wages and salary administration	T.P:432
2.	1	Process of wages payment and factors affecting wages	T.P:439
3.	1	Incentive system	R1.P:239
4.	1	Labour welfare	R3.P:320
5.	1	Types of Labour welfare services - concepts	R3.P:329
6.	1	Types of Labour welfare services	R3.P:327
7.	1	Social security	R3.P:341
8.	1	Social insurance	R3.P:341
9.	1	Social security	R3.P:346
10.	1	The maternity benefit act 1961	R3.P:346
11.	1	Gratuity act 1961, Industrial dispute act, 1947	R3.P:349
12.	1	Retirement benefits to employees	R3.P.259
13.	1	Safety	W3
14.	1	Health and security	W4
15.	1	Recapitulation and discussion of important questions	
		Total no. of hours planned for unit-IV	**15 Hours**

UNIT-V

S.No	LECTURE DURATION (Periods)	TOPICS TO BE COVERED	SUPPORT MATERIALS
1	1	Industrial relation	R3.P:435
2	1	Causes for poor industrial relation	R3.P:438
3	1	Trade unionism - Definition, Principles, Need, features	T.P:840
4	1	Trade unionism - Objectives, Functions and classifications	T.P:841, R1.P:200
5	1	Grievance handling	R2:P 575-591
6	1	Collective bargaining powers – concepts & features	R2.P:608
7	1	Collective bargaining powers – Types	R2.P:610
8	1	Workers participation in management	R3 P:489
9.	1	Workers participation in management- participation scheme	R3.P:489
10.	1	Labour laws Overview	W5
11.	1	Labour laws – Pros and cons	W6
12.	1	Recapitulation and discussion of important questions	
13.	1	**Revision :** Discussion of ESE question papers	
14.	1	Discussion of ESE question papers	
15.	1	Discussion of ESE question papers	
		Total no. of hours planned for unit-V & Question Paper Discussion	**15 hours**

TEXT BOOK

T – 1C.B.Memoria (2014). "Personnel Management and Industrial Relations" Mumbai: Himalaya Publishing House.

REFERENCE BOOKS

R1 – N.G. Nair, Latha Nair. (2013). Personnel Management and Industrial Relations New Delhi – S.Chand & Company Ltd.,

R2 – N.D. Kapoor. (2014). Elements of Industrial Law. New Delhi. Sultan Chand & Sons

R3- Tripathy. (2013). Personnel Management and Industrial Relations. New Delhi: Sultan Chand & Sons

WEBSITE REFERENCE

W1: http://www.yourarticlelibrary.com/recruitment/recruitment-meaning-definition-and-factors-affecting-recruitment/35264

W2: http://www.yourarticlelibrary.com/hrm/merit-rating/merit-rating-meaning-concept-and-process-hrm/90404

W3: http://www.adarehrm.ie/health-safety

W4: https://www.hr.admin.cam.ac.uk/hr-staff/information-staff/staff-guide/safety-and-security-work

W5: https://www.justia.com/employment/

W6: https://yourbusiness.azcentral.com/advantages-disadvantage-labor-unions-3553.html

SYLLABUS

UNIT I

Personnel Management – Meaning, Nature, Scope and Objectives – Functions of Personnel Department – The role of Personnel Manager – Organization of Personnel Department – Personnel Policies and Procedures.

INTRODUCTION

Personnel management concerns with obtaining, organizing, utilizing and motivating the human resources required by an organization. It develops basic organization climate and management styles to promote effective effort of cooperation and trust among all employees. This also helps the organisation to meet its legal obligations and social responsibilities. To sum up, the personnel management aims at getting effective results by organizing and directing the co-operative efforts of human beings.

DEFINITION

Institution of Personnel Management, United Kingdom, has defined personnel management as follows:

"Personnel management is that part of management function which is primarily concerned with the human relationship, within the organization. Its objective is the maintenance of those relationships on a basis which, by consideration of well being of the individual, enables all those engaged in the undertaking to make their maximum contribution to the effective working of that undertaking".

The various points that emerge from the above definition are:

i) Personnel Administration is a management function.

ii) Primary consideration is human relationship.

iii) Focus is on the well-being of the people.

iv) Management is the development of people, not directing them.

v) Ultimate aim is to make the people contribute maximum to the organization.

It covers both the management functions and the operative functions. The purpose of all functions is to assist in the accomplishment of basic objectives. Effective utilization of resource will lead the organization with its success or failure, that it is possible only through the personnel management.

NATURE OF HUMAN RESOURCES:

Human Resource management is management of personnel. Personnel management includes the functions of employment, training development, welfare and compensation. These functions art usually performed by the Personnel Department in consultation with the officials of other departments.

A pervasive function—Personnel management is a general function of management. Personnel management is performed by all managers at various levels in the organisation. Since all decisions in an organisation are made by human beings and are put into operation by human beings, all activities have a human aspect and therefore a personnel aspect." Personnel management is not a function of personnel department alone; it is a function of all departments of the organization.

EMPLOYEES AS INDIVIDUAL AND GROUP

Personnel management is concerned with employees both as individuals and also as a group. It includes both blue-collar employees (craftsmen, operatives) and white collar employees (managers, supervisors, clerks).

DEVELOPMENT OF EMPLOYEES

Personnel managements concerned with helping employees to develop their potential abilities fully. Personnel management considers the development of individuals at work, as an individual and as a member of the group. Personnel policies are designed in the manner so that intrinsic abilities of the employees may be developed to the best use of the organization.

A TECHNIQUE OF THINKING:

Personnel management is an approach, a point of view a technique of thinking and a philosophy of management. The whole philosophy of personnel management is that labour is a human being and humanly treatment should be given to them.

Based on principles—Management of work force is a difficult job. Here, the subject matter consists of human beings whose attitudes and behaviour do not conform to any set pattern. Each individual worker has his own attitudes, beliefs and temperamental make up. Personnel management is based on certain well-defined principles which have been evolved after a great deal of research and experimentation.

A NEVER-ENDING PROCESS

Personnel management as a function needs to be performed on a continuous basis. It involves the delicate function of management of human relations. Moreover, it is to be continuously attended to and nurtured like a delicate plant.

CHARACTERISTICS OF PERSONNEL MANAGEMENT:

1. It is a comprehensive function covering all employees at all levels in an organization.
2. It is a continuous function and not a one-shot affair.
3. It aims at achieving the best fit between individuals, jobs, organizations and the environment
4. It is inter-disciplinary in its approach utilizing knowledge and inputs from psychology, sociology, anthropology, economics, etc.,
5. It lies embedded in every organization's structure in the same way as the nervous system lies embedded in the human body. This means that it cannot be separated from the basic management function.
6. It is both science as well as art. It is science as it contains an organized body of knowledge. It is also art because it involves application of theoretical knowledge to the problems of human resources.
7. It is development-oriented because it seeks to help the employees to realize their full potential.
8. It is a staff function because it is advisory in nature.

OBJECTIVES OF PERSONNEL MANAGEMENT:

According to Michael J. Jucius, personnel management should aim at:

a) Attaining economically and effectively the organizational goals
b) Serving to the heights possible degree the individual goals, and
c) Preserving and advancing the general welfare of the community

SOCIAL OBJECTIVES INCLUDE:

a) Creation of employment opportunities

b) Maximizing productivity

c) Satisfaction to work force,

d) Avoidance of wastage of efforts and

e) Promotion of good human relations.

PERSONNEL OBJECTIVES INCLUDE

Adequate remuneration, job security, training and development of personnel, job satisfaction, opportunities for advancement and proper work environment.

ENTERPRISE OBJECTIVES INCLUDE

(a) Integration, recruitment and maintenance of competent workers and

(b) Balancing the supply and demand of personnel.

UNION OBJECTIVES

Union objectives are recognition of unions, formulation of personnel policies, and inculcating the spirit of cooperation.

SCOPE OF PERSONNEL MANAGEMENT:

(1) Personnel department in small enterprises:

Small enterprises refer to those enterprises employing less than one thousand employees. In such enterprises, there may or may not be a personnel department. Generally, a personnel manager is appointed in the organization as a staff authority. Thus, a personnel manager assists and advises the management in performing the personnel functions.

(2) Personnel department in medium size enterprises:

Medium size enterprises are enterprises which employ persons between one thousand to two thousand. In these enterprises, greater importance is attached to personnel functions. Each personnel function is assigned to a separate section under the charge of a sectional head.

(3) Personnel department in large sized enterprises:

Large enterprises are enterprises employing move than two thousand persons. In a large enterprise, volume of personnel functions is very high. A personnel director is appointed as the overall in charge of personnel functions. Personnel managers are the in charges of the personnel functions in their respective regions under the direct control of personnel director. They are assisted by the staff personnel who are also under

the direct control of the personnel director. Personnel department in each region is again subdivided on function basis.

FUNCTIONS OF PERSONNEL MANAGEMENT:

The Personnel Management involves two categories of function

1. **Managerial**
2. **Operative**

BASIC MANAGERIAL FUNCTIONS ARE

1. Planning
2. Organizing
3. Directing
4. Co-ordination and
5. Controlling

This function is common to all managers including personnel managers and is performed by all of them. That is why it is said that general management and personnel management are one and the same.

Planning: The planning function of a personnel manager pertains to the steps taken in determining a course of action. This involves developing a personnel programme and specifying what and how operative personnel functions are to be performed.

Organizing: After plans have been developed, the personnel manager must establish an organization to carry them out. This function, therefore, calls for grouping of personnel activities, assignment of different groups of activities to different individuals, delegation of authority to carry them out and provision for coordination of authority relationships horizontally and vertically in the organization structure.

Directing: Directing is involved with getting persons together and asking them (either through command or motivation) to work willingly and effectively for the achievement of designated goals. Directing deals not only with the dissemination of orders within an organization units and department, but also with the

acceptance and execution of this order by the employees. The decisions are taken by the top management, but only after consultation with the personnel department.

Co-ordination: Co-coordinating refers to balancing timing and integrating activities in an organization, so that a unity of action in pursuit of a common purpose is achieved. Co-ordination in the management of personnel takes place at all levels, from the top management through to the supervisor and those for whom he is responsible.

Controlling: Control involves measuring performance, correcting negative deviations and assuring the accomplishment of plans. Through direct observation, direct supervision, as well as reports, records and audit, personnel management assures itself that its activities are being carried out in accordance with the plans.

THE OPERATIVE FUNCTIONS OF PERSONNEL MANAGEMENT ARE AS UNDER:

a) Procurement
b) Development
c) Compensation
d) Integration
e) Maintenance and
f) Records research and audit.

Procurement: Procurement is mainly concerned with the hiring of personnel- the right people, in the right place, at the right time. This function deals specifically with such subjects as the determination of manpower requirement and their recruitment, selection and placement.

Development: Development pertains to the training and education of the hired personnel, their morale building, effective communication network, promotion and transfer plans, suggestions system and similar other plans.

Compensation: The Compensation function is concerned with securing adequate and equitable remuneration to personnel for their contribution to the attainment of organizational objectives. Functions

related to wage surveys, establishment of job classifications, job descriptions and job analyses, merit ratings, the establishment of wage rates and wage structure, wage planes and policies, wage systems, incentives and profit sharing plans, etc.,

Integration: Integration is concerned with the attempt to bring about a reasonable reconciliation of individual and organizational interest. Negotiations with labour unions, collective bargaining, human and social implications of change, etc., are some of the subjects which constitute this function.

Maintenance: Maintenance function aims at maintaining good working conditions(health and safety measures) in and favourable attitudes towards the organization. This function deals with sustaining and improving conditions that have been established.

Specify problems of maintain the physical conditions of employee (health and safety measures) and employee service programmes are the responsibility of the personnel department.

THE ROLE OF PERSONNEL MANAGER:

Human resources Managers, nowadays wear many hats. They perform mainly three different types of roles while meeting the requirements of employees and customers, namely administrative, operational and strategic.

ADMINISTRATIVE ROLES:

The administrative roles of human resources management include policy formulation and implementation, housekeeping, records maintenance, welfare, administrative, legal compliance etc.

Policy maker:

The human resource manager helps management in the formation of policies governing talent acquisition and retention, wage and salary administrative welfare activities, personnel records, working conditions etc. He also helps in interpreting personnel policies in an appropriate manner.

Administrative expert:

The administrative role of an HR Manager is heavily oriented to processing and record keeping. Maintaining employees file and HR related databases processing employee benefit claims, answering queries regarding leave, transport and medical facilities, submitting required reports to regulatory agencies are examples of the administrative nature of HR management. These activities must be performed efficiently and effectively to meet changing requirements of employees, customers and the government.

Advisor:

It is said that personnel management is not a line responsibility but a staff function. The personnel manager performs his functions by advising, suggesting , counseling and helping the line managers in discharging their responsibilities relating to grievance redressed, conflict resolution, employee selection and training . Personnel advice includes preparation of reports, communication of guidelines for the interpretation and implementation of policies, providing information regarding labor laws etc.

Housekeeper:

The administrative roles of a personnel manager in managing the show include recruiting pre-employment testing, reference checking, employee surveys, time keeping, wage and salary administration, benefits and pension administration wellness programs, maintenance of records etc.

Counselor:

The personal manager discusses various problems of the employees relating to work, career their supervisors, colleagues, health, family, financial, social etc and advises them on minimizing and overcoming problems if any.

Welfare officer:

Personnel manager is expected to be the Welfare Officer of the company. As a Welfare officer he provides and maintains (On behalf of the company) canteens, hospitals, crèches, educational institutes, clubs, libraries, conveyance facilities, co-operative credit societies and consumer stores.

Under the Factories Act, Welfare officers are expected to take care of safety, health and welfare of employees. The HR managers are often asked to oversee if everything is in line with the company legislation and stipulation.

Legal consultant:

Personnel manager plays a role of grievance handling, settling of disputes, handling disciplinary cases, doing collective bargaining, enabling the process of joint consultation interpretation and implementation of

various labor laws, contacting lawyers regarding court cases, filing suits in labor courts, industrial tribunals, civil courts and the like.

In some organizations the above administrative functions are being outsourced to external providers in recent times, with a view to increasing efficiency as also cutting operational costs. Technology is being put to good use to automate many of the administrative tasks.

OPERATIONAL ROLES:

These roles are tactical in nature and include recruiting, training, and developing employees coordinating HR activities with the actions of managers and supervisors throughout the organizations and resolving differences between employees.

Recruiter:

Winning the war for talent has become an important job of HR managers in recent times in view of the growing competition for people possessing requisite knowledge, skills and experience. HR managers have to use their experience to good effect while laying down lucrative career paths to new recruits without, increasing the financial burden to the company.

Trainer developer motivator: Apart from talent acquisition talent retention is also important. To this end, HR managers have to find skill deficiencies from time to time, offer meaningful training opportunities, and bring out the latent potential of people through intrinsic and extrinsic rewards which are valued by employers.

Coordinator /linking pin: The HR manager is often deputed to act as a linking pin between various divisions / departments of an organization. The whole exercise is meant to develop rapport with divisional heads, using PR and communication skills of HR executives to the maximum possible extent.

Mediator: The personnel manager acts as a mediator in case of friction between two employees, groups of employees, superiors, and subordinates and employees and management with the sole objective of maintaining industrial harmony.

QUALITIES OF A GOOD PERSONNEL MANAGER:

HR manager has a tricky job to manage. She needs to meet and work with people who are being hired and also with those being fired. She also needs to talk to unhappy employees and talk her way around complex situations. To excel at her work, she needs to have following skills.

Attentive listener: A good HR manager is expected to handle difficulties and problems between employees at work and she will be required to listen to the problems with a sympathetic but objective ear. The need to be an attentive listener is very important. An HR manager makes sure that she gives her complete attention to the employees during meetings and discussions.

Fairness and firmness:

HR managers are the key liaison between employees. She should remain unbiased while resolving issues. She represents her company and she should be transparent in her dealings. Firmness is required so that the softness is not taken for granted. She should be firm in her dealings with a soft approach.

Commitment:

Commitment to her projects and work is important. If a manager is committed she will be able to pull her team forward in trying times. She holds a vision for the collective team and moves a team closer to the end result.

Being Human:

Employees like managers who are human and who don't take advantage of their authority. Now that doesn't mean that HR managers have to be good with all at all times but, she should know how to deal with her employees in a more prudent way.

Motivational:

This quality is required for keeping employees happy and satisfactory. The HR manager should be well versed with her employee's interests, needs, hopes, desires and values without which adequate motivation is impossible.

OTHER THAN THESE QUALITIES, HR MANAGERS MUST ALSO POSSES CERTAIN SKILLS SUCH AS:

Intelligence:

This includes skills to communicate, articulate and understand. A good command over language, ability to draft policies etc.

Educational Skills:

HR manager must possess these learning and teaching skills as she has to learn and teach her subordinates about organizational growth, structure and mode of development. Discriminating skills: HR mangers should be able to discriminate between right or wrong, just or unjust and merit or demerit.

Executing skills:

HR managers should be able to execute issues with speed and accuracy. She should be able to set standards of performance, coordinates and control.

In order to maintain the environment where people can share the vision, know the goals, understand their roles and can take full responsibility of their actions, HR managers must be skillful and qualitative.

HRM (HUMAN RESOURCE MANAGEMENT):

DEFINITION:

"a whole consisting of interrelated, inter dependent and interacting physiological, psychological, sociological and ethical components."

- **Michael J. Jucins**

DEFINITION:

"From the national point of view, human resources are knowledge, skills, creative abilities, talents and attitudes obtained in the population; whereas from the view-point of individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of employees".

- **Leon C. Megginson**

DIFFERENCE BETWEEN PERSONNEL MANAGEMENT AND HUMAN RESOURCE MANAGEMENT:

1. Personnel Management (PM) concepts emphasize clearly defined rules, procedures and courses. These rules and customs govern the actions of the management. The relationship between the work force and the management is governed by employment contracts and collective bargaining. Collective bargaining becomes significant because employees and management see and treat each other as having divergent interests. In PM, pluralism, that is men having different views are respected as a social value and the role of the union is legitimate. On the other hand in HRM, open ended contracts, the terms of which are linked to the exigencies of business, and conflict is viewed as the result of negative inter-personal relations rather than structural contradictions

2. PM does not focus on strategic management. Its main goal is peaceful or good labour management relations. Its function is mainly reactive. On the other hand, HRM is a proactive function. HRM is not only concerned with the present organizational needs but anticipates future needs and seeks to release the inner potential and creativity of people.

3. The temple of PM is built on collective agreement between the employees and management. Employees get standardized rewards based on job evaluation. But HRM leads to individualization of collective relations. Pay is linked with contribution made by the employee to the relation of organizational goal. HRM seeks to develop the competencies of the employees so as to derive benefit from this development for the organization, and to integrate individual and organizational goals. Skill formation and developments are recognized as the main hallmarks of HRD.

4. PM is a routine maintenance oriented administrative function; HRM places emphasis on a continuous development of people at work.

5. PM is seen as independent function and sub-functions without giving due regard to organizational strategies and processes. But HRM is viewed as a sub-system of the organization. Therefore, it takes into account its linkages and interfaces with all other parts of the organization.

6. PM takes a narrow view of its scope and objectives. It concentrates mainly on improving the efficiency of personnel in isolation of the organizations. But HRM takes a systems view and attempts not only in making people efficient but also in creating proper organizational culture.

EVOLUTION AND GROWTH OF PERSONNEL MANAGEMENT:

Awareness regarding HRM was felt during the industrial revolution around 1850 in Western Europe and U.S.A. Only during the beginning of 20th century, it was felt in India. Since then to the present era. The development of HRM may be classified as follows:

Trade Union Movement Era

The conditions of workers in the aftermath of factory system as an outcome of industrial revolution were very pathetic. The First World War worsened the situation. The Royal Commission of Labour in India in 1911, under the chairmanship of J.H. Whitely, recommended the abolition of the 'Jobber' system and the appointment of labour officers in industrial enterprise to perform the recruitment function as well as to settle workers' grievance. Workers also started forming 'trade unions'. The Trade Union Act, 1926 was passed in India. The basic object underlying trade union was to safeguard the worker's interest and to sort out of their problems such as use of child labour, long hours of work and poor working conditions. These unions used strikes, slowdowns, walkouts, picketing, as weapons for the acceptance of their problems. These activities of trade unions gave rise to personnel practices such as collective bargaining, grievance handling system, arbitration, disciplinary practices, employee benefit programmes and sound wage structure.

Social Responsibility Era

In the beginning of 20th century, some factory owners, employers started showing humanistic approach towards the workers. Robert Owen, a British industrialist, reformer and humanitarian is considered to be the first to adopt humanistic approach towards workers. He viewed that the principal social and economic environments influence the physical, mental and psychological development of workers.

Hence he felt that to improve the productivity, it is necessary to improve conditions of employees by removing them from the adverse environment to a congenial atmosphere with the availability of satisfactory living and working conditions.

The philosophy in owen's patriotic approach was that workers are just like children and the owner is just like a father. Therefore the owner should take care of the workers, just like a father looks after his children.

Owen himself implemented this philosophy in his cotton mill in Scotland by introducing facilities such as shower baths, toilets, rest rooms and increased minimum wages and housing scheme.

SCIENTIFIC MANAGEMENT ERA

The concept of scientific management was introduced by F.W.Taylor in the USA in the early part of 20th century as on alternative to the prevailing system of management by initiative and incentive based on his shop floor job experience.

TAYLOR DEVELOPED FOUR PRINCIPLES OF SCIENTIFIC MANAGEMENT

1. Development and use of scientific methods in setting work standards, determining a fair day, work, and best way of doing work.
2. Scientific selection and placement of workers best suited to perform the various tasks and provision of their training and development for maximum efficiency.
3. Clear cut division of work and responsibility between management and workers.

In the scientific theory, Taylor viewed men and workers as one driven by fear of hunger and search for profit. Accordingly, if economic reward is tied up with the efforts put on the job, the worker will respond with his maximum physical capability. Taylor also developed several techniques to introduce his scientific ideas in management.

DEVELOPMENT OF HRM IN INDIA

Like U.K and USA, the evolution and development of HRM in India was not voluntary. After second world war difficult conditions erupted in India. Malpractices in the recruitment of workers and payment of wages led to trade union movement. In 1931, on the recommendations of The Royal Commission of Labour, 'Jobber' system was abolished. After independence, the Factories Act, 1948 laid down provisions for Labour Officers, Labour welfare, safety and regulation of working hours and working conditions.

Two professional bodies emerged. They are 'The Indian Institute of Personnel Management' (IIPM), Calcutta, now 'Kolkata' and the 'National Institute of labour Management (NILM), Bombay now Mumbai. These two institutes are guiding in Human Resource Management and Labour management.

The massive thrust on basic industries in India I Five year plan (1956-61), which accelerated public sector under takings, gave thrust to personnel management and HRD practices. The professionalism in managing organizations became quite discernible by 1970s. There was a clear shift from welfare approach to efficiency approach. The two professional bodies IIPM & NILM merged in 1980 to form National Institute

or Personnel Management (NIPM) with Kolkata as headquarters. Evolving along the years, the approach has shifted to human values and productivity through people. It is against such a shift in managing people in the 1990s, a new approach has emerged as human resources management (HRM). This approach focuses more on development aspects of human resources. The changing internal environment in organizations calls for better understanding of human resources management. The culture or climate of an organization is made up of traditions, values, habits, ways of organizing, and interpersonal, relationships at work.

Culture is reflected in organizational structure, strategy, systems, power and reward distribution, conformity, development process, motivational dynamics, organizational clarity, warmth and support received by employees, leadership styles, standards of performance and shared subordinate values. An effective work culture is flexible, integrated, decentralized, performance – oriented, quality conscious, cooperative, collaborative, and supportive. The major elements of HRM strategy and functions can be related to organizational culture. Corporate mission, philosophy and strategic plan give birth to culture in organizations.

ORGANIZATION OF PERSONNEL DEPARTMENT:

In any functional organization all activities of an organization are divided into various functions such as production, marketing, finance etc. Each functional area is headed by a specialist who directs the activities of that area for the entire organization. Every employee therefore is required to report to various functional heads.

The functional heads: The functional head has line authority over subordinates in his own functional area. Additionally, he has functional authority over activities in other functional areas. The term functional authority thus is a limited form of line authority given to functional experts in an area where certain specialized activities are carried out under the normal supervision of managers belonging to other departments.

Functional organization has the great advantage of clarity. Every body has a home. It provides economy of scale within functions. It reduces duplication and waste. Functional heads can specialize and focus energies on a narrow area as they gain experience, expertise and competence over a period of time.

PERSONNEL DEPARTMENT IN LINE AND STAFF ORGANIZATION:

The line and staff structure combines the benefits of both line organization and functional organization. Staff positions are created to assist line managers. Thus the personnel department offers help and advice on personnel issues to all departments without violating the unity of command principles.

Personnel Department in a Divisionalized Organizational Structure :

The role of a personnel managers attached to the divisional office / branch office or factory of a decentralized organization is particularly difficult one. The personnel manager a division / branch level is responsible to the local divisional / branch manager in a line sense and subordinate to the Manager-Personal at head office in a staff or functional sense.

Personnel manager at divisional / branch level has to help the divisional / branch manager in developing personnel programs and in the management of personnel of the division / branch concerned. The deputy manager personnel at the divisional level may contact the manager personnel at the head office to gain acceptance of the personnel programs. In case of rift between divisional manager and deputy manager, they may report their difficulties to their common superior who in turn consults higher management for correct decision. Similarly the personnel officer at branch level may contact the deputy divisional manager personnel at divisional level to gain acceptance of the personnel programs and to get clarifications about personnel issues. In case of the rift between the branch manager and branch personnel officer, they may report their issues to their superior at divisional level. The branch personnel officer and branch manager may get the assistance from the personnel manager at the head office, in solving the problems of crucial and strategic nature as also those which cannot be solved at the branch / divisional level.

PERSONAL DEPARTMENT IN A MATRIX ORGANIZATIONAL STRUCTURE:

In a matrix organizational structure employees have two superiors in that they are under dual authority. One chain of command is functional and the other is a project team. Hence, matrix structure is referred to as a multi-command system (both vertical and horizontal dimensions).

Thus, the teams of employees which comprise the personnel department have two superiors, i.e. Personnel manager (vertical dimensions) and Project manager (horizontal dimensions).

Both dimensions of structure are permanent and balanced, with power held equally by both the functional head and a project manager.

PERSONNEL POLICIES

Personnel policies are statements of personal objectives of Personnel Policies an organization and provide a broad framework within which decisions on personal They lay down the matters can be made without reference to higher authorities. criteria for decision making in the field of personnel management.

Benefits / Aims / Objective Basic needs of both of Personnel Policies Consistent treatment to all the organization and employees taken care of. Stability employees & Standard of Security of work environment Resolves Conflicts -Builds employee loyalty and motivation Performance intrapersonal and interpersonal

Sources for determining the content and meaning of policies Attitudes and prevailing practice in rival companies in the organization Attitudes philosophy of founders of the company, directors and top management Knowledge and experience gained and philosophy of middle and lower management from handling countless personnel problems on day-to-day basis

POLICY FORMULATION IS AN ESSENTIAL PRE-REQUISITE FOR MANPOWER PLANNING:

Identifying the need:

The areas where policy has to be formulated identified. Need for a new policy, revision, or an existing policy is voiced by Gathering Information – thru past the staff and members of organization & prevailing in industry , knowledge and experienced gained from handling problems Examining Policy Alternatives- involving people who use on day-to-day basis. Getting Approval – from the top the policy and live with the policies communicating the Policy - to staff through journals, management at right time.

FUNCTIONAL OR ORGANIZATIONAL

Policies which are grouped for different categories of personnel eg- for the mgmt dealing with planning, organizing & controlling etc. Centralized are planned for companies with several locations and are formulated at the Head Office. Major Policy – pertains to overall objectives, procedures and control which affect an organization as a whole.

They are formulated by the Board of Directors and framework is established within which major executives for the remaining policies necessary to carry out the major objectives of an organization. Minor Policy- covers relationships in a segment of and organization with considerable emphasis on details and procedures.

THE BENEFIT OF WORKPLACE POLICIES WHEN COMMUNICATED EFFECTIVELY AND APPLIED CONSISTENTLY

Many employers have written policies that supplement, and may form part of, their employment contracts. Company policies often reinforce and clarify the standards expected of employees and help employers manage staff more effectively by defining acceptable and unacceptable behaviour in the workplace.

Employers often provide their employees with handbooks or manuals containing workplace policies and procedures, which regulate such things as:

- Use of company property (eg mobile phones, company vehicles or laptops);
- Email and internet use;
- Non-smoking at the workplace;
- Drug and alcohol use;
- Occupational health and safety (OHS**);**
- Anti-discrimination and equal employment opportunity (EEO); and
- Performance management/employee development.

Policies ought to be implemented and applied consistently and fairly throughout the workplace.

BENEFITS OF COMPANY POLICIES

There are many benefits to having well-written company policies. Aside from often helping an employer to defend itself against an unfair dismissal claim, OHS prosecution or vicarious liability claim, policies can demonstrate that an organization is being operated in an efficient and businesslike manner. Furthermore, they can foster stability and ensure uniformity and consistency in decision-making and operational procedures.

A GOOD POLICY

A good workplace policy will be explicit. It will also clearly state to whom the policy applies. Policies should be written in plain English so they are easily understood by employees. Workplaces employing staff with first languages other than English must ensure that polices are translated for these employees.

A policy should also give the employer discretion in the policy's implementation and the basis of that discretion should be stated as part of the policy.

A policy should also help employees to understand how they can comply with the policy and what to do if they cannot comply.

Thus, a good policy should:

- Set out the aim of the policy;
- Explain why the policy was developed;
- Identify to whom the policy applies;
- Set out what is acceptable and unacceptable behaviour;
- Set out the consequences of a failure to comply with the policy; and
- State the date on which the policy was developed or updated.

COMMUNICATING POLICIES

Policies cannot be effective unless they are provided, and explained, to all existing and new employees. This includes casual, part-time and full-time employees, employees on maternity leave and any independent contractors. Employers should explain how to comply with the policies and the implications of not complying.

Furthermore, when changes are made to policies, it is important that they are clearly and openly communicated to employees. Changes that are not communicated to employees may be of no effect.

Courts and tribunals are unlikely to uphold dismissals for breach of workplace policies if the policies have not been properly communicated to employees or have not been applied consistently.

UNDERSTANDING THE POLICY

The case of Agnew & Ors v Nationwide News Ltd highlighted the importance of ensuring that employees understand your company policy and that any changes made to a policy are communicated to employees. The former Australian Industrial Relations Commission (**AIRC**) ordered the reinstatement of four employees after finding they had misunderstood their company's drug and alcohol policy and, specifically, the penalties associated with their conduct. The employees had defied their company's policy, which prohibited the drinking of alcohol during lunch breaks. An earlier version of the policy had stated that employees (who breached the policy) would be subject to "normal" company disciplinary procedures. However, three of the four employees thought that a lesser penalty than dismissal would apply to their conduct. The AIRC found their dismissal was harsh in the circumstances.

ENFORCEMENT OF POLICIES AND APPROPRIATE PENALTIES

Disciplinary policies must comply with both the requirements of the relevant legislation and any disciplinary provisions contained in applicable awards or agreements. The grounds justifying discipline

should be clear. The use of warnings should be explained. It is also important that the policy describes when summary dismissal is warranted.

It is important that policies are applied consistently throughout the organisation. If the implementation of the policy is inconsistent, there is a greater chance that an employee dismissed for breach of that policy could successfully claim he or she has been unfairly dismissed. Thus, any breaches of policy should be dealt with promptly and according to the procedure set out in the policy.

TYPES OF PERSONNEL POLICIES

1. Originated Policies – established formally by top management
2. Appealed Policies – formulated on requests of subordinates who want to know handle some situations.
3. Imposed Policies – An organization accepts these policies due to external agencies like govt., trade association.
4. Eg.- Not to accept any one below the age of 14 according to the factories act
5. General Policies – These policies do not relate to specific issues in particular
6. Specific Policies – Policies relating to specific issue like staffing compensation, collective bargaining etc.

ADVANTAGES OF PERSONNEL POLICIES:-

1. Coordinating
2. Speedy Decisions
3. Confidence
4. Standards of Efficiency
5. Control Devices

POLICIES AND PROCEDURES:

Policies are general instructions whereas procedures are specific applications. A procedure is a well thought out course of action. It prescribes the specific manner in which a piece of work is to be done. Procedures are called â€˜action guidelines. They are generally derived from policies. Where policies define a broad field, procedures show a sequence of activities within that area. The emphasis is on chronological, step-by-step sequence of required actions.

For instance, a student is required to complete several itemized steps in order to register himself to complete several itemized steps in order to register himself for courses in a university. The basic purpose of a procedure is to spell out clearly the way one is to go about doing something.

ADVANTAGES OF POLICES AND PROCEDURE

1. Articulation of Required Steps: A procedure should lay out the required steps to perform job tasks or provide a service to a customer. For example, for a waiter who serves in a restaurant, the service should be delivered by introducing themselves, making eye contact with the customer, offering the most popular menu items, ensuring all drinks are topped off when half filled and ensuring food quality meets the customer's expectations. Detailing the procedure for delivering great service to customers is what contributes to a great service environment.

2. Performance Measurements: Procedures should be able to assess and measure performance so that there is a way to determine if the process is appropriately followed. For example, a procedure for a receptionist answering the telephone should include a tracking of how often the receptionist answers the phone using a telephone script.

3. Process Consistency: Procedures should provide consistency in practice for a predetermined work process to ensure things is done the same way, every time and that all steps are followed. When steps get skipped it creates an inconsistent process that then creates variations in product or service quality**.**

4. Serve as a Training Tool: Employee training is one of the most valuable investments any organization can make. When employees receive thorough training and detailed job descriptions, they are prepared to complete job tasks. Using policies and procedures as part of employee training helps to ensure that there is consistency in practice and reinforces global expectations. For example, a review of policy and procedures should be included in a new employee orientation process.

5. Incorporates Worker Experience: Policies and procedures build off of those who have been performing the job tasks and documents work methods of experienced employees. It also incorporates lessons learned and best practices to ensure quality products and services in addition to safety and legal compliance.

6. Training Refresher: Having a written policy and procedure manual can be used as a tool to help train employees and serves as a reminder of procedure steps and expectations.

7. Foundation for Process Improvement: When policies and procedures are reviewed and employees, customers and quality data is considered in the review, it can serve as a great template for improving what is done and can help to improve current processes. Similar to the FOCUS PDCA model, it can help improve products and services and support a customer service strategy.

Other Things to Remember:

- Policies and procedures need to be reviewed and updated at least annually to make improvements and keep them current.
- Employees need initial training on procedures but should have continuous refreshers to inform them of changes in practice and to remind them of expectations for following procedures.
- Records should be kept in employee files to document training.

As organizations grow it is important to put those things in writing that the organization values and deems important. Doing so in a detailed policy and procedure manual, that is shared with employees, can help to ensure that products and services maintain the high quality that customers expect.

POSSIBLE QUESTIONS

Part A (Online Exam)

Part B

1. Define personnel management
2. State the meaning of personnel management?
3. State the objectives of personnel management?
4. List out the three level of management?
5. Stat the nature of personnel management?
6. List out the functions of personnel management?
7. What is line organization?
8. List out the characteristics of personnel manager?
9. List out any two importance of personnel manager in business?
10. Define personnel policy?
11. State the need of personnel policy?
12. State the meaning of procedure?
13. List out the steps in policy formulation?
14. Give the merits of personnel policy?
15. List out the merits of procedure?

Part C

1. Define personnel management and explain its nature and significance?
2. Elaborate the role of personnel management?
3. Briefly describe the evolution and development of personnel administration?
4. Elucidate the functions of personnel management?
5. Describe the various steps in formulation of a policy?
6. Determine the nature of various challenges which personnel manager facing recently?
7. Explain the operative function in personnel management?
8. Elaborate the objectives of personnel management?
9. Essentials of personnel policy in business?
10. Describe the organization structure of a personnel management?

KARPAGAM ACADEMY OF HIGHER EDUCATION

Class : III B com PA **Course Name : Human Resource Management**

Course code : 15PAU603B **Unit I** **Batch :2015-2018**

Part A (Online Exam)

S.No	Questions	Option A	Option B	Option C	Option C	Answers
1	Compensation function is adopted for------	maintain	job	employees	employer	employees
2	Organisation structure will---------according to the organisation	one	varies	same	similar	varies
3	Concept of organisation structure is to delegate------	authority	right	action	duty	authority
4	------- organisation provides advice to line members	job	work	staff	line	staff
5	------ is a predetermined course of action	future	forecasting	past	planning	planning
6	Employement is one of the----- of personnel management	duty	functions	activity	work	functions
7	------- is a plan of action	policy	rules	reputations	procedure	policy
8	Personnel management deals to manage ------	employer	people	organisation	supervisors	people
9	------ is one of the qualities of a personnel manager	motivating	thinking	problem	assuming	motivating
10	Personnel management objective is to satisfy the needs of-----	organisation	worker	customers	foreman	customers
11	The scope of personnel management is------	training	job	work	integrated growth of industry	integrated growth of industry
12	People are real------ of an organization	asset	capital	growth	none	capital

13	each employee is ----- in character	fast	separate	single	unique	fast
14	one role of personnel manager is to-----	see	watch	advice	control	all
15	_____ is what a manager does	work	management	institution	organisation	management
16	the process of organisation is to determine------	aim	goals	future	object	aim
17	------ is a multi purpose organisation	management	company	work	institution	company
18	----- is a hard job	insisting	planning	doing	forecasting	planning
19	------ refers to integerate activities	matching	neglecting	co-ordinating	work	co-ordinating
20	operative functions deals _____	procedure	selection	compensation	procedure, selection compensation and integration	procedure, selection compensation and integration
21	personnel policies refer to-----	adopt	undertake	principles	manage people	manage people
22	the aim of personnel policy is to-----	involve	inform	job	not to inform	inform
23	policy should be-----	definite	knowledge	seen	none	definite
24	policies should not be-----	clear	rigid	seen	definit	rigid
25	------ is a plan of action	policy	rules	reputations	forcasting	forcasting
26	------ is one type of policy	work	functional	do	internal	work
27	policies should be-----	some	go	uniform	definite	definite
28	policy administration needs----- to manage	money	cash	guide and direct	work	guide and direct
29	policies should be in----	note	work	job	written	note
30	------ indicates how	plan	procedures	future	police	procedures

31	policy indicates-----	what	how	does	where	how
32	------ is a complex process	work planning	employee	job	policy	work planning
33	_____ guides employees	policy	procedure	unsound deceision	sound	policy
34	policy guides the right man in right----	date	place	work	direction	direction
35	policies should be----	detail	correct	guided	flexible	guided
36	policys-------- everyone	train	guides	seen	not definite	guides
37	primary objective of personnel department is to----------	take	distribute	people management	guiding	people management
38	---------- management is concerned with managing people	personnel	production	plan	purchase	personnel
39	personnel manager should be---------- to get into particular job	nature	specialized	compiled	good	specialized
40	personnel manager gets---------- utilisation of manpower	man	people	customer	human resource	man
41	personnel manager work is to put the right man in ---------	poor place	right place	wrong place	placement	right place
42	each employee is not --------in character	unique	same	similar	not similar	unique
43	division of labour is one of the ---------- of organisation	function	initiate	guide	compensate	initiate
44	-------- is a multi purpose organ	planning	organisation	management	control	planning
45	personnel manager can----------	directs	guide lines	controll	direct, guide and control	direct, guide and control
46	----- is determination of plans	forecasting	planning	hope	future	hope
47	---------- is an operative functions	personnel management	production	concern	procurement	personnel management
48	personnel management deals to the maintain of--------	man	labour	employees	manpower	manpower

49	Each employee is not unique in----------.	character	same	similar	nature	nature
50	primary objective of personnel department is to----------	take	distribute	direct	manage people	manage people
51	---------- management is concerned with managing people	personnel	production	plan	procedure	personnel
52	One of the traditional method in performance appraisal is----------	check lists	pointing	correcting	ranking	check lists
53	_____scale represents the rank of the employees performance	merit	rank	comparative	graphic	rank
54	Be --------- on assessment of employee	honest	kind	healthy	consider	kind
55	A---------- is the output provided by job analysis.	recruitment	selection	job evaluation	nature of the job	nature of the job
56	Job analysis describes the duties of a----------	work	job	employee	foreman	employee
57	Job evaluation uses the information of job analysis to -------- of a job.	employee	work	rank	evaluate	employee
58	Rate the ------ and not the man.	work	worker	job	nature	work
59	The elements should be ----------defined.	clearly	detail	made	not clear	clearly
60	The-------- purpose of job evaluation is to set wages and salary.	duty	primary	secondary	first	primary

SYLLABUS

Manpower Planning –Job Description – Job Analysis – Purpose and Uses of Job analysis, Steps and Techniques in Job analysis - Job Specification – Recruitment & Selection – Training & Development.

MANPOWER PLANNING

Manpower planning is the process including forecasting, developing, implementing and controlling by which a firm ensures that it has the right number of people and right kind of people at the right place, at the right time doing things for which they are economically most suitable. HRP includes the estimation of how many qualified people are necessary to carry out the assigned activities how many people will be available, and what if anything must be done to ensure that personnel supply equals personnel demand.

The HRP process consists of

i) Forecasting,
ii) Inventory,
iii) Anticipatory problems and
iv) Planning.

The various techniques of forecasting Human Resource are

i) Managerial Judgement Method
ii) Delphi Technique
iii) Work Study Technique
iv) Ratio – trend analysis
v) Statistical and Mathematical models.

There would be both short – term and long – term HR planning. Various factors influencing HR planning are i) Government, ii) Social factors, iii) Economic factors, iv) Technological factors.

PEOPLE MANAGEMENT

Men or personnel should be managed properly and effectively in any organization and at the macro level, in the national level.

Men have some inherent qualities:

- Want job and work
- Have inherent like for the work
- Are liable to likes and dislikes
- Require motivation and training
- Given an opportunity everyone would rise up to the occasion
- Their welfare and safety measure is a concern of the state
- Every opportunity for advancement and knowledge should be provided
- They should be guided but their liberties should not be curbed
- They should be chosen to the right job and right place
- They need adequate salary, perquisites and comforts.

Managing people is an art. A wrong handling may lead to conflicts. A dissatisfied worker may absent or quit labour absenteeism and labour turnover are costly to the organization. Organization does not represent assets and money alone. Every organization is a social institution. They have a responsibility to their employees, society and the government which gives protection and infra-structure.

The core of any organization is its people represented by workers. It has as much responsibility to them as they have to the shareholders. This art of managing men and women in organization has led to the birth and development of HRM.

PEOPLE MANAGEMENT – INDIAN SCENARIO

In the 50's there was a strong belief that employees were recruited not to question 'why' but only 'to do and die'. In the 60s, terms like manpower, staff and personnel came to be used and instead of controlling the employees, it became more and more acceptable to manage personnel as it was

felt that the productivity of the workers could be improved, if they were organized for the work. While hierarchy, status, authority, responsibility and accountability are structural concepts, in the Indian context, emotions, feelings, empathetic perceptions, impressions influenced people more than anything else.

The Indian organizations are experiencing some, transitions and changes. The workforce of the 50's and 60's has retired. The middle level is now at the top with the hangover of all middle class values. The new generation of MBAs are pouring into industrial organizations.

Young executives in their mid 30s are heading HRD/HRM divisions in big companies. Moreover due to very great strides in information technology, there is a need to manage this tradition and give a direction to this change process. The HRM strategies in India in the 21st century is focusing on individual organization interface and greater emphasis on organizational effectiveness than on personal success.

JOB DESCRIPTION

A job description is a list that a person might use for general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. Job descriptions are usually narrative, but some may instead comprise a simple list of competencies; for instance, strategic human resource planning methodologies may be used to develop a competency architecture for an organization, from which job descriptions are built as a shortlist of competencies.

According to Torrington, A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis considers the areas of knowledge and skills needed for the job. A job usually includes several roles.

According to Hall, The job description might be broadened to form a person specification or may be known as Terms of Reference. The person/job specification can be presented as a standalone document though in practice, it is usually included within the job description. A job description is often used in employment (a new position that needs to be filled).

ROLES AND RESPONSIBILITIES

A job description may include relationships with other people in the organization: Supervisory level, managerial requirements, and relationships with other colleagues.

GOALS

A job description need not be limited to explaining the current situation, or work that is currently expected; it may also set out goals for what might be achieved in the future.

LIMITATIONS

Prescriptive job descriptions may be seen as a hindrance in certain circumstances:[2]

- Job descriptions may not be suitable for some senior managers as they should have the freedom to take the initiative and find fruitful new directions;
- Job descriptions may be too inflexible in a rapidly changing organization, for instance in an area subject to rapid technological change;
- Other changes in job content may lead to the job description being out of date;
- The process that an organization uses to create job descriptions may not be optimal.

JOB ANALYSIS

Job analysis (also known as Work analysis) is a family of procedures to identify the content of a job in terms of activities involved and attributes or job requirements needed to perform the activities. Job analysis provides information to organizations which helps to determine which employees are best fit for specific jobs. Through job analysis, the analyst needs to understand what the important tasks of the job are, how they are carried out, and the necessary human qualities needed to complete the job successfully. The process of job analysis involves the analyst describing the duties of the incumbent, then the nature and conditions of work, and finally some basic qualifications.

Job analysts are typically industrial-organizational (I-O) psychologists or human resource officers who have been trained by, and are acting under the supervision of an I-O psychologist. One of the first I-O psychologists to introduce job analysis was Morris Viteles. In 1922, he used

job analysis in order to select employees for a trolley car company. Viteles' techniques could then be applied to any other area of employment using the same process. Job analysis was also conceptualized by two of the founders of I-O psychology, Frederick Winslow Taylor and Lillian Moller Gilbert in the early 20th century. Since then, experts have presented many different systems to accomplish job analysis that have become increasingly detailed over the decades. However, evidence shows that the root purpose of job analysis, understanding the behavioral requirements of work, has not changed in over 85 years.

PURPOSE

The main purposes of conducting job analysis is to prepare job descriptions and job specifications which in turn helps hire the right quality of workforce into an organization. The general purpose of job analysis is to document the requirements of a job and the work performed. Job and task analysis is performed as a basis for later improvements, including: definition of a job domain; description of a job; development of performance appraisals, personnel selection, selection systems, promotion criteria, training needs assessment, legal defense of selection processes, and compensation plans. The human performance improvement industry uses job analysis to make sure training and development activities are focused and effective. In the fields of human resources (HR) and industrial psychology, job analysis is often used to gather information for use in personnel selection, training, classification, and/or compensation.

Industrial psychologists use job analysis to determine the physical requirements of a job to determine whether an individual who has suffered some diminished capacity is capable of performing the job with, or without, some accommodation.

Edwin Flieshman, Ph.D. is credited with determining the underlying factors of human physical fitness. Professionals developing certification exams use job analysis (often called something slightly different, such as "task analysis" or "work analysis") to determine the elements of the domain which must be sampled in order to create a content valid exam. When a job analysis is

conducted for the purpose of valuing the job (i.e., determining the appropriate compensation for incumbents) this is called "job evaluation."

Job analysis aims to answer questions such as:

- Why does the job exist?
- What physical and mental activities does the worker undertake?
- When is the job to be performed?
- Where is the job to be performed?
- How does the worker do the job?
- What qualifications are needed to perform the job?

PROCEDURES

As stated before, the purpose of job analysis is to combine the task demands of a job with our knowledge of human attributes and produce a theory of behavior for the job in question. There are two ways to approach building that theory, meaning there are two different approaches to job analysis.

Task-oriented

Task-oriented procedures focus on the actual activities involved in performing work. This procedure takes into consideration work duties, responsibilities, and functions. The job analyst then develops task statements which clearly state the tasks that are performed with great detail. After creating task statements, job analysts rate the tasks on scales indicating importance, difficulty, frequency, and consequences of error. Based on these ratings, a greater sense of understanding of a job can be attained. Task analysis, such as cognitively oriented task analysis (COTA), are techniques used to describe job expertise. For example, the job analysts may tour the job site and observe workers performing their jobs. During the tour the analyst may collect materials that directly or indirectly indicate required skills (duty statements, instructions, safety manuals, quality charts, etc.).

Functional job analysis (FJA) is a classic example of a task-oriented technique. Developed by Fine and Crenshaw in 1944, work elements are scored in terms of relatedness to data (0–6), people (0–8), and things (0–6), with lower scores representing greater complexity. Incumbents,

considered subject matter experts (SMEs), are relied upon, usually in a panel, to report elements of their work to the job analyst. Using incumbent reports, the analyst uses Fine's terminology to compile statements reflecting the work being performed in terms of data, people, and things. The Dictionary of Occupational Titles uses elements of the FJA in defining jobs.

Worker-oriented

Worker-oriented procedures aim to examine the human attributes needed to perform the job successfully. These human attributes have been commonly classified into four categories: knowledge, skills, abilities, and other characteristics (KSAO). Knowledge is the information people need in order to perform the job. Skills are the proficiencies needed to perform each task. Abilities are the attributes that are relatively stable over time. Other characteristics are all other attributes, usually personality factors. The KSAOs required for a job are inferred from the most frequently-occurring, important tasks. In a worker-oriented job analysis, the skills are inferred from tasks and the skills are rated directly in terms of importance of frequency. This often results in data that immediately imply the important KSAOs. However, it can be hard for SMEs to rate skills directly.

The Fleishman Job Analysis System (F-JAS) developed by Edwin A. Fleishman represents a worker-oriented approach. Fleishman factor-analyzed large data sets to discover a common, minimum set of KSAOs across different jobs.

His system of 73 specific scales measure three broad areas: Cognitive (Verbal Abilities; Idea Generation & Reasoning Abilities; Quantitative Abilities; Memory; Perceptual Abilities; Spatial Abilities; and Attentiveness), Psychomotor (Fine Manipulative Abilities; Control Movement Abilities; and Reaction Time and Speed Abilities), and Physical (Physical Strength Abilities; Endurance; Flexibility, Balance, and Coordination; Visual Abilities; and Auditory and Speech Abilities).

Job Scan is a measurement instrument which defines the personality dynamics within a specific type of job. By collecting PDP Pro Scan Survey results of actual performers and results of job dynamics analysis surveys completed by knowledgeable people related to a specific job, Job Scan provides a suggested ideal job model for that position. Although it does not evaluate the

intellect or experience necessary to accomplish a task, it does deal with the personality of the type of work itself.

Example

For the job of a snow-cat operator at a ski slope, a work or task-oriented job analysis might include this statement: Operates Bombardier Snow-cat, usually at night, to smooth out snow rutted by skiers and snowboard riders and new snow that has fallen. On the other hand, a worker-oriented job analysis might include this statement: Evaluates terrain, snow depth, and snow condition and chooses the correct setting for the depth of the snow cat, as well as the number of passes necessary on a given ski slope.

Job analysis methods have evolved using both task-oriented and worker-oriented approaches. Since the end result of both approaches is a statement of KSAOs, neither can be considered the "correct" way to conduct job analysis.

KNOWLEDGE, SKILLS, ABILITIES AND OTHER CHARACTERISTICS (KSAOS)

Regardless of which approach to job analysis is taken, the next step in the process is to identify the attributes—the KSAOs that an incumbent needs for either performing the tasks at hand or executing the human behaviors described in the job analysis.

- Knowledge: "A collection of discrete but related facts and information about a particular domain...acquired through formal education or training, or accumulated through specific experiences."
- Skill: "A practiced act"
- Ability: "The stable capacity to engage in a specific behavior"
- Other characteristics: "Personality variables, interests, training, and experiences"

METHODS

Finally, once the appropriate KSAOs are identified, tests and other assessment techniques can be chosen to measure those KSAOs. Over the years, experts have presented several different systems and methods to accomplish job analysis. Many forms of systems are no longer in use, but those systems that still exist have become increasingly detailed over the decades with a greater concentration on tasks and less concentration on human attributes. That trend, however,

has reversed in recent years for the better. Newer methods and systems have brought I-O psychology back to an examination of the behavioral aspects of work.

There are several ways to conduct a job analysis, including: interviews with incumbents and supervisors, work sampling, the repertory grid technique, questionnaires (structured, open-ended, or both), observation, critical incident investigations, hierarchical task analysis, and gathering background information such as duty statements or classification specifications.

In job analyses conducted by HR professionals, it is common to use more than one of these methods. Traditional job analysis methods of analysis can be laborious and time consuming, and there is always a tendency on the part of management to over analyze some jobs and under analyze some others. These traditional job analysis methods include: one-on-one interviewing; behavioral event interviews; phone interviews; surveys; work assessments; Developing a Curriculum (DACUM); job analysis worksheets; observations and procedural review. Job analysis at the speed of reality. Amherst, Mass.: HRD Press. All of these methods can be used to gather information for job analysis. The DACUM process developed in the late 1960s has been viewed as the fastest method used, but it can still can take two or three days to obtain a validated task list.

1. **Observation**: This was the first method of job analysis used by I-O psychologists. The process involves simply watching incumbents perform their jobs and taking notes. Sometimes they ask questions while watching, and commonly they even perform job tasks themselves. Near the end of World War II, Morris Viteles studied the job of navigator on a submarine. He attempted to steer the submarine toward Bermuda. After multiple misses by over 100 miles in one direction or another, one officer suggested that Vitals raise the periscope, look for clouds, and steer toward them since clouds tend to form above or near land masses.

   The vessel reached Bermuda shortly after that suggestion. The more jobs one seriously observes, the better one's understanding becomes of both the jobs in question and work in general.

2. **Interviews**: It is essential to supplement observation by talking with incumbents. These interviews are most effective when structured with a specific set of questions based on observations, other analyses of the types of jobs in question, or prior discussions with human resources representatives, trainers, or managers knowledgeable about jobs.
3. **Critical incidents and work diaries**: The critical incident technique asks subject matter experts to identify critical aspects of behavior or performance in a particular job that led to success or failure. For example, the supervisor of an electric utility repairman might report that in a very time-pressing project, the repairman failed to check a blueprint and as a result cut a line, causing a massive power loss. In fact, this is what happened in Los Angeles in September 2005 when half the city lost power over a period of 12 hours. The second method, a work diary, asks workers and/or supervisors to keep a log of activities over a prescribed period of time. They may be asked to simply write down what they were doing at 15 minutes after the hour for each hour of the work day. Or, they may list everything they have done up to a break.
4. **Questionnaires and surveys**: Expert incumbents or supervisors often respond to questionnaires or surveys as a part of job analysis. These questionnaires include task statements in the form of worker behaviors. Subject matter experts are asked to rate each statement from their experience on a number of different dimensions like importance to overall job success, frequency performance and whether the task must be performed on the first day of work or can be learned gradually on the job.

   Questionnaires also ask incumbents to rate the importance of KSAOs for performing tasks, and may ask the subject matter experts to rate work context. Unlike the results of observations and interviews, the questionnaire responses can be statistically analyzed to provide a more objective record of the components of the job. To a greater and greater extent, these questionnaires and surveys are being administered online to incumbents.

5. **Position Analysis Questionnaire**: The Position Analysis Questionnaire (PAQ) is a well-known job analysis instrument. Although it is labeled a questionnaire, the PAQ is actually designed to be completed by a trained job analyst who interviews the SMEs

(e.g., job incumbents and their supervisors).The PAQ was designed to measure job component validity of attributes presented in aptitude tests. Job component validity is the relationship between test scores and skills required for good job performance. There are 195 behavior-related statements in the PAQ divided into six major sections: information input, mental process, work output, relationships with others, job context, and other job characteristics.

6. **Checklists**: Checklists are also used as a job analysis method, specifically with areas like the Air Force. In the checklist method, the incumbent checks the tasks he or she performs from a list of task statements that describe the job.
   The checklist is preceded by some sort of job analysis and is usually followed by the development of work activity compilations or job descriptions. The scope of task statements listed depends upon the judgment of the checklist constructor.

JOB SPECIFICATION

DEFINITION

A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job. The job specification is developed from the job analysis. Ideally, also developed from a detailed job description, the job specification describes the person you want to hire for a particular job.

A job specification cuts to the quick with your requirements whereas the job description defines the duties and requirements of an employee's job in detail. The job specification provides detailed characteristics, knowledge, education, skills, and experience needed to perform the job, with an overview of the specific job requirements.

The Specification relate to Job Specification:

1. Physical Characteristics

2. Psychological Characteristics
3. Personal Characteristics
4. Responsibilities

Other features of a demographic nature:

1. Age
2. Education
3. Experience
4. Language ability etc.,

RECRUITMENT

Recruitment, selection, placement, induction, training and development are all the core functions of HRD. Once it is determined what types of jobs in how many numbers are to be filled up with the qualifications fixed, the next step is for search of qualified people.

Hiring of people involves these broad groups of activities but not mutually exclusive viz., recruitment, selection and placement.

Recruitment is the first step in the process of filling a vacancy. Recruitment is the generating of applications or applicants for specific positions to be filled up in the organization. It is a process of searching for and obtaining applicants for jobs so that the right people in right number can be selected.

According to Dale Yoder, "Recruitment is a process to discover the source of manpower to meet the requirements of staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force."

According to Bergmann and Taylor, "Recruitment is the process of locating, identifying, and attracting capable applicants."

SOURCES OF RECRUITMENT

The different sources of recruitment could be classified into two broad categories,

viz.,

i. Internal sources and ii. External sources

Internal Sources:

The various internal sources are

a) Present employees

b) Employee referrals

c) Former Employees

d) Previous applicants

External Sources:

The different external sources are

i. Employment Exchanges

ii. Advertisements

iii. Employment Agencies

iv. Professional Associations

v. Campus Recruitment

vi. Deputation

vii. Word-of-Month

DISADVANTAGES OF INTERNAL SOURCE

1. Limited choice
2. Discourages competition
3. Creates conflicts.

MERITS OF EXTERNAL SOURCE

1. A process of selection
2. Availability of talented candidates.
3. Opportunity to select best candidates.
4. Provides healthy competition among job seekers.

DEMERITS

1. Expensive and time consuming
2. Unfamiliarity with the organization
3. Discourages the existing employees and they may feel belittled.

RECRUITMENT PROCESS

The recruitment process consists of the following:

a) Recruitment Planning

b) Strategy development

c) Searching

d) Screening

e) Evaluation and control

Planning involves to draft a comprehensive job specification for the vacant positions outlining their major and minor responsibilities; the skills, experience and qualifications needed ; grade and level of pay ; starting data ; whether temporary or permanent; and mention of special conditions, if any, to the jobs to be filled. The next step involved is to devise a suitable strategy for recruiting the candidates in the organization.

The strategic consideration would include the type of recruitment method, the geographical area to be considered for the search, source of recruitment and sequence of activities for recruitment. Searching involves deciding internal or external sources. Sometimes both internal and external may be decided. Screening is the next step. Job specification is invaluable in this regard. Screening is done on the basis of qualification, knowledge, skills, abilities, interest and experience mentioned in job specification.

Evaluation and control in recruitment is needed as considerable cost is involved in the process. This includes

a. Salary of the recruiters

b. Cost of time spent for preparing job analysis, advertisement etc.,

c. Administrative expenses

d. Cost of outsourcing or overtime while vacancies remain unfilled and

e. Cost incurred in recruiting unsuitable candidates.

FACTORS AFFECTING RECRUITMENT

There are various factors that influence recruitment. They are as follows:

i. Internal factors

ii. External factors

INTERNAL FACTORS

1. Size: The organizational size is an influencing factor. Larger organizations find recruitment less problematic than smaller size units.

2. Policy: The policy of recruitment by the organization, whether recruitment is from internal source (from own employees) or from external sources also affect the recruitment process. Generally, recruiting through internal sourcing is preferred in view of cost consideration, familiarity and in easily finding most suitable.

3. Image: Image of the organization is another internal factor influencing recruitment. Managerial actions like good public relations, rendering public services like building roads, public parks, hospitals and schools help to earn image or goodwill for the organization.

4. **Image of jobs**: Better remuneration and working conditions are considered the characteristics of good image of a job. Besides, promotion and career development progammes of the organization also attract potential candidates.

EXTERNAL FACTORS

1. Demographic factors: Demographic factors such as sex, age, literacy, economic status etc, have influence on recruitment process.

2. Labour markets: Labour market conditions, that is, supply labour is of particular importance in affecting recruitment process. If the demand for a specific skill requirements is high relative to

its supply, recruiting employees will involve more efforts. On the contrary, if supply is more than demand for particular skill, recruitment will be relatively easier.

3. **Unemployment situation:** The rate of unemployment is yet another external factor having its influence on the recruitment process. When the unemployment rate in a given area is high, the recruitment process tends to be simpler.

4. Labour laws: There are several labour laws and regulations passed by the central and state Governments that govern different types of employment.

These cover, working conditions, compensation, retirement benefits and safety and health of employees in industrial undertakings. Child Labour (Prohibition and Regulation) Act, 1986, for example prohibits employment of children in certain employments. So also, several other acts such as Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, the Apprentice Act 19961; the Factories Act, 1948 and the Mines Act 1952 have bearing on recruitments.

EFFECTIVENESS OF RECRUITMENT PROGRAMME:

Following are the pre-requisites.

- A well defined recruitment policy.
- A proper organizational structure.
- A well-laid down procedure for locating potential job seekers.
- A suitable method and technique for tapping these candidates.
- Continuous assessment of effectiveness of recruitment programme.
- Ethical practice in recruitment policy and procedure.

SELECTION

Selection starts where recruitment ends. Selection is hiring the best candidates from the pool of applications. It refers to the process of offering jobs to one or more applicants from the applications received through recruitment. Selection is the process of picking the suitable candidates from the pool of job applications to fill various jobs in the organization.

According to Yodder, selection is the process by which candidates for employment are divided into class - those who will be offered employment and those who will not." According to Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job."

SELECTION PROCESS

Following are the steps involved in a standard selection process:

1. Preliminary Interview
2. Application Blank
3. Selection Tests
4. Selection Interview
5. Reference checks
6. Physical Examination
7. Final selection

Preliminary interview

After screening the applications, preliminary interview will be conducted. The purpose of preliminary interview is to eliminate unsuitable or unqualified candidates from the selection process. In screening unqualified candidates are eliminated on the basis of information given in the application form, whereas preliminary interview rejects misfits for reasons, which did not appear in the application forms.

Application Blanks

This is a method for getting information from a prospective candidate. This serves as a personal record of the candidate bearing personal history profile, detailed personal activities,

skills and accomplishments. Almost all organizations require job seekers to fill up the application. Usual contents are as follows:

i. Biographical information – Age, father's name, sex, nationality, height, marital status.

ii. Educational information - Name of the institutions where the candidate studied – marks – Divisions – Distinctions.

iii. Work Experience – previous experience – nature of job – salary – duration – reason for quitting.

iv. Salary – last salary drawn – minimum salary acceptable.

v. Extra-curricular information – NSS – NCC – hobbies etc.

vi. References – Name and address.

SELECTION TESTS

Individuals differ in many respects including job related abilities and skills. In order to select a right person for the job, individual differences in abilities and skills to be adequately and accurately measured for comparison.

According to Lee J. Groobach, "A test is a systematic procedure for comparing the beheaviour of two or more persons."Milton M. Blum defines test as "a sample of an aspect of individual's behaviour, performance and attitude."

In simple words, test is a systematic procedure for sampling human behaviour. Tests may be for psychological testing and for testing specific abilities and skills.

Psychological tests may be conducted for various purposes:

i. Guiding and counseling ii. Career guidance iii. Research on human behaviour and personality iv. Employment selection for placement v. For appraising employees promotional potentials

APTITUDE TEST

Aptitude tests measure ability and skills of the candidate. These tests measure and indicate how well a person would be able to perform after training. Thus aptitude tests are used to predict the future ability. There are two objectives of the aptitude tests. One to advice youth or job seekers regarding the field where they are likely to succeed. This is Ability Tests

1. Aptitude tests
2. Achievement tests
3. Intelligence tests
4. Judgment tests

PERSONALITY TESTS

1. Interest tests 2. Personality inventory tests 3. Projective tests

Attitude tests called 'vocational guidance.' Second to select best persons for jobs where they may succeed. This is called 'vocational selection.' There are specific aptitude tests for mechanical aptitude test, clerical aptitude test, management aptitude test etc.,

ACHIEVEMENT TEST: Achievement test measures the person's potential in a given area or job. In other words, these tests measure what a person can do based on skill or knowledge already acquired.

INTELLIGENCE TEST: Intelligence tests measure general ability for intellectual performance. The core concept underlying the intelligence test is mental age. It is presumed that with physical age, intelligence also grows. There may be exceptions to this rule. If a five year old child does the test for six years or above, his or her mental age would be determined accordingly.

SELECTION INTERVIEW

The next step in the selection process is 'employment interview.' Interview is the widely used selection method. It is a face-to-face interaction between interviewer and the interviewee. If handled properly, it can be a powerful technique in having accurate information of the interview otherwise not available.

OBJECTIVES OF INTERVIEW

1. Verifies the information obtained through application form and tests.
2. Helps to obtain additional information from the applicant otherwise not available.
3. Gives the candidate necessary facts and information about the job and the organization.
4. Helps to establish mutual understanding between the company and the candidate and build the company's image.

TYPES OF INTERVIEW

Four types of interview for selection have been identified. They are:

1. Preliminary interview: This process would be initiated to screen the applicants to decide whether further detailed interview will be required. The candidate is given freedom by giving job details during the interview to decide whether the job will suit him. This method saves time and money for the company.

2. Patterned interview: In this type of interview, the pattern of the interview is decided in advance. What kind of information is to be sought or given, how the interview is to be conducted and how much time is to be allotted, all these are worked in advance. In case the interviewer drifts he or she is swiftly guided back to structural questions. Such interviews are also called as standardized interviews.

3. Depth interview

Under this method, the interview tries to portray the interview in depth and detail. Accordingly the life history of the applicant along with his or her work experience, academic qualifications, health, attitude, interest and hobbies are all analyzed.

4. Stress interview

Such interviews are conducted for the jobs which are to be performed under stressful conditions. The objective of stress interview is to make deliberate attempts to create stressful or strained conditions for the interview to observe how the applicant behaves under stressful conditions. The common methods used to induce stress include frequency interruptions, keeping silent for an extended period of time, asking too many questions at a time, making derogatory remarks about the candidate, accusing him that he is lying and so on. The purpose is to observe how the candidate behaves under the successful conditions – whether he looses his temper, gets confused or frightened.

5. Reference checks: In the selection process, the next step is verifying information or obtaining additional information through reference. The applicant is asked to give the names of one or two referees who know him personally. Previous employers, University Professors, neighbours and

friends are usually referees. However, references are treated as a mere formality and are hardly used to influence the selection decisions.

6. Physical examination: The last tool used in the selection process is physical examination. The main purpose of conducting physical or medical examination is to have proper matching of job requirement with the physical ability of the candidate. Among various objectives of physical test, the major ones are, to detect if the individual is carrying any infectious diseases, to identify health defects of an individual undertaking certain works determined to his or her health and to protect companies from employees filing compensation claim for injuries and accidents caused by pre-existing ailments.

7. Final selection: Final selection follows the above procedures outlined. Selected candidates would be sent with appointment orders. Additional names than required vacancies may be kept in the waiting list.

SUCCESSFUL INTERVIEW:

1. The interview should have a definite time schedule. This should be let known both to the interviewer and interviewee.
2. Interview should be conducted by the competent, trained and experienced interviewers.
3. The interviewers should be supplied with specific set of guidelines for conducting interview.
4. A resume for all the candidates to be interviewed should be prepared and the same be made available to the interviewers before the interview starts.
5. The interview should not end abruptly but it should come to close tactfully providing satisfaction to the interviewer.
6. The interviewers should show their sensitivity to the interviewees sentiments and also sympathetic towards him or her.
7. The interviewers should also evince emotional maturity and a stable personality during the interview session.

TRAINING AND DEVELOPMENT:

Contours of Training and Development

Training and Development (T and D) is a planned, continuous effort by management to improve employees' competency levels and organizational performance. Training has a short-term focus as it is designed to provide the learners who are especially in the managerial cadre with specific concepts, knowledge, skills and techniques needed for their present jobs. Job related training is offered at various points in an employee's tenure with a company, on technical or mechanical facet of work. Development on the contrary, refers to the attainment of a generic long-term learning that transcends the present job and applies to a wider life and social situation.

Development refers to learning that is not tied to a particular role and which implies growth and a better situation. It is often associated with training outcomes, but it can emerge from any event or experience from which new knowledge is created and then used to improve situations.

TRAINING AND DEVELOPMENT METHODS:

1. Classroom Lecture Method:

This is the most commonly used, simple, cost effective and conventional method. It is timesaving because it covers maximum number of people in a short period of time. It involves a speech by the instructor with very limited discussions. Clear and direct methods of presentation. Weaknesses of the method are that, lecture time is more than the normal human attention span of fifteen minutes and the contents of the lecture could be easily forgotten. Since the method does not provide for active participation on the part of the trainees, the extent of take-home learning is not to be known clearly. Moreover, lecture might be useful only if the presentation is made skillfully. While lecture is a useful method in so far as information dissemination is the objective, it has not been highly successful in modifying human behavior or in building commitments in the audience's minds. An improvisation of this method is the lecture-cum-demonstration method in which the lecturer reemphasizes a skill or information by displaying the same in action.

2. Group Discussion Method:

It is a method used to knowledge and attitudinal development of trainees. In this method, sets of people examine several empirical studies to find out commonalities to derive the underlying general principles. They then combine their ideas and focus their attention on a given problem at a time, speaking from multiple points of view within a group. An instructor is optional, while a leader is necessary in this method. The various advantages of the method are that more ideas can be generated from each session. Moreover each member gets an opportunity to present one's own ideas and get feedback from members of the same group.

3. Simulation Exercises Method: Simulators are a group of training devices of varying degrees of complexity that model the real world. They range from simple paper mock-ups of mechanical devices to computerized creations of total environments. In fact, some argue that case-study, role play and a host of other methods can be brought under the category of simulation. The advantage of simulation methods is that they improve the possibility of learning without damaging the equipments or human life or facing the numerous risks involved in actual performance.

For example, most of traffic rules, signals and procedures of driving could be taught in a park that resembles main road or through a video game featuring car or two wheeler driving. Piloting planes are taught using more complex simulations. The methods are indirect but could also be expensive. The method calls for a certain level of grasp and information processing capability and transfer of learning on the part of the trainees.

4. Role Playing Method: Role is a set of expectations around a given position and is determined by the role partners. Roles are always reciprocal and described in pairs such as trainer-trainee, buyer seller, and interviewer-interviewee and so on. Playing roles would entail practical problems like inter-role conflicts, intra-role dilemmas, role overloads and role under loads. As a result of these hurdles, role confusion ensues. In order to be trained to perform roles, trainees must attain role clarity. This may involve negotiation among the role senders and role receivers with regard to their expectations with counter expectations upon one another. Participants in role-play method are required to respond to specific problems and expectations of people that they might actually encounter in their jobs.

5. **Case Study Method:**

It is a written down, narrative description of a real situation or incident relating to an organization and its business, depicting any problem that participants could face in their employment. Participant trainees are required to propose any number of viable solutions or decisions that match the variables represented in the case. Case study can be interest creating and thought stimulating for the participants.

It helps to develop analytical, reasoning and problem-solving skills of the participants. As it shows and reduces gaps in understanding, a holistic understanding of reality is made possible through case study method. It also helps to reemphasize messages provided during lectures, group discussions and other methods. The disadvantage of the method might be the difficulty in drawing adequate number of stimulating cases that actually represent the real life situations of the trainees.

6. Sensitivity Training or T Group Training or Laboratory training Method:

It is a set of experiences in unstructured agenda-less groups designed to make people aware of themselves (self-insight), their immediate situation and their own impact on others. Unlike many other programs, T-groups are concerned with the real problems existing within the group itself. People are helped to become more responsive to others' sensitivities and work more harmoniously and responsibly together by encouraging them to interact freely and actively. The members are enabled to recognize group dynamics and diagnose human relationship problems. The participants are encouraged to communicate thoughts and feelings with each other in an open, unstructured, warm and honest manner than is typically done in the usual work or social situation.

TRAINING EVALUATION

Evaluation of training effectiveness is the most critical phase in not only assessing the quality of training imparted but also to see what future changes in training plan should be made to make it more effective. The process has both predictive and regulative value. Training evaluation would also provide vital insights into the existing systems and procedures prevailing in the

organization. There is not much of a consensus among corporate managers on how to determine the value of training. The onus of the training department is to document its efforts and clearly show that it provides a valuable service to the entire organization.

TRAINING AND DEVELOPMENT PROGRAMS MAY BE EVALUATED AT DIFFERENT LEVELS.

Training evaluation consists of examining various aspects of training immediately after the training is over and judging its utility to achieve the goals of the organization. While the first may be easy to evaluate, the second poses complications. Hence it may be advisable to commission comprehensive research studies through which opinions and judgments on the training processes could be elicited from trainers, supervisors, peer groups, which could then be cross-tabulated against the responses of trainees.

A comprehensive audit of Human Resource Development functions should also include training programs under its purview. Donald Kirkpatrick (1959) has contributed to the development of a model for training evaluation.

LEVELS OF EVALUATION OF THE EFFECTIVENESS OF TRAINING

Level 1 - Content Evaluation through Trainees' Reactions: This is a quick, inexpensive approach to training evaluation. At this level, the trainees are provided with a feedback form in which questions pertaining to the trainers, relevance of the topics, applicability of the learning outcomes, usefulness of the study materials, efficacy of the training methods adopted during the program and the quality of physical environment that prevailed during training are included.

The analyses of the responses indicate how far the trainees are satisfied with the structure, subjects covered and learning processes involved in the training programs. After each program, the opinions could be fed into a database in order to make comparisons with the scores of the previous programs.

Level 2 - Learning Evaluation through examination: The pretest-posttest control group design is used as evaluation procedure in this level. This is normally done by using a test for examining

the trainees on their newly acquired knowledge and comparing this score with a pre-training assessment of trainees on the same topics.

The difference between the two scores would be taken as a measure of the effectiveness of training program. For example, in a training program on awareness on cyber laws, the post-training assessment should show a certain minimum of increase as compared to the scores obtained by the same person before attending the training program.

Level 3 - Evaluation of Behavioral outcomes through training: The aim of training is modification of behavior of some kind that might lead to a performance improvement. Hence any training could be said to be effective if it has resulted in any enduring change in behavior patterns of the trainees.

The behavior assessment would be based on indicators of organizational performance that show the transfer of learning from training into practical application. Since performance is a function of complex forces and motives, accurately assessing the effect of training on performance would be difficult.

Level 4 – Attainment of Training and Development Objectives: Training may be assessed based on the extent to which the objectives set before conducting the programs have been attained after the program. For example, safety training should have resulted in the reduction of number of accidents and an attitudinal training program focused on attendance should have resulted in reduced absenteeism. In this regard, the comparison should be made with a corresponding score in the month or year preceding such training programs. Behavioral outcomes may be evaluated at individual, group or organizational levels.

Level 5 - Evaluation of Return on investments (ROI) on training: This is the ultimate level of assessment of training programs in which the financial gains directly resulted out of a training program would be validated against the total cost incurred in conducting the program including trainers' fees, trainees' paid work time and other related expenditure.

Usually the benefits are measured in terms of the amount saved in the year after the training is completed. However, there are obvious difficulties in calculating the ROI because it may be difficult to determine how much of the benefits are strictly due to the training programs.

METHODS USED FOR EVALUATION OF TRAINING AND DEVELOPMENT PROGRAMS

An organization's training head may employ several methods of evaluating the existing training programs. Some of the sources of information that could be obtained before commencing evaluation process are as follows. Questionnaires and interviews carried out with the trainees after the programs, Tutor's report on the trainees' responses to the inputs, Project assignments based on the training inputs and direct observation or reviewing audiovisual recordings of the proceedings of a training program by the monitoring team, are the most common methods of evaluating the effectiveness of a training program. In recent times, benchmarking is also used to evaluate an organization's training programs by comparing it with any exemplary training practices achieved by another unit or organization of comparable nature. Several parameters would have to be kept in mind while analyzing and evaluating the effectiveness of the program.

The extent of support from the top management towards training, the number of trainees covered, the time allotted to each module, the qualifications of trainers, the extent of participation of the trainees, the budgetary constraints faced by the organizers of the training program, the opportunity provided by the work atmosphere to implement the learning that was resulted from the training programs are to be considered while evaluating a training program.

POSSIBLE QUESTIONS

Part A (Online Exam)

Part B

1. Define manpower planning?
2. State the meaning of manpower planning?
3. Write a short note on job analysis?
4. What is mean by job description?
5. Define recruitment?
6. Bring out the significance of recruitment?
7. What is mean by recruitment policy?
8. Define selection?
9. Bring out the importance of selection?
10. List out the types of psychological test?
11. Define training
12. State the meaning of training?
13. List out the two types of training?
14. State the significance of training?

Part C

1. Define human relation and elaborate its objectives?
2. Elaborate the basic job evaluation method?
3. Briefly elucidate the importance of job analysis and job description?
4. Describe the various steps involved in recruitment process?
5. Elucidate the methods of recruitment?
6. Briefly elaborate the importance of selection?
7. Elaborate the steps in selection process?
8. Describe the nature and characteristics of training?
9. Elucidate the methods of training and explain its features?
10. 'Great persons are not born they were trained' discuss the importance of training?

KARPAGAM ACADEMY OF HIGHER EDUCATION

Class : III B com PA **Course Name : Human Resource Management**

Course code : 15PAU603B **Unit II** **Batch :2015-2018**

Part A (Online Exam)

S.No	Questions	Option A	Option B	Option C	Option D	Answers
1	The---------- are paid to all employees.	work	job	rate	wages	wages
2	Human resources are asset to the--------	person	selection	management	duty	management
3	Manpower------- determines manpower requirements	statement	person	planning	training	planning
4	Human resources are utilized--------	maximum	simple	certain	minimum	maximum
5	An organization performance results--------.	improve	prouductivity	people	informative	prouductivity
6	Human resource planning helps to carry its--------.	duty	income	work	responsibility	income
7	A--------- planning fulfill goals.	human resource	training	recruit	prompt	recruit
8	A skills inventory contains-------.	system	data	people	static	system
9	Facts are usually--------	recorded	practiced	done	not recorded	recorded
10	A---------- planning is complex.	simple	risk	complex	uncomplex	risk
11	A---------- method involves to forecast rules.	simple	vague	correct	indirect	simple
12	Direct techniques estimates-------	periods	people	people, period and	labour hours	people, period and

				hours		hours
13	A--------- are definite.	seen	definite	stated	job and task	job and task
14	A---------- job is realistic.	posted	work	recruitment	selection	posted
15	A---------- refers to anatomy.	job analysis	description	selection	recruit	selection
16	A job is a collection of-------	duty	task	in turn	duty and task	duty and task
17	A job analysis a--------	procedure	employee	employer	person	person
18	A--------- is a standard of job personnel	job	specification	job specification	sturcted	specification
19	A recruitment hires --------.	materials	persons	people	individual	people
20	A Job---------- is a written record.	description	paper	work	statement	description
21	Man power planning helps organization -------.	planning	profit	loss	management	profit
22	A--------- is a division of total task.	job	job design	work	selection	job
23	A recruitment------- people.	takes	acquires	sources	reveals	sources
24	Recruitments are represented as -------- aspect	taker	hirer	percon	positive	positive
25	Recruitment is ---------- street.	two way	people	single	one	two way
26	A--------- involves priniciples.	duty	manager	policy	work	work
27	A recruitment policy should be-------.	seen	flexible	clear	undefine	seen
28	A---------- companies hires few persons	small	sizable	big	medium	big
29	A recruitment policy establishes -	rules	guide lines	principles	person	guide lines

	---------.					
30	Each enterprise has its own---------- procedure.	personal	clear	tailor made	policies and procedures	policies and procedures
31	A recruitment policy focuses on --------.	company	employee	target	goals	employee
32	_____manpower source is in need of proper information.	selection	train	recruitment	placement	recruitment
33	A selection process follows standard--------	rules	perform	procedure	procedure in organization	procedure in organization
34	A selection is -------- process.	negative	long	clear	marker	negative
35	A------- procedure is essential.	hiring	taking	working process	managing	working process
36	Selection candiates are---------	perfect	screened	employed	clear	screened
37	All hiring process should be-------	successful	detail	definite	definite, detail and successful	successful
38	Selection procedures are---------	definite	complicated	clear	done	complicated
39	A------- are personal contacts.	persons	people	interviews	train	persons
40	A------- data gives the place and date of birth of employees	sensory data	personnal	information	biographical data	personnal
41	Applicants can be-------	eliminated	checked	monitored	not monitored	monitored
42	The answers can be-------	deducted	weighted	person	deducted and weighted according to people	deducted and weighted according to people

43	-------- is considered for selection.	people	persons	bio-data	education	people
44	A--------- can be constructed.	work	duty	plane	inventories	duty
45	A certain jobs requires unusual--------	stamina	power	challenge	stamina, power and challenge	stamina, power and challenge
46	A physical examination records the employees--------	strength	job	health	duty	strength
47	A---------- examines the eyes.	strength	training	medical check-up	selection	training
48	A--------- checks are important	person	work	people	reference	people
49	A--------- is a prospects of learning	training	selection	improve	recruit	training
50	A--------- is a related process.	work	management	document	development	work
51	A------ is understanding of knowledge	education	manager	training	collective	training
52	Human resources are asset to the--------.	person	selection	management	duty	management
53	Manpower------- determines manpower requirements.	statement	person	planning	training	planning
54	Human resources should be utilized--------.	maximum	simple	certain	properly	properly
55	An organization performance results--------.	improve	prouductivity	people	output	improve
56	Human resource planning helps to carry its--------.	duty	income	work	source	duty
57	A--------- planning should fulfill the manpower needs.	human resource	training	manpower	prompt	manpower

58	A skills inventory contains-------.	statement	data	people	resource	data
59	Facts are usually--------.	recorded	practiced	done	not recorded	recorded
60	A---------- planning is complex.	simple	risk	complex	uncomplex	complex

SYLLABUS

Performance Appraisal – Job Evaluation and Merit Rating – Promotion, Transfer and Demotion – human relation- approaches to good human relations- punishments.

Performance Appraisal:

Appraisal is the evaluation of worker, quality or merit. In the organizational context, performance appraisal is a systematic evaluation of personnel by superiors or others familiar with their performance. Performance appraisal is also described as merit rating in which one individual is marked as better or worse in comparison to others. The basic purpose of merit rating is to ascertain an employee's eligibility for promotion. However performance appraisal would be used to decide training and development, salary increase, transfer and discharge.

C. Heyel defines, "performance appraisal is the process of evaluating the performance and qualifications of the employee in terms of the requirements of the job for which he is employed, for the purposes of administration including placement, selection for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally". Beach has defined, "performance appraisal is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development.

Performance appraisal is a systematic and objective way of judging the relative worth or ability of an employee in performing his job. It emphasizes on two aspects; systematic and objective. All performances are to be evaluated in the same manner, utilizing the same approaches. This would facilitate appraisal of different persons comparable. This makes it systematic, as such an appraisal is taken periodically according to plan; it is not left to chance.

OBJECTIVES OF PERFORMANCE APPRAISAL

1. Salary increase: Performance appraisal plays a role in making decision about salary increase. Normally salary increase of an employee depends on how he is performing his job. The hike in salary to different employees may be according to their efficiency and ranking.

2. Promotion: Performance appraisal plays a role in making decision about promotion. Normally internal promotion of an employee depends on how he is performing his job. There is continuous evaluation of his performance either formally or informally. Most of the organizations often use a combination of merit and seniority for promotion. Performance appraisal precedes promotion decision.

3. Training and Development: Performance appraisal tries to identify the strengths and weaknesses of an employee on his present job. This information can be used for devising training and developing programmes appropriate for overcoming weakness of the employees. In fact, many organisations use performance appraisal as means for identifying training needs of employees.

4. Feedback: Performance appraisal provides feedback to employees about their performance. It tells them where they stand. A person works better when he knows how he is working, how his efforts are contributing to the achievement of organizational objectives. Besides, if they know their weakness, they will try to overcome them.

5. Pressure on employees: Performance appraisals puts a sort of pressure on employees for better performance. If the employees are conscious that they are being appraised in respect of certain factors and their future largely depends on such appraisal, they tend to have positive and acceptable behaviour in this respect. Thus, appraisal can wok automatically as a control device.

PERFORMANCE APPRAISAL PROCESS

Performance appraisal can be undertaken either on informal basis or on formal and systematic basis. In comparatively smaller organizations appraisal either based on traits or performance or a combination of both, is done informally through the observation of

concerned employees. In larger organization, appraisals are more systematic as evaluation reveals lot of useful information.

Defining Objectives

The first step in the systematic appraisal system is to define the objectives of the appraisal itself. Appraisal is used for different purposes from motivating the appraise to controlling their behaviour. In each case, the emphasis on different aspects of appraisal differs. For example, reward providing appraisal, such as salary revision or promotion differs from appraisal for training and development.

Defining Appraisal Norms

Appraisal is done in the context of certain norms or standards. These may be in the form of various traits of the apprises or their expected work performance results. Since one of the basic long-term objectives is to improve performance, appraisal is more performance oriented. Hence performance norms are to be specified in the beginnings of the period for which appraisal is concerned.

Designing Appraisal Programme

In the design for appraisal programme, types of personnel to act as appraisers, appraisal methodology and types of appraisal are all to be decided. Ideally speaking all personnel of the organization should be covered by the appraisal system. But generally various organizations keep lower level employees out of the purview of formal appraisal.

Generally, the superior concerned appraises his subordinates. However, the present trend in appraisal suggests the concept of 360 degree appraisal, which involves appraisal by the apprises himself known as self appraisal. The next issue is the methodology to be used in appraisal system. Should it be through structured forms and questionnaire or personal interview of the appraises or a combination of both is to be decided. Along with this the time period and tuning of the appraisal should be decided.

Implementation

In implementing appraisal programme, the appraisal is conducted by the appraisers and they may also conduct interview if it is provided in the appraisal system. The results of the appraisal are communicated to HR department for follow up actions which should be oriented towards the objectives of the appraisal.

Appraisal Feedback

Appraisal feedback is the most crucial stage in appraisal process. If they are rated high or performance highly applauded, naturally they are happy and feel their self – esteem is high. On the other if they are rated low they resent, cry and may even be ill tempered. But the fact is fact. Even in such cases, their plus points should be listed out. Their weaknesses may be put clearly through counselors and advised.

Post – Appraisal Action

Rewards, promotions, training and patting on the back follows in the post – appraisal action

METHODS OF PERFORMANCE APPRAISAL

Time – honoured methods: For a long time, the following methods were used:

a) Ranking method

b) Paired comparison

c) Grading

d) Forced distribution method

e) Forced choice method

f) Checklist method

g) Critical incidents methods

h) Graphic scale method

i) Essay method

j) Field Review Method

In recent times the additional methods used are

i. Appraisal by results or objectives

ii. Behaviourally anchored rating scales (BARS)

iii. Assessment centers

iv. 360-degree appraisal

Ranking Method

Ranking is the oldest and simple method of appraisal in which a person is ranked against others on the basis of certain traits or characteristics. This is very simple method when the number of persons to be ranked is small because ranking has to be given on the basis of traits which are not easily determinable, unlike marks in an examination.

The method has limited value for performance appraisal as the difference in ranks do not indicate absolute or equal differences of ability between individuals.

Paired comparison

Paired comparison method is a slight variation of ranking system. This method is adopted for use in the large groups. In this method, each person is compared with other persons taking only one at a time. Usually only trait, overall suitability to perform the job, is considered.

The rater puts a tick mark against the person whom he considered the better of the two, and final ranking is determined by the number of times that person is judged better than others.

Grading

This is a method where certain categories of abilities of performance are defined well in advance. Persons are put in particular category depending on their traits and characteristics. The categories may be outstanding, good, average, poor, very poor or may be in terms of letter like A,B,C,D etc., with A indicating the best and D indicating the is method is generally useful for promotion based on performance.

Forced Distribution Method

As there is a tendency to rank high many of the employees, forced distribution method has been adopted. In this method, the appraiser is forced to appraise the appraisers according to the pattern of a normal curve. The basic assumption in this method is that the employee's performance. Conforms to a normal statistical distribution. For example 10 percent of employees may be rated as excellent, 20 per cent as above average, 40 per cent as average 20 per cent below average and 10 per cent as poor. The basic advantage of this method is that it overcomes the problem of adopting a central tendency of rating most of the employees to a point, particularly high or near high to appeaser them.

Forced – Choice Method

The forced – choice rating method contains a series of group statements and the rater checks how effectively the statement describes each individual under evaluation. Though both of them describe the characteristics of an employee, the rater is forced to tick only one which appears to be more descriptive of the employee. Out of these two statements, only one statement is considered for final analysis of rating. For example, a rater may be given the following two statements.

i. The employee is hard working

ii. The employee gives clear instructions to his subordinates.

Both these statements are positive but the rater is asked to rate only one which is more descriptive of his subordinate's behaviour. This is done to avoid subjectivity in rating. Out of the above two statements, only one statement is to be considered for final ranking. The final rating is done on the basis of all sets of statements. This method is more objective but it involves lot of problems is constructing such sets of statements.

Check – List Method

Under this method HR department prepares series of questions. Each question has alternative answers 'Yes' or 'No'. The rater concerned has to tick appropriate answers relevant to the appraises.

Some of the same questions are:

Is he / she interested in the job Yes/No

Is he / she regular on the job Yes / No

Does he / she show uniform behaviour to all Yes /No

Is he / she willing to help other employers Yes / No

Does he / she maintain discipline Yes / No

Fifty to hundred questions including many bearing efficiency and concentration may be sked. Different questions may have different weightage of scores. After filling the uestionnaire by the rater who observes the employees will be sent to HR department, which will compute total score and evaluate.

Critical Incidence Method

In this method, only critical incidents and behaviour associated with these incidents are taken for evaluation. This method involves three steps. A test of noteworthy on the job behaviour (good or bad) is prepared. A group of experts then assigns scale values depending on the degree of desirability for the job. Finally, a check list of incidents which define good and bad employees is prepared. The rater is given this checklist for rating. The basic idea behind this rating is to appraise the people who can do well in critical situations because in normal situation most employees work alike. This method is useful to find potential employees who can be useful in critical situation.

Graphic Scale Method

Graphic scale is also known as linear rating scale. This is most commonly used method of performance appraisal. In this method, a printed appraisal form is used for each appraises. The form contains various employee characteristics and his job performance.

Various characteristics are, leadership, dependability, cooperativeness, enthusiasm, creativity, analytical ability, decisiveness, emotional maturity etc., depending on the level of the employee. Job performance includes quantity and quality of work performance, specific targets achieved, regularity of attendance etc. The degree of quality may be measured on three point or five point scale. On five point scale, 'excellent, very good, average, poor or very poor' may be grading.

Essay Method

Instead of using structured forms for performance appraisal, some companies use free essay method. In essay method rater assesses the employees on certain parameters in his own word. Such parameters may be

1. Work performance in terms of quality, quantity and costs.
2. Knowledge about the job
3. Knowledge about organizational policies, procedures and rules,
4. Employee's characteristics and behaviour
5. Employee's strength and weakness
6. Overall suitability of the employee;
7. Employee's potentiality
8. Training and development needs of the employee

The essay method is useful in providing fruitful information about an employee on the basis of which he can be appraised. The difficulty in free essay method is each rater may use his own style and perception, which may give rise to difficulty in analysis.

Field Review Method

In the field review method, an employee is not appraised by his direct superior but by another person, usually from HR department. The reason is that such a person may take more objective view in appraisal as he is not under pressure as the superior of the employee may be.

The rater, in this case, appraises the employee based on his records of output and other quantitative information such as absenteeism; late coming etc. the rater also conducts interviews of the employees and his superior to ascertain qualitative aspects of job performance. This method is more suitable for promotion purpose.

APPRAISAL BY RESULTS OR OBJECTIVES

The various steps involved in appraisal by results are as follows.

1. Appraisal by result is a joint process between superior and his subordinates.
2. The subordinate prepares his plan for specific period usually for one year in the light of the overall plan provided by his superior. The final plan is prepared through mutual consultation.
3. Through mutual consultation, both of them decide the evaluation criteria that is what factor will be taken for evaluation of subordinate's performance.
4. At the end of specific period, normally one year, the superior makes a performance evaluation of subordinate on the basis of mutually agreed criteria.
5. Superior discusses the results of his evaluation with the subordinate, corrective actions, if necessary and mutually agreed targets for the next period would be fixed.

Evaluation of appraisal by results springs from forces that have generated a popular philosophy of management, known as 'management by objectives' or 'management by results'. MBO is not merely a technique of managing but it reflects about the entire philosophy of management. Appraisal by results under MBO is more conducive than appraisal based on traits.

BARS

Behaviorally anchored rating scales (BARS) approach gets away from measuring subjective personal traits and instead measures observable, critical behaviors that are related to specific job dimensions. The various steps under BARS are.

i. Identification of Performance Measures

The first step is the identification of performance measures, that is, the outcome of an effective job performance. These measures could be identified by knowledgeable relevant people who may be usually superiors, jobholders and HR personnel or a combination of all of them. They are asked to identify the important dimensions of the job.

ii. Identification of Critical behaviours

Critical behaviours are those which are essential for the performance of the job effectively. These behaviours are generated from different dimensional of the job and are related to various critical incidents of the job. These may be stated in a few short sentences or phrases using the terminology of the job in question.

iii. Retranslation of Critical Behaviours

Various critical behaviours as identified in step ii. are retranslated, usually by a different group of personnel. In the retranslation process, various critical incidents are classified into clusters with each cluster having similar critical incidents. Those behaviours which are approved by majority of personnel are kept for further development and others discarded. The basic idea of this step is to keep the number of behaviours to a manageable limit and which are more descriptive of the job. The translation process assures the reliability of the critical behaviours consistent with the job dimensions.

iv. Scaling of Critical Behaviours

Those critical behaviours which are included for the performance apprise during the process of retranslation are given scales usually in numbers with their description. The scales may

range from 1 to 7 or from 1 to 9, with each point of a scale demonstrating perceived level of performance. The scale value will be determined on the basis of estimates provided by various persons in the retranslation process.

v. Development of the BARS instrument

The result of arranging various scales for different dimensions of the job (Known as behaviour anchors) produces a vertical scale for each dimension. Then scale is used for performance appraisal.

Merits of BARS method

1. Employees' behaviours and not their unobservable traits, are measured which gives better description of employees.
2. BARS approach is aimed at specific dimensions of job performance
3. The people who are actually involved with the job, participate in determining the job dimensions.
4. As the evaluation is done in terms of specific behaviours, the rater can give objective feedback on how the person performed and on what specific behaviour the concerned person should improve.

ASSESSMENT CENTERS

The concept of assessment centers was started in Germany in 1930s by the War office selection Board for military situation. The object being to test candidates in a social situation, using number of assessors and a variety of procedures. Gradually this concept crept in to industries and companies. An assessment centre is a central location where mangers come together and participate in a number of simulated exercises, on the basis of raters. The task Force on Development of Assessment centre standards, has recommended he following requirements.

a) Multiple assessment techniques should be used. One of these techniques should be simulation.

b) Multiple trained assessors should be used.

c) Judgement should be based on pooled information from all assessors.

d) Evaluation should be made at a time different from the observation of behaviour.

e) Simulation exercise should be tested for their reliability, validity and objectivity.

f) The dimensions, attributes, characteristics or qualities evaluated by the programme shall be determined by an analysis of relevant job behaviour.

OBJECTIVES

The objectives of Assessment Centers are:

a) For measuring potential for first level supervision, upper management positions and also higher level management positions.

b) For determining the training and development needs of employees

c) For selecting recent college students for entry level positions

d) For making early determination of potential and

e) For assisting in implementing affirmative action goals.

INSPITE OF TIME CONSUMING COSTLY AFFAIR, ASSESSMENT CENTRE HAS THE FOLLOWING MERITS:

a) The assessment is based on the direct observation of a relatively large sample of the assesses' behaviors.

b) The assesses' behaviours are observed in simulated situations which are close to the actual workplace and

c) Since assessment is based on composite, pooled judgements of several raters, personal biases, false inference are minimized.

360 DEGREE APPRAISAL

Yet another method which could be used to appraise the performance of an employee is to use 360 degree appraisal. To start with, this method was used in 1992 by the General

Electric Company, USA. Now in India Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc. are adopting.

In 360 –degree appraisal, appraisal of an employee is done by his superior, his peers, his subordinates clients and outsiders with whom he interacts in the course of his job performance. In this appraisal, besides appraising the performance of the assesses, his other attributes such as talents, behaviour, values, and technical considerations are also subjected to appraisal.

The role of HR department in 360 – degree appraisal is that of facilitator. The department consolidates the appraisal inputs, identifies the point of consensus, and provides feedback to the appraised so as to overcome weaknesses as pointed out in the appraisal.

POTENTIAL APPRAISAL

Performance appraisal has two objectives:

i. Evaluation of an employee in his present role. Making him to do his present job in better ways.

ii. His suitability for higher order job, promotion and higher responsibility for which his potential appraisal.

STEPS IN POTENTIAL APPRAISAL

1. Determination of role dimension for which an employee's potential is to be appraised. The role dimensions can be identified by job description and specification which provide information about the responsibilities involved in a job and attributes required.

2. The mechanism for appraising these attributes in an employee should be determined.

3. Potential appraisal based on the scoring of attributes.

4. Potential appraisal to be linked to other human resource management elements such as providing feedback, counseling, training, development and job rotation.

JOB EVALUATION

Job evaluation is the evaluation rating of jobs to determine their positions in job hierarchy. The evaluation may be achieved through assignment of points or the use of some other systematic rating method for essential job requirement such as skill, experience and responsibility.

The various steps of job evaluation are

i. Job Analysis

ii. Job Description

iii. Job Grading

iv. Job Pricing

Job Evaluation Techniques

1) Qualitative Method

a. Ranking Job comparison method

b. Job classification / Grading method

2) Quantitative method

a. Factor comparison method

b. Point comparison method.

MERIT RATING

It is very well known that the workers differ in their abilities, skills, knowledge and aptitudes. By proper education and training these differences may become small. Yet these differences remain. It is necessary for management to know these differences so as to identify special skills and growth potential of their employees to occupy higher positions of responsibilities through promotions.

It is also necessary to know these differences so that each is paid according to his merits. Higher wages are paid to employees who perform continuously better. In order to identify these differences, performance evaluation is needed. This process of performance evaluation of workers is called merit rating. Thus 'merit rating' may be defined as "a systematic,

periodic and objective performance evaluation of labour in order to recognize and reward their contributions to the organization, and also identify their potential to hold higher level appointments and jobs".

OBJECTIVES OF MERIT RATING

- Administrative
- Personnel Development

Administrative objectives

- Wage increase
- Promotion
- Selection and special assignment
- Training
- Transfer
- Discharge

Personnel Development

a) Merit rating reveals deficiencies and gives opportunity to remove these defects.

b) Helps motivation by knowing own performance and achievements

c) Encourages persons to do better by getting recognition and reward of his good performance

d) Encourages a spirit of competitiveness to perform better.

JOB – EVALUATION AND MERIT RATING – DIFFERENCE

1) Job evaluation evaluates the job, merit rating the job-holder.

2) Job evaluation determines the relative worker of the job, whereas the merit rating determines the relative worker of the worker.

3) Job evaluation is made before selection procedure, whereas merit rating is done after placement.

4) Main objective of job evaluation is to establish equitable wage rate, whereas that of merit rating is the development of each worker.

PROMOTION, TRANSFER, DEMOTION, DISCHARGE DISMISSALS AND LAY OFFS

Promotion - promotion is transfer of an employee from a present job to another job which involves substantial increase in pay, status and responsibility within the same organization. Promotion may not, generally, involve change of place.

Promotion assists the following

- Motivation
- Morale
- Reduction of expenses on training
- Promotion may be based on
  (i) Seniority
  (ii) Merit

TRANSFER

Transfer is the movement of a worker from one job to another job which does not involve substantial change of pay, status or responsibility within an organization which may or may not involve change of place.

DEMOTION

Demotion involves transfer of a person from his present job to another job which involves substantial reduction in status, responsibility and pay. This may or may not involve change of place.

DISCHARGE OR DISMISSAL

Discharge or dismissal involves separation of an employee from the pay roll of the organization. There are two reasons for discharge

i. Unsatisfactory performance

ii. Grave misconduct

LAY – OFF: S.2 of the Industrial Disputes Act 1947 defines Lay off as follows:
"Lay off means the failure, refusal or inability of employer on account of coal, power or raw materials or accumulation of stock, break-down of machinery or by any other reason to give employment to a workman whose name is borne on muster roll".

HUMAN RELATIONS ERA

During the years 1925 to 1935, experts expressed their opinions towards the human aspects of organisation activities. Hugo Munsterberg in his book, "Psychology and Industrial Efficiency", suggested the use of psychology in selection, placement, testing and training of employees in an organisation. Elton Mayo and his associates conducted a series of experiments from 1924 to 1932 of the Hawthone plant of the Western Electric Company in the USA. The main findings of Hawthorne Experiments were as follows:

i. Physical environments at the work place do not have any material impact on the efficiency of work.
ii. Favorable attitudes of workers and psychological needs had a beneficial impact on the morale and efficiency of workman.
iii. Fulfillment of the worker's social and psychological needs had a beneficial impact on the morale and efficiency of workmen.
iv. Employee groups based on social interactions and common interests exercised a strong influence on worker's performance.
v. Workers cannot be motivated solely by economic rewards. More important motivators are job security, recognition, right to express their opinion on matters related to them.

The findings have stated that the relationship between the superiors and subordinates should relate to social and psychological satisfaction of the employees. Employee, satisfaction is the best means of making the employee productive.

BEHAVIOURAL SCIENCE ERA

Important elements of behavioural approach to HRM is as follows:

i. Individual behaviour is linked with the group behaviour. For example, a person may resist to change his behaviour as an individual. But he or she will readily do so if the group to which he or she belongs, decides to change its behaviour.

ii. Informed leadership rather than the formal leadership of manager is more effective in influencing people to achieve standards of performance.

According to their view, democratic leadership style of the manager is more acceptable to the subordinates and hence more effective.

iii. By nature, people do not dislike work. Most people enjoy work and one is motivated by self control and self development. In fact job itself is a source of motivation and satisfaction to employee.

iv. Expanding subordinate influence, self – control and self – direction can improve operating efficiency.

SYSTEMS APPROACH ERA

A system may be defined as a set of interdependent parts forming an organized unit or entity. The system is defined as "an organized and complex whole: an assemblage or combination of things or parts forming a complex unitary whole". The parts, also known as sub-systems, interact with each other and are subject to change. These subsystems are inter-related and inter dependant. Three broad sub-systems are

i) Technical sub-system - The formal relationships among the members of an organisation

ii) Social sub – system - Social satisfaction to the members through informal group relations. iii) Power sub – systems - Exercise of power or influence by individual or group.

The system approaches is characterized by the following features:

i. A system is a group of inter – related elements which are separate entities / units.

ii. All the elements are inter – related in an orderly manner. iii. There is the need for proper and timely communication to facilitate interaction between the elements. iv. The interaction between the elements should lead to achieve some common goal. At the heart of the systems approach is a Management Information System (MIS) and communication network for collection, analysis and flow of information to facilitate the function of planning and control. Modern thinkers consider HRM as a system that integrates activities with an objective to make the best use of resources which are always scarce.

CONTINGENCY APPROACH ERA

Contingency refers to the immediate circumstances. Contingency approach believes that there is no one way of managing that works best in all situations. According to this approach, the best way to manage varies with the situation. Hence this approach is called as 'situational approach. There may not be one universal way of managing in all situations. A particular approach may yield fruitful results in one situation but may drastically fail in other situation. Therefore managers are to analyze different situations and then use the best approach suitable in that particular situation.

HUMAN BEHAVIOUR APPROACH

Theme: It bears the existing and newly developed theories and methods of the relevant social sciences upon the study of human behavior ranging from personality dynamics of individuals to the relations of culture.

FEATURES

- As management is the process of getting things done by people, managers should understand human behaviour.
- Emphasis is put on increasing productivity through motivation and good human relations.
- Motivation, leadership, communication, participative management and group dynamics are the central core of this approach.

USES: It suggests how the knowledge of human behaviour can be used in making people more effective in the organization. An individual's behaviour is not determined by organization factors alone but also by his attitude, pressure, conflicts of cultural environment etc. Hence these factors must be taken into account.

SOCIAL SYSTEM APPROACH

The real pioneer of this approach is Vilfredo Pareto, a sociologist and later Chester Barnard.

Theme: Organization is essentially a cultural system composed of people who work in cooperation. For achieving organization goals, a cooperative system of management can be developed only by understanding the behaviour of people in groups.

FEATURES

- Organization is a social system, a system of cultural relationships.
- Relationships exist among the external as well as internal environment of the organization.
- Cooperation among group members is necessary for the achievement of organization objectives.
- For effective management, efforts should be made for establishing harmony between goals of the organization and the various groups therein.

USES

- It has real significance to the practising manager in the sense that managers operate in social system and the organization is likely to succeed if the demands of the society in which it operates are fully recognized.

LIMITATIONS

- It spreads the boundary and application of management beyond the true concept of organization. For example, There may be many groups which may not be truly called organization and hence no question of management.
- This approach is broader than management and in practice it tends to overlook many management concepts, principles and techniques that are important to management.

SOCIO-TECHNICAL SYSTEMS APPROACH

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FEATURES

- The socio-technical systems approach of management views an organization as a combination of 2 systems – a social system and a technical system. The real pattern of behaviour in the organization is determined by the interaction of two.
- Social systems of the organization is governed by social laws as well as by psychological forces.
- Technical systems consists of technological forces operating in the organization like physical setting of work, rules, procedures etc.
- Due to interaction of social and technical systems, technical aspects of the work are modified by social aspects. Thus organization of an organization situation within the framework of socio-technical system involves scrutinizing of the specific technology used, the way in which are organized, the formal structuring of interpersonal interactions and the informal patterns emerging in the work group.

USES

- While analysing management problems of getting things done by people, adequate consideration should be given to technology as well as informal interactions of people.

DECISION THEORY APPROACH

FEATURES

- Management is essentially decision-making.
- Members of the organization are decision-makers and problems solvers.
- Organization can be treated as a combination of various decision centres. The level and importance of organization members are determined on the basis of importance of decisions, which they make.

- Quality of decision affects the organization effectiveness.
- All factors affecting decision-making are the subject matter of study of management. Besides processes and techniques in decision making factors affecting decisions are information systems, social and psychological aspects of decision-makers.

USES

- It demonstrates how managers can discharge their functions effectively and for this approach it provides various tools.
- Decision theorists have grappled with decisions pertaining to diagnosis and the resulting prescriptions for improving communication, incentives, reactions of the individuals to group and analysis of human values write stated objectives.

LIMITATIONS

This approach does not take the total view of management. Decision-making is vital in every school of management. This vital aspect cannot be denied but management is more than mere decision-making.

MANAGEMENT SCIENCE APPROACH

- It is known as Mathematical or Quantitative Measurement Approach.

FEATURES

- Management is regarded as the problem-solving mechanism with the help of mathematical tools and techniques.
- Management problems can be described in terms of mathematical symbols and data. Thus every managerial activity can be quantified.
- This approach covers decision-making, systems analysis and some aspects of human behaviour.

Operations research, mathematical tools, simulation, models etc. are the basic methodologies to solve managerial problems.

USES

- It has contributed significantly in developing orderly thinking in management which has provided exactness in management discipline.
- Various Mathematical tools like sampling, linear programming, games theory, time series analysis, simulation, waiting line theory etc. have provided more exactness in solving managerial problems.
- This approach is a fast developing area in analyzing and understanding management.

LIMITATIONS: It is very difficult to call a separate school of management because it does not provide the answer for total managerial problems.

- Managerial activities are not really capable of being quantified because of involvement of human beings who are governed by many irrational factors also.
- More expertise and technical skills are required to formulate mathematical models

SYSTEMS APPROACH

System is defined as "An organized or complex whole; an assemblage or combination of things or parts forming a complex unitary whole.

FEATURES

- A system is basically a combination of parts, subsystems. Each part may have various sub-parts.
- An organization is a system of mutually dependent parts, each of which may include many subsystems.

LIMITATIONS

- It is considered as an Abstract Approach and Lack of Universality in it.

CONTINGENCY OR SITUATIONAL APPROACH (BASED ON CONDITIONS)

it is the most recent development in the field of management. This attempts to integrate all the management approaches.

FEATURES

- Management action is contingent on certain action outside the system or subsystem as the case may be.

- Organizational action should be based on the behaviour of action outside the system so that organization should be integrated with the environment.
- Because of the specific organization – environment relationship, no action can be universal.
- It varies from situation to situation

LIMITATIONS

*Inadequate literature * Complex * Difficult empirical testing * Reactive not Proactive.

OPERATIONAL APPROACHES

FEATURES

- Management is the study of what managers do. It emphasizes on management functions and various concepts and principles involved in performing these functions.
- Management functions are universal irrespective of the type of organizational or level of management in an organization, though there may be differences on emphasis on a particular function in a particular organization or at particular level.
- The conceptual framework of management can be constructed on the basis of the analysis of management process and identification of management principles.
- The central core of managing revolves around planning, organizing, staffing, directing and controlling. This central core of management is unique and is not found in other activities.

CRITICISMS OF OPERATIONAL APPROACH ARE AS FOLLOWS.

- The basic tenets of operational management that is various managerial functions are not universally accepted. Management functions differ from author to author.
- Various terms used in this approach are not commonly shared. Example, People substitute leading for directing.
- It claims universality or management principles while management differs from organization to organization and from level to level.

- Operational Approach emphasizes static conditions whereas the organizations have to function in dynamic conditions.

PUNISHMENT

Punishment is the authoritative imposition of an undesirable or unpleasant outcome upon an individual or group by another individual or group, in response to behaviour that an authority deems unacceptable or a violation of some norm. The unpleasant imposition may include a fine, penalty, or confinement, or be the removal or denial of something pleasant or desirable. The individual may be a person, or even an animal. The authority may be either a group or a single person, and punishment may be carried out formally under a system of law or informally in other kinds of social settings such as within a family. Negative consequences that are not authorized or that are administered without a breach of rules are not considered to be punishment as defined here. The study and practice of the punishment of crimes, particularly as it applies to imprisonment, is called penology, or, often in modern texts, corrections; in this context, the punishment process is euphemistically called "correctional process". Research into punishment often includes similar research into prevention.

Justifications for punishment include retribution, deterrence, rehabilitation, and incapacitation. The last could include such measures as isolation, in order to prevent the wrongdoer's having contact with potential victims, or the removal of a hand in order to make theft more difficult. Of the four justifications, only retribution is part of the definition of punishment and none of the other justifications is a guaranteed outcome, aside from obvious exceptions such as an executed man being incapacitated with regard to further crimes. If only some of the conditions included in the definition of punishment are present, descriptions other than "punishment" may be considered more accurate.

Inflicting something negative, or unpleasant, on a person or animal, without authority is considered either spite or revenge rather than punishment. In addition, the word "punishment" is used as a metaphor, as when a boxer experiences "punishment" during a fight. In other situations, breaking a rule may be rewarded, and so receiving such a reward naturally does not constitute punishment. Finally the condition of breaking (or breaching) the rules must be satisfied for consequences to be considered punishment.

Punishments differ in their degree of severity, and may include sanctions such as reprimands, deprivations of privileges or liberty, fines, incarcerations, ostracism, the infliction of pain, amputation and the death penalty. Corporal punishment refers to punishments in which physical pain is intended to be inflicted upon the transgressor. Punishments may be judged as fair or unfair in terms of their degree of reciprocity and proportionality. Punishment can be an integral part of socialization, and punishing unwanted behaviour is often part of a system of pedagogy or behavioral modification which also includes rewards.

POSSIBLE QUESTIONS

Part A (Online Exam)

Part B

1. Define performance appraisal
2. State the meaning of performance appraisal?
3. Define job evaluation
4. State the objectives of job evaluation?
5. List out the merits in job evaluation?
6. State the meaning of promotion?
7. List out the three types of promotion?
8. What is mean by transfer?
9. State the meaning for demotion?
10. List out the various reason for transfer?

Part C

1. Elaborate the various methods of performance appraisal?
2. Elucidate the process of MBO in performance appraisal?
3. Write a short note on a) Promotion b) Demotion and describe its importance?
4. Write a short note on a) Compensation b) Reward and describe its importance?
5. Elaborate the basic job evaluation method?

KARPAGAM ACADEMY OF HIGHER EDUCATION

Class : III B com PA **Course Name : Human Resource Management**

Course code : 15PAU603B **Unit III** **Batch :2015-2018**

Part A (Online Exam)

S.No	Questions	Option A	Option B	Option C	Option D	Answers
1	A---------- method involves to forecast rules.	simple	vague	correct	indirect	simple
2	Performance appraisal is a process of evaluating employees---------	performance	job	work	worth	performance
3	Employee enhancement plans are called-------	training	selection	merit	undecidable	training
4	The result of carrying out an activity is called----------	appraisal	quality	cost	quantity	quality
5	One of the traditional method in performance appraisal is----------	check lists	pointing	correcting	marker	check lists
6	-------- Rating scale is one of the most commonly used method of performance appraisal.	merit	rank	comparative	graphic	merit
7	The supervisor makes a open ended appraisal in---------- method.	grade	free essay	graphic	graphic	grade

8	A---------- is a process of potentially powerfull managing.	MBO	BOM	OBM	CBO	MBO
9	MBO helps and increases employee----------	trend	mark	motivation	percentage	trend
10	---------- are more likely to compete with themselves.	manager	people	work	individual	manager
11	Manpower------- determines manpower requirements.	statement	person	planning	training	planning
12	The--------- appraisal is concerned with satisfactory performance of employees.	do	planed	why	decided	planed
13	The--------answers the query.	this	when	all	what	when
14	The---------- indicates the location.	when	where	what	was	where
15	The --------- decides the avaliabilty of different methods	what	is	how	was	what
16	A---------- type of error occurs when the evaluator rates	similarity	social	tendency	similarity, social and tendency	similarity, social and tendency
17	Too many---------- causes confusion.	work	objectives	job	worker	work
18	Many of the problems can	done	analysed	minimized	maximized	analysed

	be----------					
19	Don't appraise without knowing the actual---------	information	performance	appraisal	result	performance
20	Make an appraise on the basis of ---------- information.	complete	relevant	proper	performance	performance
21	Be --------- on performance assessment.	honest	kind	healthy	consider	honest
22	A---------- is the output provided by job analysis.	recruitment	selection	job evaluation	job nature and value	job nature and value
23	Job analysis describes the duties of a----------	work	job	employee	employer	employee
24	Job evaluation uses the information of job analysis to -------- of a job.	employee	work	rank	evaluate	rank
25	Rate the ------ and not the man.	work	worker	job	worth	work
26	The elements should be ---------defined.	clearly	detail	made	not to be defined	clearly
27	The-------- purpose of job evaluation is to set wages and salary.	duty	primary	secondary	first	secondary
28	The---------- are paid to all employees.	work and wages	job	rate	wages	work and wages
29	A---------- should participate in rating of jobs.	foreman	work	employee	performance appraisal	performance appraisal

30	A job evaluation is ---------	worth of the job	logical	thinking	illogical	worth of the job
31	_____should have fuledge knowledge.	employees	foreman	supervisor	staff	employees
32	_____ represents the strength of the people	efforts	experience	training	physolocial and physical	physolocial and physical
33	Mental efforts are--------	there	not necessary	necessary	required	not necessary
34	A---------- appraises the educational background.	people	education	training	performance	performance
35	Responsibility factor appraises the---------	person	responsibility	work	individual	person
36	A---------hazards appraises the accident.	physical	mental	job	people	mental
37	The first step in ------study is to select the key jobs.	salary	job	wage	bonus	wage
38	Wage and salary differentials are to be----------	grade	structured	flexible	fixed	structured
39	A sample of jobs is----------	made	done	created	made,created and done	made,created and done
40	Working conditions appraises the physical----------.	condition	people	work	environment	work
41	A---------- visual attention is required.	minimum	maximum	weighted	average	maximum
42	A----------resources consists of total knowledge.	management	trainer	trainee	human	trainee

43	Human relations relate to the interaction of----------	job	people	work	people and work	people and work
44	Human relations is----------	systematic	preferable	non-systematic	informal integration	informal integration
45	A---------relations is getting along with people and industry	people	employee	human	industrial	industrial
46	A human resources is a study of----------human resources.	managing	utilizing	treating	assuming	managing
47	A human resources are an ---------- process.	integral	personal	integer	integellectual	integral
48	Human _____cannot be taught in certain situation	job	discipiline	work	relation	relation
49	_____relations create situations.	Human	individual	experts	sequence	Human
50	The scope of the Human relations is----------	seen	not seen	decreased	increased	increased
51	A----------relations should emphasise.	work	machine	trade	human	machine
52	The----------studies as a “means to an end”.	hawthorne	human	trade	kotler	hawthorne
53	The hawthorne plant was not a----------plant.	great	typical	grade	marker	grade
54	A human--------- is a study of people at work.	engineering	relation	industrial	company	relation
55	The hawthorne studies	quality	people	quantitative	individual	quality

	shows---------- measurements.					
56	Human goals are ---------- --.	reached	task oriented	treated	satisfaction	task oriented
57	Organisational goals are--- -------	achieved	productivity	definite	unclear	definite
58	Human relations discover- ----------techniques.	clever	poor	good	bad	good
59	Human relations should -- ---------- problems.	seen	undergo	anticipate	undergo and anticipated	undergo and anticipated
60	Getting---------- from employees is a major function of management.	work	communication	manager	role	work

SYLLABUS

Wages and Salary Administration – Incentive System – Labour Welfare and Social Security – Safety, Health and Security – Retirement Benefits to Employees

MEANING OF WAGES

'Wages' are the payments made to the employees as compensation for the services rendered by them to the organization. In other words, the share of the total cost of production, which can be attributed to labour, may be known as wages from employee's point of view. According to Dale Yoder and Heneman,

"Wages are the compensation of wage earner, the numerous employers who use the tools and equipments of their employers to produce goods and services that are sold by their employers". Wages include salaries also.

DIFFERENCE BETWEEN WAGE AND SALARY

Wage is a compensation to the employees for services rendered to the organization. In case the quantum of services rendered is difficult to measure, then the payment is called salary. Normally the wage period is shorter than the salary period.

Payment made to labour is generally referred as wages. Money paid periodically to persons whose output cannot be easily measured, such as clerical staff as well as supervisory staff, is generally referred to as salaries.

Salaries are paid uniformly generally on monthly basis and at times the element of incentive is introduced in the form of commission. Incentives are paid to salaries persons in addition to their salaries. However, it is in the area of labour that there are several types of methods of wage payment.

TERMINOLOGY AND CONCEPTS

What is wage and salary administration? Wage salary administration is essentially the application of a systematic approach to the problem of ensuring that employees are paid in a logical, equitable and fair manner.

Wage and salary are often discussed in loose sense, as they are used interchangeably. But ILO defined the term wage as "the remuneration paid by the employer for the services of hourly, daily, weekly and fortnightly employees". It also means that remuneration paid to production and maintenance or blue-collar employees.

Salary: The term salary is defined as the remuneration paid to the clerical and managerial personnel employed on monthly or annual basis. This distinction between wage and salary does not seem to be valid in these days of human resources approach where all employees are treated as human resources and are viewed at par. Hence, these two terms can be used interchangeably. As such, the term wage and/or salary can be defined as the direct remuneration paid to an employee compensating his services to an organization. Salary is also known as basic pay.

Earnings: Earnings are the total amount of remuneration received by an employee during a given period. These include salary (pay), dearness allowance, house rent allowance, city compensatory allowance, other allowances, overtime payments, etc.

Nominal Wage: It is the wage paid or received in monetary terms. It is also known as money wage.

Real Wage: Real wage is the amount of wage arrived after discounting nominal wage by the living cost. It represents the purchasing 'power of money wage.

Take Home Salary: It is the amount of salary left to the employee after making authorized deductions like contribution to the provident fund, life insurance premium, income tax, and other charges.

Minimum Wage: It is the amount of remuneration, which could meet the "normal needs of the average employee regarded as a human being living in a civilized society". It is defined as the amount or remuneration, "which may be sufficient to enable a worker to live in reasonable comfort, having regard to all obligations to which an average worker would ordinarily be subjected to".

Statutory Minimum Wage: It is the amount of remuneration fixed according to the provisions of the Minimum Wages Act, 1948.

The Need-based Minimum Wage: It is the amount of remuneration fixed on the basis of norms accepted at the 15th session of the Indian Labour Conference held at New Delhi in July, 1957.

The Conference recommend that -minimum wages should ensure the minimum human needs of industrial workers. The norms laid down by it are:

(i) in calculating the minimum wage, the standard working class family should be taken to comprise three consumption units for one earner, the earnings of women, children and adolescents beings disregarded;

(ii) minimum food requirements should be calculated on the basis of a set in take of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity;

(iii) clothing requirements should be estimated on the basis of per capita consumption of 18 yards per annum which would give for the average worker's family of four a total of 72 yards;

(iv) in respect of housing, the rent corresponding to the minimum area provided for under Government Industrial

Housing Scheme should be taken into consideration in fixing the minimum wage; (v) fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent of total minimum wage.

The Living Wage: According to the committee on fair wages, the living wage is the highest amount of remuneration and naturally it would include the amenities which a citizen living in a modern civilized society is entitled to expect, when the economy of the country is sufficiently advanced and the employer is able to meet the expanding aspirations of his workers.

The Fair Wages: Fair wages are equal to that received by workers performing work of equal skill, difficulty or unpleasantness.

Incentive Wage: This is the amount of remuneration paid to a worker over and above the normal wage as an incentive for employee's contribution to the increased production or saving in time or material.

Wage Rate: It is the amount of remuneration for a unit of time excluding incentives, overtime pay, etc.

Standard Wage Rate: It is the amount of wage fixed for a unit of time, fixed on the basis of job evaluation standards.

NEED FOR SOUND SALARY ADMINISTRATION

Management has to formulate and administer the salary policies on sound lines as (i) most of the employees' satisfaction and work performance are based on pay; (ii) internal inequalities in pay are more serious to certain employees; (iii) employees compare their pay with that of others; (iv) employees act only to gross external inequities; (v) employee comparisons of pay are uninfluenced by levels of aspirations and pay history; and (vi) employees compare the pay of different employees with their skill, knowledge, performance, etc.

OBJECTIVE OF WAGE AND SALARY ADMINISTRATION

The objectives of wage and salary administration are numerous and sometimes conflict with each other. The important among them are:

(1) To Acquire Qualified Competent Personnel: Candidates decide upon their career in a particular organization mostly on the basis of the amount of remuneration the organization offers. Qualified and competent people join the best-paid organizations. As such, the organizations should aim at payment of salaries at that level, where they can attract competent and qualified people.

(2) To Retain the Present Employees: If the salary level does not compare favourably with that of other similar organizations, employees quit the present one and join other organizations. The organization must keep the wage levels at the competitive level, in order to prevent such quits.

(3) To Secure Internal and External Equity: Internal equity does mean payment of similar wages for similar jobs within the organization. External equity implies payment of similar wages to similar jobs in comparable organizations.

(4) To Ensure Desired Behaviour: Good rewards reinforce desired behaviour like performance, loyalty, accepting new responsibilities and changes, etc.

(5) To Keep Labour and Administrative Costs in line with the ability of the organization to pay.

(6) To Protect in Pubic as Progressive Employers and to comply with the wage legislations.

(7) To Pay According to the Content and difficulty of the job and in tune with the effort and merit of the employees.

(8) To Facilitate Pay Roll administration of budgeting and wage and salary control.

(9) To Simplify Collective Bargaining procedures and negotiations.

(10) To Promote Organization feasibility Principles of Wage and Salary Administration

There are several principles of wage and salary plans, policies and practices. The important among them are:

(i) Wage and salary plans and policies should be sufficiently flexible.

(ii) Job evaluation must be done scientifically.

(iii) Wage and salary administration plans must always be consistent with overall organizational plans and programmes.

(iv) Wage and salary administration plans and programmes should be conformity with the social and economic objectives of the country like attainment of equality in income distribution and controlling inflationary trends.

(v) Wage and salary administration plans and programmes should be responsive to the changing local and national conditions.

(vi) These plans should simplify and expedite other administrative processes.

FACTORS AFFECTING WAGE RATES

There are several factors, which influence the wage rates. The variations in wage structure in various industries are the results of these factors. Some important factors are:

1. Demand and Supply: The wage rates are fixed by the demand and supply position of the workers in the labour market. If labour is in short supply, the workers will offer their services only if they are paid well. On the other hand, labour may be available at cheaper rates if their supply is in plenty.

2. Bargaining Power: Wages also depend to a considerable extent on the relative bargaining power of the labour unions and the employers. Where labour unions are strong enough to force the hand of employers, the wages will be determined at a higher level in comparison to other units where unions are weak.

3. Cost of Living: Progressive employers do not leave the wages to be determined by the blind forces of demand and supply. They take due notice of the cost of living for the workers at that place and try to fix the wages as to ensure a decent living wage to the workers. Cost of living varies under inflationary and deflationary pressures. Where employers do not show enough awareness, labour unions, if strong, come out with a demand of wage adjustment according to the cost of living index number.

4. Condition of Product Market: The wage levels will be influenced by the degree of competitions prevailing in the market for the product of the industry. If it is a perfect competitive market the wage level may be at part with the value of the net additions made by the workers to the total output. But in any given industry or occupation, wages may not reach this level it imperfect competition exists in the product market.

5. Comparative Wages: Wages paid by other firms in the same market for similar work also influence the wage levels. Wage rates must also be in consistent with the wages paid by other firms in the same industry. The comparative wages will increase the job satisfaction among the workers.

6. Ability to Pay: Wage rates are influenced by the ability of industry or firm to pay its workers. Those firms, which are earning huge profits, may naturally afford much better wage rates and more facilities to its workers in comparison to those firms, which are earning only marginal profits.

7. Productivity of Labour: Productivity is considered to be the main basis of wage-determination. In firms, where productivity of lab OUT is high, higher wages are paid as compared to other firms where it is low.

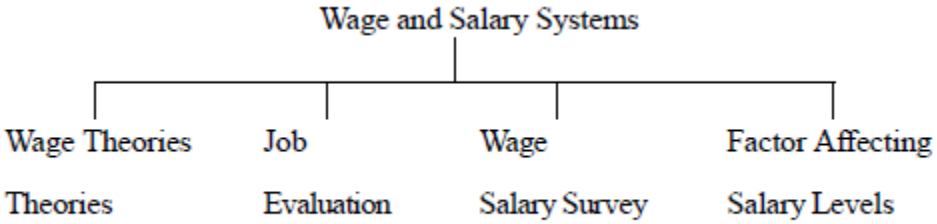
8. Job Requirements: A worker is compensated according to the job requirements. If a job requires higher skill, greater responsibility and risk, the worker placed on that job will naturally get higher wages in comparison to other jobs which do not require the same degree of skill, responsibility or risk.

9. Government Policy: Since the bargaining power of the workers is not enough to ensure fair wages in all industries, the Government has to interfere in regulating wage rates to guarantee minimum wage rates in order to cover the essentials of a decent living.

10. Goodwill of the Company: A few employers want to establish themselves as good employer in the society and fix higher wages for their workers. It attracts qualified employees.

THE MECHANISM OF WAGE AND SALARY ADMINISTRATION

Salary is structured, fixed, adjusted on the basis of several systems. The important among them are: (1) Wage Theories, (2) Job Evaluation, (3) Wage/ Salary Survey, (4) Various Factors Affecting Wage and Salary Levels.



WAGE THEORIES

There are number of theories on wages. Important among them are discussed hereunder:

(i) The Just Wage Theory: This was the first theory on wages advocated during medieval period. The essence of this theory is that the worker should be paid on the level of maintaining himself and his family.

(ii) Subsistence Theory: According to Ricardo "the labourers are paid to enable them to subsist and perpetuate the race without increase or diminution".

(iii) Standard of Living Theory: Karl Marx pointed out that the "Wage of labour is determined by a traditional standard of living, which, in turn, is determined by the mode of production of the country concerned".

(iv) The Wage Fund Theory: According to J.S. Mill, the wages are determined on the basis of the relationship between the amount of fund allocated for the purpose of wage payment and number of workers in a country.

$$\text{Wage} = \frac{\text{Amount of fund allocated for wage payment}}{\text{Number of workers}}$$

(v) Residual Claimant Theory: According to Walker, the wages are determined on the basis of the amount left after the payment of rent, profits and interest to land, entrepreneur and capital respectively out of the production value.

The amount of wages = Production value – (Rent+Profits+Interest).

(vi) Marginal Productivity Theory: According to J .B. Clark, the wages are determined on the basis of marginal contributions of the worker to the production. The employer stops employing further workers where the contributions of the most recently employed worker are equal to his wages.

(vii) The Bargaining Theory of Wages: According to this theory the wages and other terms of employment are determined on the basis of the relative bargaining strength of the two parties, viz., the employer and the employees. Webbs stated that, "the haggling of the market which under a system of free competition and individual bargaining determines the conditions of employment...."

(viii) Contribution of Behavioural Scientists to the Wage Theories: According to behavioural scientists, wages are determined on the' basis of several factors like the size, nature, prestige of the organization, strength of the union, social norms, traditions, customs, prestige of certain jobs in terms of authority, responsibility and status, level of job satisfaction, morale, desired lines of employee behaviour and level of performance.

Thus, the first five wage theories influenced the wage determination until 19th century. But the influence of these theories had been reduced to a greater extent during the 20th century. The bargaining theory of wages and the behaviour theory of wages influence much the determination during the present century. The modern and important system of salary administration is job evaluation.

PROBLEMS ARISING IN WAGE AND SALARY ADMINISTRATION

Pressure is constantly exerted on the wage and salary committee for pay increases by executives, supervisors and employees. If the committee yields to such pressure, it would serve to boost the wage expenditure of the company above the funds available for the payroll. It may also result in glaring injustice because the rewards that belong properly to the efficient workers would be granted instead to those who could press the hardest. The aggressive' department head may

possess in an unusual degree the commendable loyalty to his people that prompts him to take a belligerent stand with reference to salary increases.

Because of human element, wage and salary committee or administrator yields more often to the department head that is aggressive. Such pressure may be restrained to some extent where a departmental budget system is used.

WAGE INCENTIVES

Wages are payments in return for the use of labour.

Wages: Monetary compensation paid to the workers on hourly basis or piece rates. **Salaries:** Monetary compensation paid to the staff like supervisors, executives etc., monthly.

Time wage rate: Payment made on basis of time such as hourly, daily, weekly and monthly.

Real wages: Real wages represent the goods and services which can be purchased from the money obtained from the wages.

WAGE PAYMENT PLANS:

Two broad classifications are i. Non-incentive wage plans like tune wage rate system.

ii. Incentive wage plans like piece –rate system.

INCENTIVES

- Four types of incentives:
- Direct Incentives
- Indirect Incentives
- Financial Incentives
- Semi-Financial Incentives
- Non-Financial Incentives.

MOTIVATION

Motivation is defined as "an inducement which inspires a person to harness all his energy and capabilities and apply the same to the job willingly, in order to achieve the organizational objectives".

There are two sets of motivation

i. Positive Motivation – Reward, good pay, recognition, suggestive system, particular, supportive supervision, promotional avenues etc.,

ii. Negative motivation – Reprimand, fines, demotion, lay off, discharge etc., (Not strictly motivation but detractors).

Integration: All the aforesaid themes are to be integrated and one should not work in isolation of other.

Maintenance: Everything should go on smoothly and there should not be halting or interruption at any point.

Social Security: The Government of India has passed various enactments from time to time.

IMPORTANT AMONG THEM ARE:

i. The Workmen's Compensation Act, 1923.

ii. The Employees' State Insurance Act, 1948.

iii. The Employee's Provident Funds and Miscellaneous Provisions Act, 1961.

iv. The Maternity Benefit Act, 1961.

v. The payment of Gratuity Act, 1972.

THE WORKMEN' COMPENSATION ACT, 1923

The main objective of the Act is the Act is to ensure compensation to workers for accidents occurred during the course of employment. This Act covers workers employed in factories, mines, plantations, mechanically propelled vehicles, construction works, railways, ships, circus and other hazardous occupations specified in schedule II of the Act. It does not apply to the Armed Forces, casual workers and workers covered by the Employee's State Insurance Act 1948. The Act is administered by the State Government by appointing commissioners for this purpose under S.20 of the Act.

Under this Act, compensation is payable by the employer to the workman for all personal injuries caused by industrial accidents which disable him / her for more than three days. In case of the death of workman, the compensation is paid to the dependants. The Act also specifies that in case a workman contracts any occupational disease, which is specified in its third schedule, such disease shall ordinarily be treated as an employment injury arising out of and in the course

of employment. The scale of compensation is stated under the Act and the compensation is payable depending on the nature of injury and whether it is partial disablement or total disablement.

EMPLOYEE'S STATE INSURANCE ACT, 1948

The main object of this Act is to provide social insurance for workers. It is a contributory and compulsory health insurance scheme that provides medical facilities and unemployment insurance to industrial workers for the period of their illness.

The Act covers all workers (whether manual, supervisory or salaried employees) whose income do not exceed Rs. 6500 per month and are employed in factories, other than seasonal factories which are run with power and employ 20 or more workers. The State Government can extend the coverage of the Act with the approval of the Central Government.

The Act is administered by the Employees State Insurance Corporation (ESI), an autonomous body with representatives of the Central, State Government, employers, employees, medical profession and the parliament.

BENEFITS

a) Medical benefit : An insured or a member of his or her family requiring medical help is entitled to receive medical facility free of charge in a hospital either run by ESI corporation or by any other agency.

b) Sickness benefits : An insured worker in case of certified sickness is entitled to receive cash payment for a maximum of 91 days in any continuous period of one year. The daily rate of sickness benefit is calculated as half of average daily wage.

c) Maternity benefit : An insured woman is entitled to receive cash payment calculated at a full average wage for a period of 12 weeks of which not more than 6 weeks shall precede the expected data of her confinement.

d) Disablement benefit : This benefit is entitled to insured worker in case of industrial accidents and injury. Compensation differs depending on temporary disablement, permanent partial disablement and permanent total disablement.

e) Dependent's benefit : the benefit is available to the dependents of a decreased worker due to industrial accident or injury.

THE EMPLOYEE'S PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

The Act covers workers employed in a factory of any industry specified in schedule I in which 20 or more workers are employed or which the Central Govt. notifies in its official Gazette. The Act does not apply to cooperative societies employing less than 50 persons and working without the aid of power. It also does not apply to those new establishments till they become 3 years old. The Act is administered by Tripatriate Central Board of Trustees represented by employers, employees and Government.

Under this Act

i. An employee can avail non-refundable withdrawal or take advances from the provident Fund Account for various purposes. On superannuation, the employee gets the full balance at his credit with interest.

ii. Under the new pension scheme which has come into force from 16-11-1955, replacing the 1971 scheme, several types are available to an employee and his dependent.

THE MATERNITY BENEFIT ACT, 1961

The Act is applicable to all establishments not covered under the Employee's State Insurance Act, 1948. The benefit will be administered by the ESI Corporation. Under the Act a woman worker is entitled to receive the payment for maternity benefit at the rate of average daily wages for a period of 12 weeks. With effect from 1st February 1996, a woman worker is entitled to grant of leave with wages for a maximum period of one month in cases of illness arising out of MTP or tubectomy. Women workers who will undergo tubectomy operation will get two weeks leave.

THE PAYMENT OF GRATUITY ACT, 1972

The object of this Act is to provide economic assistance on the termination of an employee. The Act is applicable to the employees employed in factories, mines, oil fields, ports, railway, companies, shops or other establishments employing 10 or more persons. Under this Act, on completion of 5 years of service, the employees are entitled to gratuity payable at the rate of 15 days wages for each completed year of service subject to a maximum of Rs. 3.5 lakhs with effect from September 1997.

INDUSTRIAL AMITY AND PEACE

The Government has passed Industrial Disputes Act 1947. According to this Act, "industrial dispute' means "any dispute or difference between employers and employees employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment and conditions of employment of any person".

There are elaborate provisions relating to 'Strikes and Lock-outs'.

The Act also has created machinery for prevention of industrial disputes. They are as follows:

i. Works committee

ii. Standing orders

iii. Code of discipline

For settlement of industrial disputes the mechanism are

1. Conciliation
2. Arbitration
3. Adjudication

For adjudication Labour Court, Industrial Tribunal and National Tribunal are

setup. The legal provisions are not elaborated as we discuss how Government helps human resources and their rights through legislative framework.

Trade Union Act 1926, gives permission to form and register Trade Unions with rights and duties, to strengthen their bargaining power and for obtaining rightful concessions from management.

MNC and HR Practices Globalization of trade and business is at the peak now. India is a paradise for marketing and destination for software business. FDI is pouring in. Indian business houses are extending their frontiers to other countries and MNCs are eying India. Under these conditions of global perspective HRM practices have gained greater significance. Business process outsourcing (BPO) is the order of the day. The technical and management people.

CULTURAL FACTORS

Culture means shared beliefs, values, norms and moral by people. Organizational culture means a pervasive underlying set of beliefs, assumptions, values, shared feelings and perceptions.

Indian technical people placed by MNCs in various countries should adopt to the culture and custom prevailing there.

Individualism

In simple terms, individualism means the degree of preference of individuals expected to look after themselves and their immediate families. Just reverse is collectivism. Personnel should come out of the shell and know to make collective living culture.

Compensation

The standard of living and style of living will differ. MNCs cannot differentiate pay to the same category on the ground that they are from different nationals. The perquisites should be the same to all. The company would like all their personnel to follow the same corporate culture that is in observance.

Labour Relations Factors

Labour relations or industrial relations are bound to differ between different countries. MNC having its operation in different countries should take into consideration the labour relations prevailing in that country.

Recruitment, Selection and Training

MNCs have to be critical and choosy in their selection taking into consideration its existing standard and style. Separate training programme for different nationals in employment may be needed.

LABOUR WELFARE

TYPES OF LABOUR WELFARE SERVICES

- Intramural
- Extramural

LABOUR WELFARE IN INDIA

- Factories act, 1948
- Labour welfare officer
- Health of workers
- Welfare of workers

- Working hours and leave
- Restrictions in the factories act on the employment of young persons
- Central welfare funds
- Voluntary benefits
- Machinery connected with labour welfare work
- Drawbacks of welfare services

FRINGE BENEFITS

"Fringe" benefits are those monetary and non-monetary benefits that are given to the employees during and post-employment period, and are connected with employment but not with the employee's contribution to the organization. As indicated earlier, "fringe" (Le., minor or short) is misnomer nowadays. In the past, employee benefits and services were an exception in some organizations, and they were small in number and volume. However, now they make up such a large part of the total compensation package that the term "fringe" is no longer appropriate. However, the term "supplementary benefits" is still commonly used to refer to this aspect of employee compensation. Thus, it may be noted that "fringe" as the term is commonly used for them.

NEED FOR EXTENDING FRINGE BENEFITS

During the World War II certain non-monetary benefits were extended to employees as means of neutralizing the effect of inflationary conditions. These benefits, which include housing, health, education, recreation, credit, canteen, etc., have been increased from time to time as a result of the demands and pressures from trade unions. It has been recognized that these benefits help employees in meeting some of their life's contingencies and to meet the social obligation of employers.

Most of the organizations have been extending the fringe benefits to their employees, year after year, for the following reasons:

(1) Employee Demands – Employees demand more and varied types of fringe benefits rather than pay hike because of reduction in tax burden on the part of employees and in view of the galloping price index and cost of living.

(2) Trade Union Demands – Trade Unions compete with each other for getting more and a new variety of fringe benefits to their members such as life insurance, beauty clinics. If one union succeeds in getting one benefit, the other union persuades management to provide a new model fringe. Thus, the competition among trade unions within an organization results in more and varied benefits.

(3) Employer's Preference – Employer's prefer fringe benefits to pay-hike, as fringe benefits motivate the employees for better contribution to the organization. It improves morale and works as an effective advertisement.

(4) As a Social Security – Social security 'is a security that society furnishes through appropriate organization against certain risks to which its members are exposed. These risks are contingencies of life like accidents and occupational diseases. Employer has to provide various benefits like safety measures, compensation in case of involvement of workers in accidents, medical facilities, etc., with a view to provide security to his employees against various contingencies.

(5) To Improve Human Relations – Human relations are maintained when the employees are satisfied economically, social and psychologically. Fringe benefits satisfy the worker's economic, social and psychological needs. Consumer stores, Credit facilities, Canteen, Recreational facilities, etc., satisfy the worker's social needs, whereas retirement benefits satisfy some of the psychological problems about the post-retirement life. However, most of the benefits minimize economic problems of the employee. Thus, fringe benefits improve human relations.

OBJECTIVES OF FRINGE BENEFITS

The important objectives of fringe benefits are:

1. To create and improve sound industrial relations.
2. To boost up employee morale.
3. To motivate the employees by identifying and satisfying their unsatisfied needs.
4. To provide qualitative work environment and work life.

5. To provide security to the employees against social risks like old age benefits and maternity benefits.

6. To protect the health of the employees and to provide safety to the employees against accidents.

7. To promote employee's welfare by providing welfare measures like recreation facilities.

8. To create a sense of belongingness among employees and to retain them. Hence, fringe benefits are called golden handcuffs.

9. To meet requirements of various legislations relating to fringe benefits.

TYPES OF FRINGE BENEFITS

Organizations provide a variety of fringe benefits. Dale Yoder and Paul

D. Standohar classified the fringe benefits under four heads as given hereunder.

(1) For Employment Security – Benefits under this head include unemployment insurance, technological adjustment pay, leave travel pay, overtime pay, level for negotiation, leave for maternity, leave for grievances, holidays, cost of living bonus, call-back pay, lay-off pay, retiring rooms, jobs of the sons/daughters of the employees and the like.

(2) For Health Protection – Benefits under this head include accident insurance, liability insurance, health insurance, hospitalization, life insurance, medical care, sick benefits, sick leave, etc.

(3) For Old Age and Retirement – Benefits under this category include: deferred income plans, pension, gratuity, provident fund, old age assistance, old age counseling, medical benefits for retired employees, traveling concession to retired employees, jobs to sons/daughters of the deceased employee and the like.

(4) For Personnel Identification, Participation and Stimulation –

This category covers the following benefits: anniversary awards, attendance bonus, canteen, cooperative credit societies, educational facilities, beauty parlour services, housing, income tax aid, counseling, quality bonus, recreational programmes, stress counseling, safety measures, etc.

FRINGE BENEFITS ADOPTED IN INDIA

(i) Payment for Time Not Worked: This category includes: (a) Hours of work; (b) Paid holidays; (c) Shift premium; (d) Holiday pay; and (e) Paid vacation.

(a) Hours of Work – Section 51 of the Factories Act, 1948 specifies that no adult worker shall be required to work in a factory for more than 48 hours in any week. Section 54 of the Act restricts the working hours to 9 in any day. In some organizations, the number of working hours is less than the legal requirements.

(b) Paid Holidays – According to the Factories Act, 1948, an adult worker shall have a weekly paid holiday, preferably Sunday. When a worker is deprived of weekly holidays, he is eligible for compensatory holidays of the same number in the same month. Some organizations allow the workers to have two days as paid holidays in a week.

(c) Shift Premium – Companies operating second and third shifts, pay a premium to the workers who are required to work during the odd hours shift.

(d) Holiday Pay – Generally organizations offer double the normal rate of the salary to those workers, who work on paid holidays.

(e) Paid Vacation – Workers in manufacturing, mining and plantations who worked for 240 days during a calendar year are eligible for paid vacation at the rate of one day for every 20 days worked in case of adult workers and at the rate of one day for every 15 days worked in case of child workers.

(ii) Employee Security

Physical and job security to the employee should also be provided with a view to promoting security to the employee and his family members. The benefits of confirmation of the employee on the job create a sense of job security. Further a minimum and continuous wage or salary gives a sense of security to the life. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948. The Payment of Bonus Act, 1965 provide income security to the employees.

(a) Retrenchment Compensation – The Industrial Disputes Act, 1947 provides for the payment of compensation in case of lay-off and retrenchment. The non-seasonal industrial establishments employing 50 or more workers have to give one month's notice or one month's wages to all the workers who are retrenched after one year's continuous service. The compensation is paid at the rate of 15 days wage for every completed year of service with a maximum of 45 days wage in a year.

(b) Lay-off Compensation – In case of lay-off, employees are entitled to lay-off compensation at the rate to 50% of the total of the basic wage and dearness allowance for the period of their

lay-off except for weekly holidays. Lay-off compensation can normally be paid upto 45 days in a year.

(iii) Safety and Health

Employee's safety and health should be taken care of in order to protect the employee against accidents, unhealthy working conditions and to protect worker's capacity. In India, the Factories Act, 1948, stipulated certain requirements regarding working conditions with a view to provide safe working environment. These provisions relate to cleanliness, disposal of waste and effluents, ventilation and, temperature, dust and fume, artificial humidification, over-crowding, lighting, drinking water, latrine urinals, and spittoons. Provisions relating to safety measures include fencing of machinery, work on or near machinery in motion, employment of young person's on dangerous machines, striking gear and devices for cutting off power, self-acting machines, easing of new machinery, probation of employment of women and children near cotton openers, hoists and lifts, lifting machines, chains, ropes and lifting tackles, revolving machinery, pressure plant, floors, excessive or inflammable dust, gas, etc.

Precautions in case of fire; power to require specifications of defective parts of test of stability, safety of buildings and machinery etc.

WORKMEN'S COMPENSATION – In addition to safety and healthy measures, provision for the payment of compensation has also been made under Workmen's Compensation Act, 1923. The Act is intended to meet the contingency of invalidity and death of a worker due to an employment injury or ad occupational disease specified under the Act at the sole responsibility of the employer. The Act covers the employees whose wages are less than Rs.500 per month. Amount of compensation depends on the nature of injury and monthly wages of the employee. Dependents of the employee are eligible for compensation in cases of death of the employees.

Health Benefits – Today various medical services like hospital, clinical and dispensary facilities are provided by organization not only to employees but also to their family members. Employees State Insurance Act, 1948 deals comprehensively about the health benefits to be provided. This Act is applicable to all factories, establishments running with power and

employing 20 or more workers. Employees in these concerns and whose wages do not exceed Rs. l,000 per month are eligible for benefits under the Act. Benefits under this Act include:

(a) Sickness Benefit – Insured employees are entitled to get cash benefit for a maximum of 56 days in a year under this benefit.

(b) Maternity Benefit – Insured women employees are entitled to maternity leave for 12 weeks (six weeks before the delivery and six weeks after the delivery) in addition to cash benefit of 75 paise per day or twice sickness benefit, whichever is higher.

(c) Disablement Benefit – Insured employees, who are disabled temporarily or permanently (partial or total) due to employment injury add/or occupational diseases are entitled to get the cash benefit under this head.

(d) Dependent's Benefit – If an insured person dies as a result of an employment injury sustained as an employee, his dependents who are entitled to compensation under the Act, shall be entitled to periodical payments referred to as dependent benefit.

(e) Medical Benefit – This benefit shall be provided to an insured employee or to a member of his family where the benefit is extended to his family. This benefit is provided in the following forms:

• Out-patient treatment, or attendance in a hospital, dispensary, clinic or other institutions; or
• By visits to the home of the insured person; or
• Treatment as in-patient in a hospital or other institution.

An insured person shall be entitled to medical benefits during any week for which contributions are payable, or in which he/she is eligible to claim sickness or maternity benefits or eligible for disablement benefit.

Voluntary Arrangements – However, most of the large organizations provide health services over and above the legal requirements to their employees free of cost by setting up hospitals, clinics, dispensaries and homoeopathic dispensaries. Company's elaborating health service programmes include:

Providing health maintenance service, emergency care, on-the job treatment care for minor complaints, health counseling, medical supervision in rehabilitation, accident.

WELFARE AND RECREATIONAL FACILITIES

Welfare and recreational benefits include: (a) Canteens; (b) Consumer societies; (c) Credit societies; (d) Housing; (e) Legal aid; (f) Employee counselling; (g) Welfare organizations; (h) Holiday homes; (i) Educational facilities; (j) Transportation; (k) Parties and picnics; and (1) Miscellaneous.

(a) Canteens – Perhaps no employee benefits has received as much attention in recent years as that of canteens. Some organizations have statutory obligation to provide such facilities as Section 46 often Factories Act, 1948 imposes a statutory obligation to employees to provide canteens in factories employing more than 250 workers. Others have provided such facilities voluntarily. Foodstuffs are supplied at subsidized prices in these canteens. Some companies provide lunchrooms when canteen facilities are not available.

(b) Consumer Societies – Most of the large organizations located far from the towns and which provide housing facilities near the organization setup the consumer stores in the employees' colonies and supply all the necessary goods at fair prices.

(c) Credit Societies – The objective of setting-up of these societies is to encourage thrift and provide loan facilities at reasonable terms and conditions, primarily to employees. Some organizations encourage employees to form cooperative credit societies with a view to fostering self-help rather than depending upon moneylenders, whereas some organizations provide loans to employees directly.

(d) Housing – Of all the requirements of the workers, decent and cheap housing accommodation is of great significance. The problem of housing is one of the main causes for fatigue and worry among employees and this comes in the way of discharging their duties effectively. Most of the organizations are located very far from towns where housing facilities are not available.

Hence, most of the organizations built quarters nearer to factory and provided cheap and decent housing facilities to their employees, whilst a few organizations provide and/or arrange for housing loans to employees and encourage them to construct houses.

(e) Legal Aid – Organizations also provide assistance or aid regarding legal matters to employees as and when necessary through company lawyers or other lawyers.

(t) Employee Counseling – Organizations provide counseling service to the employee regarding their personal problems through professional counselors. Employee counseling reduces absenteeism, turnover, tardiness, etc.

(g) Welfare Organization 's Welfare Officers – Some large organizations set-up welfare organizations with a view to provide all types of welfare facilities at one centre and appointed welfare officers to provide the welfare benefits continuously and effectively to all employee fairly.

(h) Holiday Homes – As a measure of staff welfare and in pursuance of government's policy, a few large organizations established holiday homes at a number of hill stations, health resort and other centers with low charges of accommodation, so as to encourage employee use this facility for rest and recuperation in pleasant environment.

(i) Educational Facilities – Organizations provide educational facilities not only to the employees but also to their family members. Educational facilities include reimbursement of fee, setting up of schools, colleges, and hostels, providing grants-in-aid to the other schools where a considerable number of students are from the children of employees. Further, the organizations provide reading rooms and libraries for the benefit of employees.

(j) Transportation – Companies provide conveyance facilities to their employees from the place of their residence to the place of work as most of the industries are located outside town and all employees may not get quarter facility.

(k) Parties and Picnics – Companies provide these facilities with a view to inculcating a sense of association, belongingness, openness and freedom among employees: These activities help employees to understand others better.

(I) Miscellaneous – Organizations provide other benefits like organizing games, sports with awards, setting up of clubs, community services activities, Christmas gifts, Diwali, Pongal and Pooja gifts, birthday gifts, leave travel concession and awards, productivity/performance awards, etc.

OLD AGE AND RETIREMENT BENEFITS

Industrial life generally breaks family system. The saving capacity of the employee is very low due to lower wages, high living cost and increasing aspirations of the employees and his family members. As such, employers provide some benefits to the employees, after retirement and

during old age, with a view to create a feeling of security about the old age. These benefits are called old age and retirement benefits. These benefits include: (a) Provident Fund; (b) Pension; (c) Deposit linked insurance; (d) Gratuity; and (e) Medical benefit.

(a) PROVIDENT FUND – This benefit is meant for economic welfare of the employees. The Employee's Provident Fund, Family Pension Fund and Deposit Linked Insurance Act, 1952 provides for the institution of Provident Fund for employees in factories and establishment. Provident Fund Scheme of the Act provides for monetary assistance to the employees and/or their dependents during post-retirement life. Thus, this facility provides security against social risks and this benefit enables the industrial workers to have better retired life. Employees in all factories under Factories Act, 1948 are covered by the Act. Both the employee and the employer contribute to the fund. The employees on attaining 15 years of membership are eligible for 100% of the contributions with interest. Generally the organizations pay the Provident Fund amount with interest to the employee on retirement or to the dependents of the employee, in case of death.

(b) PENSION – The Government of India introduced a scheme of Employees Pension Scheme for the purpose of providing Family Pension and Life Insurance benefits to the employees of various establishments to which the Act is applicable.

The Act was amended in .1971 when family Pension Fund was introduced in the Act. Both the employer and the employee contribute to this fund. Contributions to this fund are from the employee contributions to the Provident Fund to the tune of 1.5% of employee wage.

PAY FOR MONTH RATE

Rs.800 or more 12% of the basic subject to a maximum of Rs.150 as monthly pension. More than Rs. 200 15% of the basic subject to a maximum of

but less than Rs. 96 and a minimum of Rs. 60 as monthly Rs. 800 pension.

Rs. 200 or less 30% of the basic subject to a maximum of Rs. 60 as monthly pension.

(c) Deposit Linked Insurance – Employees Deposit Linked Insurance Scheme was introduced in 1976 under the Provident Fund Act, 1952. Under this scheme, if a member of the Employees

Provident Fund dies while in service, his dependents will be paid an additional amount equal to the average balancing during the last three years in his account. (The amount should not be less than Rs. 10,000 at any point of time). Under the Employees' Deposit Linked Insurance Scheme, 1976, the maximum amount of benefit payable under the deposit-linked insurance is Rs. 10,000.

(d) Gratuity - This is another type of retirement benefit to be provided to an employee either on retirement or at the time of physical disability and to the dependents of the deceased employee. Gratuity is a reward to an employee for his long service with his present employer.

The Payment of Gratuity Act, 1972 is applicable to the establishment in the entire country. The Act provides for a scheme of compulsory payment of gratuity by the managements of factories, plantations, mines, oil fields, railways, shops and other establishments employing 10 or more persons to their employees, drawing the monthly wages of Rs. 1,600 per month.

Gratuity is payable to all the employees who render a minimum continuous service of five years with the present employer. It is payable to an employee on his superannuation or on his retirement or on his death or disablement due to accident or disease. The gratuity payable to an employee shall be at the rate of 15 days wage for every completed year of service on part thereof in excess of six months. Here the wage means the average of the basic pay last drawn by the employee. The maximum amount of gratuity payable to an employee shall not exceed 20 months wage.

(e) Medical Benefit – Some of the large organizations provide medical benefits to their retired employees and their family members. This benefit creates a feeling of permanent attachment with the organization to the employees even while they are in service.

Holidays and Leave Facilities

A sound policy of Vacation and leave facilities in emergencies is an essential condition in fostering good industrial relations.

Weekly Holidays

Section 52 of the Factories Act prescribes that first day of the week shall be a day of rest for all workers. The Act stipulates that no worker should be required to work on a Sunday unless (a) the worker has or will have a substituted holiday on one of the three days immediately before or after the Sunday and (b) the manager of the factory has delivered notice at the office of the

Inspector of Factories of his intention to require the workers to work on Sunday and of the substituted holiday. He must also display a notice to that effect in the factory.

The substitution should not result in any worker working for more than 10 days consecutively without a holiday. If a worker works on a Sunday and is given a substituted holiday on one of the three days immediately before that Sunday, the hours of that Sunday shall be induced in the preceding week for the purpose of calculating the weekly hours.

The government may exempt specified factories from the above provision. If such exemption is granted and if under such exemption, a worker is deprived of any of the weekly holidays, he should be allowed within the month in which the holidays were due to him or within the months immediately following that month, compensatory holidays equal in number to the holidays he has been deprived of.

The Shops and Establishment Act, Minimum Wages Act, Plantation Labour Act and all other relevant Labour Acts provide for one day as day of rest in a week. This is necessary from the health and safety points of view.

Privilege Leave (Vacation)

Section 79 of the Factories Act and Rules thereof provide for annual vacation for workers. Every workman who has completed a period of twelve months of continuous service should be allowed during the subsequent period of twelve months, leave with wages, calculated at the rate of one day for every twenty days of work performed for an adult subject to a minimum of 10 days and one day for every 15 days of work performed for a child subject to a minimum of fourteen days.

Period of leave shall be inclusive of any holiday, which may occur during such period.

If a worker who has completed four months continuous service is discharged before he has completed twelve months' service continuously, he should be paid the wages due for the proportionate leave he would be entitled to.

A worker can accumulate leave due to him for two years, provided, however, that he does not carry forward more than fifteen days from one year to the next, provided further that if leave is not granted to a worker who applies for the same, he may be permitted to carry forward more than fifteen days from one year to the next.

The following are the rules generally observed:

1. Application for leave must be given in the prescribed form through the departmental foreman/manager as the case may be at least one week before the leave is required.

2. The departmental foreman must forward the application with his recommendation to the Personnel Department for verification of the leave previously taken and to ascertain whether the applicant is entitled for leave, if so how much and then for recording. The Personnel

Department must then forward the leave application to the manager or person authorized to sanction leave.

3. It would be advisable and advantageous to the management as well as to the workers, if a leave scheme can be followed, encouraging the workers to advise the management in the month of January itself, the dates when they desire to take their annual leave during the year.

4. On receipt of such advice from the workers, the management must subject to the exigencies of company's business, fix the date tentatively when the leave can be granted.

5. Leave will be granted entirely and the discretion of the management. Management can alter the dates fixed or cancel the leave previously fixed, if it becomes necessary in the interest of company's business.

In such case the employee concerned must be informed in writing stating the reasons for the refusal or the change in the leave date.

6. Privilege leave can be permitted in installments to suit the convenience of the workers. In the first instance a minimum of 7 days must be taken.

7. Privilege leave should not be granted for less than one full day.

8. Minimum of 3 days' notice must be given before availing privilege leave balance, if any, except in emergencies.

9. No employee is permitted to avail the leave without written permission from the management.

10. The employee must be advised in writing whether leave is granted or not and if not granted why.

11. Employee availing four days or more of privilege leave should be paid his leave pay in advance.

Sick Leave

Sick leave policy and procedure vary from one industry to another. Some employers grant seven days sick leave with full pay an additional 14 days on half pay per year.

In the case of serious or deserving cases, special consideration will be given in the matter of granting sick leave with pay. In doing so the employee's previous sick leave record will be looked into. Certain managements grant 30 days sick leave with half pay. There are industrial undertakings where there is no provision for sick leave at all. It is left to the management's discretion.

Factories Act makes no provision for sick leave whereas Shops and Establishments Act provides for 12 days sick leave with pay per year.

Now that the Employees' State Insurance Act has been enforced in industrial areas, the policy of sick leave is being viewed and framed accordingly.

As. per the Employees' State Insurance Act, every insured workman is entitled to free medical treatment in case of sickness. Medical benefit includes free consultation, free medicine, drugs and dressings, home visits, hospitalization in all serious and other emergent cases and radiological and pathological treatment.

He will also, during the period of his sickness, get cash benefit equal to about half his daily wage per day for a maximum of 56 days per year. A worker certified to be sick by the Employees' State Insurance Medical Officer cannot be discharged by the management for reasons of long absence due to sickness.

As the employees' State Insurance Act is not applicable to all establishments or categories of employees, there will be large number of persons who are not covered by the provisions of this Act. It is, therefore, necessary for employers to provide a definite scheme of sick leave procedure in their Standing Orders or service conditions.

An employee who has privilege leave due to him can be permitted to' avail the same on completion of his sick leave entitlement. An Employee falling sick while on duty must report to the medical officer with an authorization slip from his department foreman. The medical officer, after examination, will either send the employee back to work after treatment or grant him sick leave, as he may consider necessary. In the event of granting sick leave he must advise the Personnel Department foreman by separate chits.

If the employee falls sick outside the premises of the company and/ or outside the working hours, he must either report to the company's medical office/Employees' State Insurance medical

officer, as the case may be, on the following morning and also notify the Personnel Department on the first day of illness and apply for leave.

Claim for sick leave must be supported by proper medical certificate.

Casual Leave

The Shops and Establishments Act is the only labour legislation which provides for casual leave. An employee is entitled to 12 days casual leave according to the Shops and Establishments Act.

By practice and custom casual leave has become an integral part of the leave policy of industrial concerns. There is no uniform policy followed. Number of days ranging from five to fifteen is granted as casual leave in certain industries.

Casual leave is intended to assist the employees in times of unforeseen, urgent and personal emergencies. Casual leave can be granted or refused at the sole discretion of the management. Casual leave is not cumulative. Casual leave is not granted generally for more than two/three days at a time.

LEAVE ON LOSS OF PAY

Employees who have no privilege leave or causal leave to their credit can be permitted to avail leave without pay in extreme emergencies. No such leave will be taken without prior permission of the management.

National and Festival Holidays

There is no central legislation for National or Festival holidays, except government notifications or press releases from time to time, whereas some State Governments have enacted "Industrial Establishments (National and Festival Holidays) Act". For example, the Kerala Industrial Establishments (National and Festival Holidays) Act, 1958 provides that every employee shall be allowed in each calendar year a holiday of one whole day on the 26th January (Republic Day), 1st May (Labour Day) and 15th August (Independence Day) and 4 other festival holidays fixed in consultation with the employees. Whether there is a legal status or not, it has become a privilege by usage and practice and by awards of tribunals.

The number of festival holidays granted by an employer depends on many factors. Generally holidays are declared for national and religious festivals, ranging from five to twenty-seven days. The tendency on the part of the workers and their unions to demand more and more holidays is to be discouraged. Festival holidays are usually fixed in consultation with the trade unions of the

workers. In some establishments, the workers are given the option to select half the number of festival holidays and the management fixes the other half. One or two festival holidays can be left as optional or sectional religious/ festival holidays to enable a particular caste or section of the employees to avail the same.

QUARANTINE LEAVE

If and when there is an attack of chicken pox, sma11 pox, cholera or any other epidemic in a worker'' family (to anyone of his dependents) he must notify the Personnel Department immediately. The Personnel Department, in consultation with the medical officer, wi11 arrange to grant him leave. If there is no privilege leave or casual leave to his credit, he be granted leave without pay and the same should be treated as quarantine leave.

He should not be a110wed to resume work until the medical officer is satisfied that there is no danger in permitting him to join duty. The precaution is necessary to prevent 'epidemic taking its role among the other workers.

Accident Leave

According to the Workmen's Compensation Act, a worker meeting with an industrial accident becomes entitled for half monthly compensation for temporary disablement and lump sum compensation for permanent disablement and fatal accident. An employee is entitled for half monthly compensation only after a waiting period of three days, if the temporary disablement lasts less than 28 days. He will be paid for the first 3 days' waiting period also if the temporary disablement lasts more than 28 days.

The waiting period is intended to prevent misuse and pretending by workers. Prosperous and progressive employers pay for the first three days their full wages as ex-gratia payment. But in majority of the cases, no payments are made. This position is, however, slightly changed in the case of factories coming under the Employees' State Insurance Act.

GENERAL

There is wide disparity between the Factories Act and the Shops and Establishments Act in the matter of leave provisions, the former providing for 4 days of privilege leave with pay per year, while the latter providing for 12 days of privilege leave, 12 days casual leave and 12 days of sick leave with pay per year. This anomaly must be rectified. A record of all leaves taken by the employee must be maintained by the Personnel Department.

An employee who fails to return from leave, whether privilege, sick or casual or leave of absence on loss of pay, on the due date can be treated as absent without permission, liable for disciplinary action under provisions of the Standing Orders.

There must be provision in the Standing Orders, clearly stating that an employee, who remains absent beyond the period of leave originally granted or subsequently extended, will lose his lien on his job unless he returns within seven days of the expiry of the leave and unless he gives satisfactory explanation regarding his absence. If the explanation is not satisfactory, the employer can take disciplinary action against him.

Question of paid holidays and leave facilities are being raised by unions in most labour demands. Even though directives have been given by Tribunals, a uniform policy has not yet been evolved. Apart from the question of paid religious festival holidays which are necessarily to be treated on state level depending on the various religious festivals, leave and holidays policy in industry must be dealt with on a national level and a uniform policy has to be followed.

POSSIBLE QUESTIONS

Part A (Online Exam)

Part B

1. State the meaning of wages?
2. List out the types of wages?
3. Give the merits of wage incentive scheme?
4. List out the essentials of a good wage plan?
5. State the principles of wage and salary administration?
6. Give the meaning of monetary incentives?
7. Write a short note on non-monetary incentives?
8. List out the non-monetary incentives provided to the employees?
9. What is mean by labour welfare?
10. List out any four welfare measures provided in the industries?

Part C

1. Elaborate the various types of wages?
2. Describe the steps involved in determine the wage rate?
3. Elucidate the factors influencing wages and salary administration structure?
4. Write a short note on a) Wage level b) wage structure and describe its importance?
5. Briefly describe the importance of labour welfare?

KARPAGAM ACADEMY OF HIGHER EDUCATION

Class : III B com PA **Course Name : Human Resource Management**

Course code : 15PAU603B **Unit IV** **Batch :2015-2018**

Part A (Online Exam)

S.No	Questions	Option A	Option B	Option C	Option D	Answers
1	Organisations employs---------- people.	skilled	skilled,knowledge and hardworking	poor	task oriented	skilled,knowledge and hardworking
2	A--------- are paid according to jobs.	employees	work	data	amount	work
3	Remuneration is paid to --------	job	wages	workers	individual	workers
4	The wages should be according to ---------	wage plan	seen	reasonable	plan	wage plan
5	A---------- are paid in addition to the basic wages.	allowances	work	job	amount	allowances
6	The wage structure should be----------	collected	permitted	structured	flexible	collected
7	The wage and salary structure should fulfill the----------needs.	human	job	worker	nature	worker
8	_____level is an average rates paid for the jobs.	data	personnal	wage	training	personnal

9	A---------- theory is also known as Iron Law of Wages.	selection	development	subsistence	substancial	selection
10	Wages fund theory was developed by----------	karl max	adam smith	george	philp kotler	adam smith
11	A recruitment policy focuses on ---------.	company	employ	target	goals	company
12	A-------- concerned source with proper information.	selection	train	recruitment	placement	train
13	A selection process follows standard-------	rules	perform	procedure	task	procedure
14	A selection is -------- aspect.	negative	long	clear	marker	negative
15	A------- procedure is essential.	hiring	taking	giving	managing	managing
16	Selected candiates are---------	perfect	screened	employed	clear	employed
17	All hiring process should be-------	successful	detail	definite	definite, detail and successful	definite, detail and successful
18	Selection procedures are---------	definite	complicated	clear	done	definite
19	A------- are personal contacts data	personnal information	people	interviews	train	personnal information
20	A------- data gives the	sensory	data	personnal	biographical	personnal

	place and date of birth of the employees	data		information	data	information
21	According to -------- is money received.	amount	compensation	collection	work	work
22	A-------- is remuneration paid	wage	rupees	data	information	wage
23	Wages controls the------ costs.	persons	company	pay roll	people	company
24	A wage structure describes the--------	costs	amount	people	wage plan	wage plan
25	A--------- employees are white collered.	simple	professional	detailed	foreman	professional
26	A--------- is comprised of jobs.	grade	data	place	persons	grade
27	A---------- plan is used to evaluate jobs.	placed	company	ranking	not to evaluate	ranking
28	wages-------- people.	takes	motivates	gives	not motivates	motivates
29	A ----------includes direct compensation.	money	wages	draft	challan	wages
30	A---------- system is used to catogorise the employees.	filling	classification	ranking	gap	filling
31	A--------- are paid for requirements.	amount	cash	wages	rupees	wages
32	A job---------- are of stable group.	cluster	people	train	select	people

33	Wage details should be---------.	detail	informed	seen	clear	detail
34	A-------- administration should be controlled.	train	place	people	wages	people
35	Wages and salary would be a ------- plan	simple	risk	definite	difficult	risk
36	Wages and salary should be------	planed	reasonable	checked	unplaned	planed
37	Wages are-------.	fied	short provided weekly	flexible	fluctuated	short provided weekly
38	Wages and salary consists of-------- plans.	two	one	no	three	no
39	A Good wage plan should be---------.	structured	clear	stable	unstable	structured
40	Wage plan should be capable of easy--------	available	seen	computed	reveallary	seen
41	Wages represents the worker to ---------	work	remuneration	rank	the work and remunerate	the work and remunerate
42	A workers ---------- are calculated.	earnings	work	performance	people	performance
43	A--------- is a combination of both piece and time rates.	time	balance	cut	work	balance
44	A---------- differs in occupations.	people	duty	wages	training	wages
45	A---------- has to	train effects	salary	manage	principles	train effects

	estimated.					
46	A--------- plays an important role in organization	bonus	peoples	selection	cash	peoples
47	A Bonus relates to----------	work	job	performance	people	performance
48	A--------- should be maintained.	data	secerecy	person	non secerecy	secerecy
49	A--------- attracts employees more.	reward	foreman	nature	wear	reward
50	A------- system is limited.	small	large	incentive	wage	large
51	Industrial _____ is necessary for the business	bargaining	collection	relation	people	relation
52	A---------- is one form to motivate.	loss	work	pay	does	work
53	A-------- motivates people	manager	person	money	work	money
54	A wage incentives improve the-------	profit	data	information	knowledge	information
55	A profit sharing is------	simple	voluntary	seen	single	voluntary
56	Profit sharing creates-------- hamony	trade	collective	industrial	company	trade
57	---------- Relations is one of the most complex problems in	Industrial	trade	collective	bargaining	Industrial

	industrial society.					
58	The objective of industrial relations is to avoid---------.	place	conflict	people	bargaining	conflict
59	All manager tends to create employees----------	Acting	increase	salary	motivation	salary
60	Industrial relations has its own----------	rules	employees	amount	procedures	rules

SYLLABUS

Industrial Relations – Trade Unionism – Grievance Handling – Collective Bargaining and Participation in Management.

INDUSTRIAL REALTIONS

MEANING AND DEFINITION

Industrial relations are concerned with the relationship between management and workers and the role of the regulatory mechanism in resolving any industrial dispute. A formal definition is "concerned with the systems, rules, procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interest of the employed and their employers, and to regulate the ways in which employers treat their employees".

The international Labor organization (ILO) stated that "industrial relations deal with either the relationships between the state and employer's and worker's organizations or the relations between the occupational organizational themselves".

The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organizations. The subject, therefore, includes individual relations and joint consultation between employers and work people at their work place; collective relations between employers and their organizations and trade unions and the part played by the state in regulating these relations.

From the various definitions given above, we understand that:

- Industrial relations is an outcome of employer-employee relationship in an organization
- Industrial relations facilitates harmonious relationships in an organization by setting a framework for the management and the employees

CONCEPT

- Industrial relations are that aspect of management, which deals with the manpower off the enterprise – whether machine operator, skilled worker or manger.

- Cordial and peaceful industrial relations between the employees and the employer are highly essential for increasing productivity and the economic growth of the country. Through good industrial relations only, the enterprise can move towards the welfare of the employees and the management of the concern.
- Industrial relationships is the compromise result of the attitudes and approaches of the employees towards each other with regard to the planning, supervision, direction and co-ordination of the activities of an organization with a minimum of human effort and friction, with a n animating spirit of cooperation and with proper regard for the genuine well-being of all members of the organization.
- The term Industrial relations has been looked upon and worded differently by different pioneers of the field.

However, with the industrial developments after World War II, the term industrial relations has been widened in its meaning and now it implies –employers- employees – unions and government relationship in industry.

OBJECTIVES

The objectives of industrial relations are:

- To safeguard the interests of the labour and the management by preventing one of the players from getting a strong hold over the other;
- To develop and secure mutual understanding and good relationship among all the players in the industrial set-up.
- To maintain industrial peace and harmony by preventing industrial conflicts
- To improve the standard of living of the average worker by providing basic and standard amenities.
- To increase productivity by minimizing industrial conflicts and maintaining harmonious industrial relations.
- To ensure discipline in the organization and in the industry.

- To provide a basic framework for the management and the employee to resolve their differences.
- To improve the bargaining capacity of the workers through trade unions.

IMPORTANCE

- IR is a key for increased productivity in industrial establishments
- IR has moral dimensions, too. It is unethical on the part of any management to take advantage of the helplessness of workers and exploit them. IR assumes relevance in this context. One of its objectives is to protect workers interest and to improve their economic conditions.
- IR seeks to protect the rights of managers too. Where a worker's behavior deviates from expected lines, it is the management's prerogative to take action.

APPROACHES TO INDUSTRIAL RELATIONS

Though there are different approaches to industrial relations, the basics of management of good relations remain the same across all the approaches. These different approaches help in viewing industrial relations from different perspectives. The different approaches to industrial relations are:

- Psychological approach
- Sociological approach
- Human relations approach
- Socio-ethical approach
- Gandhian approach
- Systems approach

Psychological Approach

According to this approach, most of the problems in industrial relations arise because of the differing perceptions and attitude of the management and the workers. The perception of both parties (workers and managers) regarding a particular aspect varies and as a result, some minute issues aggravate into major problems. The different personalities and strained inter-group and interpersonal relationships add fuel to the fire and increase the disharmony in the system.

Sociological Approach

This approach considers the industry as a social system. The work behavior of individuals is closely influenced by social factors that impact an individual's life in society. These differences among individuals, a result of their social upbringing and association, create conflict and competition among the members of an industrial society.

Human Relations Approach

This approach holds that the handling of human resources is different from handling material, physical or financial resources. It lays emphasis on the human aspect and the way human feelings influence the work relations and behavior of employees in the organization.

Socio-Ethical Approach

This approach states that industrial relations apart from having sociological ramifications, also has an ethical base. Hence the workers and the management should work in mutual cooperation and realize their moral responsibility towards the organizational objectives. Understanding each other's problems and constraints can help in resolving conflicts peacefully.

Gandhian Approach

According to this approach, industrial problems should be solved peacefully using nonviolent methods. In the same way, problems in the industry should be solved through satyagraha's and non-violence rather than resorting to violent deeds and crimes.

Systems Approach

The basic elements of the system approach are the participants, environmental forces and the output. There are three aspects major participants namely, the workers, the management and their representatives. The interaction between these three results in significant strata that are referred to a subsystem of an industrial relations system.

PARTIES TO INDUSTRIAL RELATIONS

The major parties to IR are the employees, employee representatives, employers, associations of employers, government and courts and tribunals.

Employees: The employees are the pillars on which the organization is built. They are the chief contributors to the organizational objectives, and are the organization's most valuable resource. To maintain harmonious industrial relations, employees have to be satisfied with the organization, its policies and procedures and their jobs.

Trade Unions: Trade unions constitute the employee representative bodies in an organization. Trade unions enjoy power and status based on the support of the employees. Their power is used as a weapon in regarding the organization's industrial environment and having their demands accepted by the management. These demands usually relate to increase in wages, improvement in working conditions, and additional benefits and welfare measures. In some cases, trade unions also have a political affiliation, which adds to their power.

The Management: The management plays a critical role in the industrial relations of an organization. Management policies can help in maintaining high employee morale and in preventing industrial conflicts and disputes.

The Government: The government has a limited role to play in industrial relations. It provides a basic framework within which the management, the trade unions and the employees are expected to work for the common good of the organization. The government comes into the picture only when the three players fail to do this and is unable to sort out their differences. The government then intervenes as a mediator through the process of conciliation, arbitrator and adjudication.

INDUSTRIAL RELATIONS PROGRAMME

A successful industrial relations programme reflects the personal viewpoint, which is influenced by three main considerations

Individualized thinking: Individualized thinking makes it imperative for the administrator to consider the entire situation in which the affected individual is placed.

Policy awareness: Policy awareness underscores the idea of the consistency of treatment and the precedent value of any decision, which a management takes

Expected group reaction: While expected group reaction balances what we know of human nature in groups against an individual's situation in the light of the policy that has been formulated and implemented.

IR DECISIONS

Communication

The core of an IR programme is the personnel manual. The manual sets out the rules and policies within which managers and employees must operate. All Employees and supervisors are fairly familiar with the contents of the manual.

Relations

Relationships with employees may be improved through joint consultations. Relationships with unions or staff associations may be developed through collective bargaining and other IR procedures or by improving the operation of existing procedures.

Competence: Managers and supervisors need to develop competence in handling IR. Such competence may be developed by training managers and supervisors in IR. Union leaders and employees also must be associated with the programme, as they are as much a party to conflict as managers or supervisors.

REQUIRMENTS OF A SUCCESSSFUL INDUSTRIAL RELAITONS PROGRMAMME

The basic requirements on which a successful industrial relations programme is based are:

Top Management Support

Since industrial relations are a functional staff service, it must necessarily derive its authority from the line organization.

Sound Personal Policies

These constitute the business philosophy of an organization and guide it in arriving at its human relations decisions. Policies can be successful only when they are followed at all the level of an enterprise, from top to bottom.

Adequate Practice Should Be Developed By Professionals

In the field to assist in the implementation of the policies of an organization, a system of procedures is essential if intention is to be properly translated into action.

DETAILED SUPERVISORY TRAINING

To ensure that organizational policies and practices are properly implemented and carried into effect by the industrial relations staff, job supervisors should be trained thoroughly.

Follow Up Of Results

A constant review of an industrial relations programme is essential, so that existing practices may be properly evaluated and a check may be exercised on certain undesirable tendencies, should they manifest themselves.

TRADE UNION

MEANING

A trade union or labour union is a continuing long term as association of employees formed to promote, protect and improve, through collective action, the social, economic and political interests of its members.

A trade union may also be defined as any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more unions.

NATURE OF TRADE UNIONS

Trade unions are voluntary organizations of workers or employers formed to promote and protect their interests through collective action. The Trade Unions Act, 1926 defines a trade union as a combination, whether temporary or permanent, formed –

- Primarily for the purpose of regulating the relation between
- Workmen and employers or
- Between workmen and workmen, or
- Between employers and employers, or
- For imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or, more trade unions.
- An analysis of the above definition reveals that trade union must be:
- A combination of workers or employers,
- Such a combination could be permanent or temporary,

ORIGIN

Trade unions are the creation of industrialization and modern industrial conditions.Industrial revolution destroyed the earlier way of life and left the individual worker, who was protected by the customary values, to drift by himself in the anonymity of the town, and gathered these workers together around the employer.

The employer did pay as little as possible to the workers; the workers as individual could not protest against it and therefore those (workers) similarly situated, economically and socially and closely associated with the work of the same employer developed mutual understanding and a common solution of their problems of living and this crystallized them into a self-conscious group what we may call as Trade union.

Trade union got originated out of the necessity of workers to protect and defend themselves from encroachment, injustice and wrong imposed upon them by the employer or the management of the concern.

The aspects of the process of industrialization those necessitated the origin of the trade union are:

1. Separation between the ownership of capital and labour, both of which are essential for producing goods and rendering services to the consumers.
2. Since, individually the workers did not have any other source of the livelihood except that of service under the owners of capital, there was no match between the two as regards economic resources or bargaining power or skill. It was the owner of capital who dictated terms and conditions of employment. This again infused a spirit of union among the workers.

FUNCTIONS

Functions of trade unions are:

- The provision of friendly services such as a place for leisure pursuits, information about jobs existing in other factories, games and outings, etc.
- The provision of social services such as insurance against old age, unemployment, strike, pay, payment for hospital fee, legal services, etc.
- Wage bargaining i.e. collective wage bargaining with the employers.
- Safeguarding the job of the workers.
- Political activities, i.e. the political pressure for reform, e.g. trade union legislation works to protect the union and the workers from such industrial abuses as delay in payment of wages, excessive hours of work, poor working conditions, etc.
- To develop cooperation with employers.
- To arouse public opinion in favour of labour.
- To secure some shares in profit and in the control of the enterprise.

OBJECTIVES

Objectives of trade unions are:

- To take labour out of the competitive process; because if a number of workers freely compete for a job, the employer will definitely offer them less wages.
- To negotiate at all levels with employers over wages and conditions of work.
- To protect the workers in their inalienable right to higher and better life.

- To make workers to take part in union activities and to obey union rules and decisions.
- To protect and promote the interests of the workers.
- To provide legal assistance to workers (i.e. union members) in connection with work
- To improve economic status of the workers.
- To protect the jobs of the workers against lay off, retrenchment, etc.
- To ensure that workers get as per rule, the pension, provident fund, compensation for injuries, etc.
- To ensure for the workers, better health, safety and welfare standards.
- To have a voice or participation in the factory management.
- To ensure that workers get respect and human treatment from the foremen, managers, etc.
- To improve their political status.
- To offer educational services to the workers.

PRINCIPLES

Trade unions function on the basis of three cardinal principles. If any one of them is threatened or is in jeopardy, they would fight back. These principles are:

Unity is strength:

This fact has been very effectively brought out by Longfellow in the song of Hiawatha:

" All your strength is in your union,
All your danger is in your discord;
Therefore, be at peace henceforward,
And, as brothers, live together."

Equal pay for equal work or for the same job:

This principle is based on one of the nine principles included in the ILO's charter of the freedom of labour, which says:

"Men and women should receive equal remuneration for work of equal value"

Security of service

Security of service, which enjoins upon trade unions that they ensure social and economic security for their members.

WHY DO EMPLOYEES JOIN TRADE UNION?

Workers join trade unions because they are constrained by circumstances to do so; and because they want:

- To get economic security; that is, they want steady employment with an adequate income;
- To restrain the management from taking any action which is irrational, -illogical, discriminatory or prejudicial to the interests of labour. Workers desire that the assignment of jobs, transfers, promotions, the maintenance of discipline, lay offs, retirement, rewards and punishments should be on the basis of pre-determined policy and on the basis of what is fair and just;
- To communicate their views, aims, ideas, feelings and frustrations to the management; that is, they want to have an effective voice in discussions which affect their welfare;
- To secure protection from economic hazards beyond their control; for example, illness, accident, death, disability, unemployment and old age;
- To get along with their fellow-workers in a better way and to gain respect in the eyes of their peers; and
- To get a job through the good offices of a trade union. Plants get unionized for three reasons – dissatisfaction, lack of power and union instrumentality. Dissatisfied employees seek union membership to improve work situation. Employees believe unionization fetch

them power. Power, in turn, is believed to remove dissatisfaction. Employees take unions as instruments to remove dissatisfaction.

TYPES OF TRADE UNION

Trade unions may be classified in various ways

1. Business unions

It is that emphasis upon the economic advantages to be bargained through collective action and thus aim at improving the wages, working hours and conditions of workers and similar other objectives largely through the process of collective bargaining.

2. Predatory unions

It is that serve as a means for the enrichment of its leaders who pay only secondary attention to the advancement of interests of members. It distinctive characteristic is the ruthless pursuit of the target by whatever means deemed appropriate at the time regardless of ethical or legal codes or effect upon those outside its own membership. Such a union may employ any of the business, friendly, revolutionary or violent methods for the achievement of its objectives.

3. Dependant or company unions

It is that rely upon the support of the employer or company management or the other large groups and hence they are likely to pay secondary importance to the interests of members;

4. Friendly unions

It is which are idealistic, conservative and law abiding and they mainly aspire to elevate the moral, intellectual and social life of workers to improve the conditions under which they work, to raise their material standard of living and provide them security against unemployment, accident, disease or old age. They depend upon the process of collective bargaining for the attainment of their objectives;

5. Revolutionary unions

It is that are extremely radical both in view- point and action. They are class conscious and tend to repudiate the existing institutional order, especially individual ownership of

productive means and the wage systems. They are strongly inclined towards strike and violence and looks upon unionism and socialism as the two wings of the labour movement. Another viewpoint classifies trade unions into following categories;

6. Craft unions, which are the simplest form of trade unionism. They are usually formed of workers with the same craft, training and specialization, no matter in what industry or trade they are employed.

7. General labour unions, which aim at becoming all embracing organizations accepting as a new member practically any wage earner whatever the place or character of his work or whatever his industrial qualifications may be.

8. Industrial unions, which organize workers belonging to an industry or a group of related industries or service.

9. Federations of trade unions, which are combination of various unions for the purpose of gaining strength and solidarity. Such federations may be local, regional or statewide national and international.

Unions affiliated with the federation are described as affiliated unions and those, which are unaffiliated, are known as independent unions.

TRADE UNION THEORIES

Different answers are given to the question: what factors lead to the origin of trade unions? These answers are known as trade union theories or approaches to the origin of trade unions. Following is a brief description of some of these approaches:

Social- psychological approach of Robert Hoxie:

Trade unions grow out of the socio-psychological environment of the workers. Workers, who are similarly situated economically and socially, closely associated and not very much divergent in temperament and training, tend to develop a common interpretation of their

social situation and a common solution of their problems of living. This leads them to unite into a union. Thus differences of environment cause different unions to develop.

Sociological approach of Frank Tannenbaum.

Trade unions are the by-products of an industrial society in which customization has destroyed the old way of life and robbed the workers of his identity, purpose and creativity. Unions are a reflection of the worker's spontaneous urge to reestablish his identity. Trade unions help the worker in regaining his social life.

Protest approach of Kerr, Dunlop and others.

Trade unions is form of organized protest against the evils of industrialization. Besides bringing about a basic change in the relationships between man and his work and between man and his cultural setting, industrialization inevitably circumscribes workers freedom by imposing discipline. The worker often finds his work distasteful and his compensation never commensurate with his contribution.

Formation of a union is one of the organized forms of protest – an expression of the workers resentment over the prevailing industrial system.

Industrial democracy approach of webs

Trade unions are the means to achieve industrial democracy. They assert that political democracy alone cannot yield to the worker the fruits of freedom of contract, freedom of association, freedom of opportunity, etc. He can enjoy the fruits of political democracy only when he is granted industrial democracy, which means that he is given say in running the industry.

Classless society approach of Karl Marx

Trade unions represent a prime instrument for destroying the capitalist class. Although these unions by themselves cannot bring about a class-less society still they are important to carry on the economic struggle against the oppression and to bring about a revolutionary transformation of the working class.

Sarvodaya approach of Gandhi

Trade unions as essentially reformist organizations whose main function is to raise the moral and intellectual standards of labour. They are in the largest degree political. Their

main aim is to increase their internal strength to work conscientiously and to take form the employer no more than what is rightfully due to the labourers.

TRENDS IN TRADE UNION MOVEMENT

A major trend witnessed these days is the change in the attitude of unions towards management, industry, government and the economy. Unions are becoming increasingly matured, responsive and realistic in their thinking and action. Gone are the days of catcall strikes, bands, gharries and violence.

- Depoliticisation of unions is another trend witnessed these days. The trend towards depoliticisation started in the 1960's and received further boost in the postliberalization era. The experience of politically free unions is pleasant; reinforcing the belief that further the unions are from politics, more advantages it is for them.
- Workers associations in our country are highly fragmented and the consequence has been the multiplicity of unions. Multiplicity is caused by ideological rifts, personal ambitions of leaders, craft divisions among workers and the management's own myopia. The multiplicity of unions weakens the bargaining strength of employees.
- One of the defects of the trade union movement in our country has been the phenomenon of outside leadership. Individuals who were not connected with a factory would assume the leadership mantle of the union.
- The clout of the central trade unions, which peaked during the post nationalization years, has started waning. One of the reasons for this trend is the gradual realization on the part of the workers, who are young and well educated, that independence unions are more advantageous than all India federations.
- Faced with the problem of declining membership and the fear of losing their relevance, trade unions are taking initiatives to fight united.

ESSENTIALS OF SUCCESSFUL TRADE UNION

To be successful, a trade union:

- Should be enlightened one, so that it may be able to guide and direct the trade union movement properly.
- Should have a solid foundation, so that it may be strong enough to achieve success in the realization of its objectives.
- Should have clearly enunciated objectives and a coherent and well conceived policy; and it should consider itself as a business organization which requires careful planning and sound organizational methods for its success.
- Should be run by the members for the members; that is, its leadership should come from the rank and file of its members.
- Should have honesty and integrity of purpose.
- Should look beyond its own horizon, and recognize and fulfill its proper role in the life of the nation and of community in the midst of which it lives and functions.
- Should have a sense of responsibility. It should be internally strong so that it may effective in protecting the interests of the workers.

UNION FREE COMPANIES

These are companies, which are non-unionized. Employees of such plants realize the negative consequences of unionization and prefer to stay away from unions. They may have misgivings about how effectively a union can improve unsatisfactory working conditions. Collective bargaining is not always successful. If union is not strong, it will be unable to make an employer meet its demand. Even if an employer does respond to union demands, the workers may be affected adversely.

The employer may not be able to survive when the demands of the union are met, and thus the company may close down, costing the employees their jobs. The organization may force the union to strike, inflicting economic hardship on employees who may not be able to afford being out of work, or it may in some cases, attempt reprisals against pro union employees. Employees may strongly identify themselves with the organization and view unionization as an attempt to weaken the company. They may object to the concept of

seniority or even the political activities of the unions. Individuals feel that their value to the organization should be judged on an individual basis and that everyone should not be treated equally. If their performance is superior, the rewards should be appropriate and direct. These individuals feel that joining unions would limit their opportunities for advancement.

Employers also may discourage unionization. Their fears about unions stem from:

- Increased cost because of higher remuneration and other non-monetary benefits and services,
- Loss of control over operations – erosion of management's authority,
- Loss of freedom to reward superior performance, and
- Lack of ability to adapt quickly to changing demands.

STRATEGIES AND TACTICS FOR REMAINING UNION-FREE

Managers develop long-term strategies and effective tactics to prevent unionization of their organizations. The more important of them are

- Effective supervision
- Open communication
- Effective personnel research
- Healthy and safe working environment

TRADE UNION ACT, 1926

Trade unions in our country are governed by the Trade unions Act, 1926. The main objective of the Act is to provide for the registration of trade unions and to give registered trade unions a legal status, and immunity to their office-bearers and members from civil and criminal liability in respect of the legitimate trade union activities.

PROVISION OF THE ACT

In pursuit of the primary objective, the act contains 33 sections. The provisions can be broadly divided into 8 sections, namely

1. Definition (s.2)
2. Registration of unions (s.3 to 12)
3. Duties and liabilities of registered unions (s.13 to s. 16)
4. Rights and liabilities of registered unions (s.17 to 21)

5. Amalgamation and dissolution of unions (s.24 to 27)
6. Submission of returns (s.28)
7. Penalties and fines (s.31 to 33)
8. Power to make regulations (s.29 to 30)

The act is a central legislation, but is administered by the state governments. Not that the central government has no role to play. It handles all unions, which are not confined to one state. It also has the power to amend the act.

EMPLOYERS ORGANISATIONS

In India the term " trade union", according to the Trade unions Act, refers to the employers organizations also. The need for these organizations is for

1. The development of healthy and stable industrial relations
2. To promote collective bargaining at different levels
3. To bring a unified employers viewpoint on the issues of industrial relations to the government in a concerted manner
4. To represent in the meetings of Indian Labour Conference and Standing Labour Committee, the employers approach to labour matters.

Like trade unions, employer's organizations too are organized at three levels in our country. There are local organizations, such as Bombay Mill Owners Association, which serve the needs of local employers only. Then there are regional organizations, such as the Southern India Mill Owners Association, which serves the interests of their members in a particular region. Finally, there are several apex organizations, such as the All India Manufacturers Organization, which serves as central bodies.

At present, the important apex employer's organizations in India are as follows:

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Indian Employers (CIE)
- Associated Chamber of Commerce and Industry of India (ASSOCHAM)
- All India Manufacturer's Organization (AIMO)

GRIEVANCE

A grievance may be defined as any feeling of discontent or dissatisfaction, whether expressed or not and whether valid or not, arising out of anything connected with the company that an employee thinks, believes or even feels is unfair, unjust or inequitable.

A grievance may be:

- Unvoiced or stated by the worker,
- Written or unwritten, and
- Valid or ridiculous, and may arise out of something connected with the company, e.g., company policy or actions

A good grievance handling procedure

- Simple, easy to understand and to operate;
- Settle grievances at lower level;
- Systematically handle the grievances ad promptly remedify the conditions complained of;
- Depending upon the nature of grievance, refer it to appropriate authority;
- Ask the employee to give his complaint in writing;
- Permit the worker to appeal against the decision taken at lower level and lastly
- The grievance procedure should be made, realizing the importance of industrial harmony and good labour relations.
-

STEPS INVOLVED IN GRIEVANCE HANDLING PROCEDURE

Step 1

The aggrieved employee presents his grievance in writing to his foreman or supervisor; he puts his grievance to union representative who also is a full time employee of the company. If the foreman, aggrieved employee and the union representative fail to work out a settlement of grievance, the dispute in the written form is sent to a higher step in the procedure.

Step 2

The grievance is looked into by the middle management and the union committee man; a union committee man supervises several union representatives and is specialists in union management negotiations. If the situations still remain unsettled, as the third step, the case if forwarded to top management and top-union officials.

Step 3

Top management representatives and top union official discuss the grievance, which by this time has now become issue that has political implications. Thus it is very difficult to secure an integration of interests at this higher level.

Step 4

If top management and union leaders fail to settle the issue, the fourth step, then, is to submit the same to an impartial arbitrator for final decision as to the action required. A failure to settle the issue at the step 4 may result in strike, picketing, Gherao or lockout. It is the best if the grievance gets settled at the level of supervisor and union representative.

MANAGING CONFLICT

MEANING AND DEFINITION

An industrial dispute means any dispute or difference between employers and employers or employers and workmen or between workmen and workmen, which is connected with employment or non-employment or terms of employment or conditions of labour, of any person.

Every human being (says a worker) has a certain needs. E.g., economic needs, social needs and needs for security. When these needs do not get satisfied, there arises a conflict between labour and capital. A conflict means a struggle or clash between the interests of the employer and the workers. When an industrial conflict (which otherwise is general in nature) acquires a concrete and specific display or revelation, it becomes an “industrial dispute”. A conflict takes the shape of Industrial Dispute as soon as the issues of controversy are submitted to the employer for negotiations.

The Industrial Disputes act, 1947, defines an industrial dispute as " any dispute or difference between employers and employers, or between employees and employees, or between employers and employees, which is connected with the employment, or non employment, or the terms of employment or with the conditions of work of any person".

FORMS OF DISPUTES

Industrial Disputes may take the form of strikes, go-slow tactics, token strikes, sympathetic strikes, pen-down strikes, hunger strikes, bands, gharries and lockouts.

TYPES OF DISPUTES

Disputes are of two kinds:

- **Disputes of Right**, which relate to the application or interpretation of an existing agreement or contract of employment; and
- **Disputes of Interest**, which relate to claims by employees or proposals by a management about the terms and conditions of employment.
- According to the industrial Disputes Act, 1947, and the many judicial decisions which have been handed down by courts and tribunals, industrial disputes may be raised on any one of the following issues;
- Fairness of the standing orders
- Retrenchment of workers following the closing down of a factory, layoffs, discharge or dismissal, reinstatement of dismissed employees, and compensation for them
- Benefits of an Award denied to a worker; non-payment of personal allowance seasonal employees; the demand of employees for medical relief for their parents;
- Wages, fixation wages, and minimum rates, modes of payment, and the right of an employee to choose one of the awards when two awards on wages have been given;
- Lockout and claim for damages by an employer because employees resorted to an illegal strike;
- Payment of hours, gratuity, provident fund, pension and traveling allowance;
- Disputes between rival unions

CAUSES OF INDUSTRIAL DISPUTES

Some of the common causes of Industrial disputes have been listed below:

Psychological Causes

- Difficulty in adjusting with each other (i.e., employer and worker)
- Clash of personalities
- Authoritarian Leadership (administration)
- Demand for self-respect and recognition by workers.
- Strict discipline

Institutional Causes

- Non recognition of the labour union by the management
- Matters of collective bargaining.
- Unfair conditions and practices.
- Pressures workers, not to become members of union, etc.

Economic Causes

i) Terms and conditions of employment

- More hours of work
- Working in night shifts
- Promotion, layoff, retrenchment, dismissal, etc.

ii) Workers conditions

- Environmental conditions such as too hot, too cold, noisy, dirty, messy, etc
- Improper plant and workstation layout.
- Old and trouble giving machines
- Frequent changes in products, etc

iii) Wages and other benefits

- Inadequate wages
- Undesired deduction from wages
- Poor fringe benefits
- No bonus or other incentives, etc.

Denial of legal and other rights of workers

- Not proceeding as per labour laws and regulations, standing orders, etc
- Violation of already made mutual agreements

SETTLEMENT OF INDUSTRIAL DISPUTES

The different methods employed for settling the disputes are:

(i) Without state intervention

- Collective bargaining
- Voluntary arbitration
- Code of discipline

(ii) With state intervention

- Compulsory collective bargaining
- Bipartite committees
- Compulsory arbitration
- Compulsory conciliation and mediation
- Compulsory investigation

(iii) Grievance procedure

COLLECTIVE BARGAINING

MEANING AND DEFINITION

Collective bargaining takes place when a number of work people enter into a negotiation as a bargaining unit with an employer or group of employers with the object of reaching an agreement on the conditions of the employment of the work people.

Collective bargaining is probably the most effective method of resolving industrial disputes. It occurs when representatives of a labour union meet management representatives to determine employee's wages and benefits, to create or revise work rules, and to resolve disputes or violations of the labour contract.

The bargaining is collective in the sense that the chosen representative of the employees (i.e. the union acts as a bargaining agent for all the employees in carrying out negotiations and dealings with the management.

CONCEPT

Effectively, collective bargaining is a managerial tool that facilitates an amicable and mutually acceptable agreement between the management and the employees, to solve all employment – related problems. In some cases, third-party intervention might be necessary to resolve these matters.

- Collective bargaining constitutes the negotiations between the management and the union with the ultimate objective of settlement of the disputed issues.
- Collective bargaining is basically a give and take process involving proposals and counter proposals.
- Meetings between management representatives and union leaders are conducted in an attempt to arrive at an agreement or at the settlement of the dispute.
- The two parties bargain with each other on disputed issues to arrive at an agreement.
- The agreement is signed by both the parties and the length of time the treaty will operate may be specified.
- Collective bargaining introduces an element of democracy in the field of Industrial Relations and Management.
- Collective bargaining imposes certain restrictions upon the employer. Unilateral action is prevented. The employer is no longer free to make and enforce employment decisions.

FEATURES OF COLLECTIVE BARGAINING

The main features of collective bargaining are:

GROUP ACTIVITY

Collective bargaining is a group activity because the parties involved in the bargaining process represent different groups

ACTIVITY LEVELS

There are different levels in the process of collective bargaining. Starting with a simple bipartite discussion between the management and the employees at unit/ plant level, it can proceed to industry/ national level.

FLEXIBILITY

Collective bargaining aims at a mutually agreeable and favorable solution to the problems between the management and the employees. Thus, flexibility, in ideas and opinions, demands and requests, and decisions and agreements is the chief characteristic of the collective bargaining process.

WIN- WIN SITUATION

The agreements of collective bargaining are based on the principle of mutual interest. All the parties involved should have win-min attitude and aim at reaching an agreement that is in the best interests of all parties

BUILDS RELATIONSHIPS

Collective bargaining, as a continuous process, helps in building a culture of strong relationships between the management and the employees (trade unions). This helps in developing a conflict / dispute –free industrial environment.

AN ART AND A SCIENCE

An expert at collective bargaining is someone who has practiced the art well. It is also a science because understanding the process of collective bargaining and predicting the response of the other party as accurately as possible can help in better negotiation and enhanced performance in achieving the desired results.

OBJECTIVES

Collective bargaining has benefits not only for the present, but also for the future. The objectives of collective bargaining are:

- To provide an opportunity to the workers, to voice their problems on issues related to employment
- To facilitate reaching a solution that is acceptable to all the parties involved
- To resolve all conflicts and disputes in a mutually agreeable manner.
- To prevent any conflicts/disputes in the future through mutually signed contracts
- To develop a conducive atmosphere to foster good industrial relations

APPROACHES

Collective bargaining has been viewed from three perspectives:

As a process of social change

Collective bargaining acts as a technique of long- run social change, leading to restructuring in the power hierarchy of competing groups

As a peace treaty between the conflicting parties

It serves as a peace treaty between both parties in case of continued conflict.

However, as the compromise is a temporary truce, each party would like to modify the contract at the earliest opportunity.

As a system of industrial jurisprudence

It is a rule-making or legislative process, in the sense that it formulates terms and conditions under which labor and management will cooperate and work together for a specific period.

IMPORTANCE

In summary, collective bargaining offers the following benefits to both employers as well as employees:

It helps increase economic strength of both parties at the same time protecting their interests.

It helps establish uniform conditions of employment with a view to avoid occurrence of industrial disputes.

It helps resolve disputes when they occur.

It lays down rules and norms for dealing with labour.

It helps usher in democratic principles into industrial world.

PROCESS

Collective bargaining has two facets:

Negotiating the work conditions that become the collective agreement (contract) describing employer0employee relationship on the job

Interpreting and enforcing the collective agreement (contract administration) and resolving any conflict arising out of it.

The process of collective bargaining involves six major steps:

- Preparing for negotiations
- Identifying bargaining issues
- Negotiation
- Reaching the agreement
- Ratifying the agreement
- Administration of the agreement

Preparing for Negotiation: Careful advance preparations by employers and employees are necessary because of the complexity of the issue and broad range of topics to be discussed during negotiations. Effective bargaining means presenting an orderly and factual case to each side.

Identifying Bargaining Issues: The major issues discussed in collective bargaining fall under the following four categories:

Wage related issues: These include such topics as how basic wage rates are determined, cost of lining adjustments, wage differentials, overtime, wage adjustments and the like.

Supplementary Economic benefits: These include such issues as pension plans, paid vacations, paid holidays, health insurance plans, retrenchment pay, unemployment pension, and the like.

Institutional Issues: These consist of the rights and duties of employers, employees, unions, employee's stock ownership schemes and QWL programmes.

Administrative Issues: These include such issues as seniority, employee discipline and discharge procedures, employee health and safety, technological changes, work rules, job security, training and the like.

Negotiating: Preparations having been made and issues been identified, the next logical step in the collective bargaining process is negotiation. The negotiation phase begins with

each side presenting its initial demands. The negotiation goes on for days until the final agreement is reached.

Settlement and Contract Agreement: After an initial agreement has been made, the two sided usually return to their respective constituencies to determine whether what they have informally agreed upon is acceptable.

In this stage, the union-negotiating team explains and puts the agreement to the union members for a vote. If voted, this agreement is formalized into a contract. It is important that the contract must be clear and precise.

Administration of the Agreement: The agreement must be implemented according to the letter and spirit of the provisions of the agreement. Faculty implementation or violation of any provision leads to disputes.

ESSENTIALS FOR SUCCESSFUL COLLECTIVE BARGAINING

The following conditions favor collective bargaining:

- There should be a single union, or in case of multiple unions, a common agreement among them. Clash of interests among unions, leads to chaos and uncertainty, which would result in a loss to the employees.
- Management should be open to the requests of the trade unions and should identify the union representatives.
- The culture of the organization should foster the right spirit for collective bargaining to be successful.
- The role of a third party should be minimized and agreements should be based on bipartite bargaining.
- All the parties involved should aim at a win-win situation and not a win lose situation. The common interests of the organization and its employees should be taken into consideration while reaching any agreement.

MANAGING DISCIPLINE

MEANING AND DEFINITION

Discipline in its broadest sense means " orderliness, the opposite of confusion. It does not mean a strict and technical observance of rigid rules and regulations. It simply means working, cooperating and behaving in a normal and orderly way, as any responsible person would expect an employee to do"

"Discipline is employee self-control which prompts him to willingly co-operate with the organizational standards, rules, objectives, etc."

OBJECTIVES

The aims and objectives of discipline are:

- To ensure and enable employees to work in accordance with the rules and regulations of the organization
- To ensure that employees follow the organizational processes and procedures in spite of their different personalities and behavior.
- To provide direction to the employees and fix responsibilities.
- To improve organizational performance by improving the efficiency of each employee.
- To maintain a sense of orderliness and conformity to organizational rules in the employees.
- To maintain common feelings of trust and confidence in the employees towards each other and towards the management.

TYPES OF DISCIPLINE

Discipline among employees can be achieved in two ways, either through rewards or through penalties. Based on this, discipline can be classified into two types:

- Self-imposed or positive discipline
- Enforced or negative discipline

If employees are motivated through rewards, appreciation, constructive support, reinforcement or approved personnel actions to conform to organizational rules and regulations, it is termed as "Positive Discipline". The attitude and mindset of the employees is developed to ensure that they willingly conform to the rules and regulations of the organization.

If employees are forced to follow the rules and regulations of the organization by inducing fear in them, them it is referred to as "Negative Discipline". In this type of discipline, the employees fear loss of promotion, an increment or a job and therefore reluctantly and unwillingly try to conform to the organizational rules.

Organizations should use negative discipline only when it is extremely essential. All efforts should be made to ensure a discipline through a positive approach, so that employees are motivated to perform as per the disciplinary standards laid out by the organization.

ACTS OF INDISCIPLINE OR MISCONDUCT

Misconduct or an act of indiscipline impairs the organization, tarnishes its reputation and leads to employee unrest. If not tacked immediately, these acts can lead to disciplinary problems.

The basic acts of misconduct or indiscipline in an organization can be categorized as follows:

ATTENDANCE

Attendance is one of the major problems that mangers encounter in organizations. It relates to misuse of leave facilities, tardiness and absenteeism. The reasons for attendance problems could be:

- Incongruence in employee and organizational goals
- Personality characteristics, like attitude towards work
- Unpleasant relationship with supervisors and co-workers
- Ensured job security leading to a relaxed and uninterested approach

ON THE JOB BEHAVIOR

An employee's behavior should be in accordance with the rules and regulations laid out by the organization. Any behavior that hampers the work of the individual or disturbs the performance of other employees demands disciplinary action. Reasons for such acts of indiscipline can be:

- Lack of proper upbringing and education
- Work-related pressures and trained relationships
- General attitude and personality of the individual

DISHONESTY

Dishonesty is not only stealing or misusing organizational resources. It could also involve claiming a colleague's work, cheating, spying, working below potential etc. Dishonesty brings in distrust among the employees and between the management and the employees.

The reasons for dishonesty could be:

- Social and economic pressures
- Lack of proper upbringing and education
- Personality characteristics of the employee
- Biased and subjective performance evaluation systems

ACTIVITIES THAT ARE HARMFUL FOR THE ORGANIZATION

This category includes all those activities that employees engage in, which affect either their on-the-job performance or the organization's reputation. Unauthorized strikes, criminal activities, and working for a competitor are some of these activities.

CAUSES OF INDISCIPLINE AND MISCONDUCT

Indiscipline relates to disorderliness at work and non-conformity to the prescribed rules and regulations of the management. Some of the causes of indiscipline are:

- When an employee has to perform a job that does not suit his qualifications, experience or aptitude, it can lead to employee frustration and demotivation. This can lead to acts of misconduct like irregular attendance, tardiness at work etc.

- Strained relationships with the supervisor or with colleagues can force an employee to indulge in acts of indiscipline similar to the ones stated above.
- Improper or biased evaluation of individuals and their performance can result in demotivated employees, whom might resort to misconduct to express their dissatisfaction and distress.
- An efficient, ineffective and closed-door grievance redressal procedure in an organization can result in indiscipline of employees who are dejected and frustrated.
- Loss of trust or confidence in each other, or in the management, can make employees behave in an indisciplined manner.
- Lack of proper education and upbringing of the workers can also lead to indiscipline at ork.
- Improper or inconvenient working conditions can lead to acts of indiscipline by workers.
- Social and economic pressures or compulsions, outside the purview of the organization, may also lead to indiscipline and misconduct of employees.

PRINCIPLES OF MAINTAINING DISCIPLINE

The principles that have to be adhered to, in the maintenance of discipline are:

- The rules and regulations should be framed with mutual coordination and acceptance of the management and employees. By involving employees in the process, their degree of compliance with the rules can be improved.
- All the rules should be evaluated and updated from time to time to ensure their relevance and utility.
- Rules should be formulated based on the nature of work and working conditions, Separate rules have to be framed for employees in the office and in the field.
- The rules should be so formulated that they ensure an objective and unbiased analysis of the acts of indiscipline. Every employee should be treated the same way under the disciplinary procedure.

- All the employees should know the penalties for violation of different rules. This would help in maintaining restraint when they contemplate acting in violation of rules and regulations.
- The disciplinary procedure should ensure that an employee does not repeat a similar act of indiscipline in the future. The disciplinary action taken, should deliver a strict message to the employee, regarding the consequence of a similar act being repeated.
- The disciplinary procedure should provide for analysis of a rule or its violation, if the employees are violating the rules frequently.
- The entire procedure including the appeal and review of all the disciplinary actions should be mentioned in the employee's handbook or collective agreements.
- The procedure should provide for a legal as well as a humane approach.

WORKERS PARTICIPATION

MEANING AND DEFINITION

"The concept of worker's participation in management crystallizes the concept of industrial democracy, and indicates an attempt on the part of an employer to build his employees into a team which works towards the realization of common objectives"

The concept of worker's participation aims at providing an opportunity to the workers to take part in the management decision-making. Worker's participation is adopted and practiced differently in different organizations while in some places, the employees might be required to just give their suggestions and the final decision-making authority vests with the management, in other places, the workers might be involved in taking only operational decisions.

In some other places, however, workers might get to actively participate in all the decisions of the organization, including those at the strategic level.

Workers participation in management can be in any shape, from establishing work committee to auto-management by the employees. The aim of management is to get wok through others. Workers, if they are permitted to participate and involve themselves in some of the decisions relating to work situation, etc., perhaps more effectively the company objectives can be achieved.

LEVELS OF PARTICIPATION

The degree of influence that workers are allowed to exercise can be classified into five levels - from the minimum to maximum degree of participation. These levels are:

Informative Participation: At this level of worker's participation, information regarding the balance sheet, production targets, new technology introduction etc. is shared with the workers. It is a one-way communication from the management to the workers. The workers have no role to play in organizational management.

Consultative Participation: Worker representatives in different forums like work committees and joint management councils are consulted on matters such as employee benefits, employee welfare and work conditions. The recommendations of the worker representatives are given due consideration, but the final decision-making authority vests with the management.

Associative Participation: The management is under a moral obligation to accept and implement the unanimous decision of the worker's council. The workers at this level of participation have a major role to play, when compared with the earlier two stages.

Administrative Participation: In administrative participation, the worker's council is given certain alternatives from which it can select the one it wants to implement. At this level workers enjoy a greater degree of influence than at the previous three levels.

Decision Participation: At this level, decisions are taken jointly on matters relating to production and welfare. As the decisions are taken with the mutual consent, both the parties are obliged to abide by them, and the decisions are successfully implemented.

PURPOSE OF WORKERS PARTICIPATION

Workers participation in management ensures that the capabilities of workers are properly utilized and that they are able to make a significant contribution to the effectiveness and economic welfare of the organization. The reasons for workers participation are as follows:

- It bridges the gap between the management and the workers by authorizing the workers to take part in managerial functions.
- Workers feel valued and therefore are more committed to their work.
- They feel they have the ability o influence organizational decisions and this makes them more responsible in performing their duties.
- Since they are involved in the process of decision-making, nay change in the organization can be implement without resistance from them.
- Participation also ensures that each party (workers and management)
- Understands the problem and constraints of the other. This helps in reducing industrial conflict.
- Participation enables equal distribution of power in industry so that it tends to be shared among all those engaged in organizational work.
- Participation facilitates effective communication between the workers and the management.
- The increased use of technology in industry has necessitated the growing co-operation of workers because of the complex operations of production.
- To summarize, participation improves the progress and prosperity of the enterprise as workers put in their best efforts.

TYPES OF WORKERS PARTICIPATION

Workers participation in management may take many forms, e.g.

1) Formal participation, which can be –

- Ascending participation
- Descending participation

2) Informal participation

FORMAL PARTICIPATION: It consists of some plan for labour-management co-operation, i.e., to some degree, recognized as a modus operand between management and workers, frequently through a union.

1) Workers and management may work together on such plans as

- Accident prevention
- Elimination of waste and defective work
- Attendance & Absenteeism
- Employee insurance plans, etc.

2) In ascending type of participation, the elected representatives of workers participate in managerial decisions at higher levels such as in the board of directors of the enterprise.

3) In descending type of participation, workers participate in the planning and deciding their own work on the shop floor.

4) Collectively, workers can participate in –

- Works committees, which are meant for promoting measures for securing and preserving amity and good relations between workers and management. A works committee comments upon matters of common interest and attempts to settle any material difference of opinion between the two parties..
- Joint – councils of workers and management may decide the issues on which interests of management and workers are identical, e.g., Accident prevention and safety measures, determination of production standards, workers training, welfare measures etc.
- Information sharing in which workers are told about certain aspects of the company, e.g., plans for expansion, financial position of the company, etc.

- Employees director, i.e., an elected representative of the (employee's or) workers is one of the board of directors.

INFORMAL PARTICIPATION: It is more typically at work-group level, where the foreman develops the opportunity for the group of workers to take part in a problem-solving or decision-making process. Typically, the matters on which decisions are taken are those within the prerogatives of the foreman or supervisor.

IMPORTANCE OF PARTICIPATION

- The greatest benefit of participative management is that the employee identifies himself or herself with the wok and this leads to an improved performance.
- Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction, and cooperation with the management will also improve.
- Reduced conflict and stress, more commitment to goals, better acceptance of a change.
- Employees may also reduce turnover and absences when they begin to feel that working conditions are satisfactory and that they are becoming more successful in their jobs.
- The act of participation in itself establishes better communication, as people mutually discuss work problems. The management tends to provide workers with increased information about the organization's finances and operations, and this helps employees to give better quality suggestions.
- Participative management has ethical dimensions also. The ethical orientation stems from:

Morality the impartial promotion of human welfare Recognize the inherent value and dignity of the human being The self-worth of the individual enhances Participation relates to the mental and physical health of employees Ethical justification for worker participation is derived from negative consequences of hierarchical and authoritarian organizations of work.

WORKERS PARTICIPATION IN INDIA

In India, according to the industrial policy resolution, 1956, he aim of the government in advocating worker's participation in management is to create a socialist society where workers share the managerial powers. In second Five-year plan, the purpose of worker's participation was defined as follows:

- Increasing productivity for general benefit of the enterprise, employees and community;
- Giving employees a better understanding of their role in the working of the industry and of the process of production
- Satisfying the workers urge for self-expression, thus leading to industrial peace, better relations and increased cooperation
- The Government of India accepted that the representatives of workers should be taken on the board of directors of public sector enterprises. The worker director (representative of the workers) is to be elected by all he workers of the company through a secret ballot.

PRE-REQUISITES FOR SUCCESSFUL PARTICIPATION

For worker's participation to be successful, there is a need to have:

- A healthy work atmosphere that motivates employees to participate in the decision making process. Frequent conflicts in industries frustrate workers and they do not show interest in decision-making as they feel that they management is averse to proposals made by the workers.
- It is the responsibility of both the workers and the management to put in their best efforts, talents and resources for the realization of their goals.
- There should be total agreement between both parties regarding the functioning of the participation schemes. This will ensure the willingness of both the parties to participate in the progress and functioning of the schemes.
- Frequent meetings between the two parties will reduce he communication gap and help in implementing decisions at the right time.

- The participation schemes in an organization should be introduced at he shop floor and plant level. Until these are underway, the scheme of workers involvement at the board level should not be introduced.
- Workers training and education should be given importance so that the workers can understand the importance of their participation and its beneficial effects for the organization.
- The programs for training and development should be formulated comprehensively so that the workers are able to comprehend the various aspects of management.
- To make the employees participate actively, their suggestions should be taken into account and if the suggestions are good, they should be implemented immediately. This would increase employee contribution and cooperation.
- The management and the workers should trust one another and work towards improving the system. They should be willing to contribute to the fulfillment of organizational goals.
- Workers participation schemes should be based on mutual trust and confidence and not enforced by law or compulsion, as this would defeat their very purpose.
- Finally, it is important to evaluate the effectiveness of the worker participation programs from time- to – time and if required, necessary changes should be made to render them more acceptable and effective.

POSSIBLE QUESTIONS

Part A (Online Exam)

Part B

1. Define industrial relation
2. State the meaning of industrial relation?
3. Give the objectives of industrial relation?
4. State the importance of industrial health?
5. Define grievance
6. State the meaning of grievance?
7. List out don't in handling grievance?
8. Define trade union
9. List out the factors affecting growth of trade union
10. Write a short note on collective bargaining?

Part C

1. Define industrial relation and describe its characteristics?
2. Describe the functional requirement of a successful industrial relation?
3. Define grievance and state the causes of grievance?
4. Elaborate the objectives and functions of trade union?
5. Discuss certain Do's and Don'ts in handling grievance?

KARPAGAM ACADEMY OF HIGHER EDUCATION

Class : III B com PA **Course Name : Human Resource Management**

Course code : 15PAU603B **Unit V** **Batch :2015-2018**

Part A (Online Exam)

S.No	Questions	Option A	Option B	Option C	Option D	Answers
1	_____is a bureaurcratic organization.	company	government	firm	divine	company
2	Wages and salary administration refers to sound----------.	polices	administer	persons	principles	administer
3	The basic purpose of wages is to provide equitable--------	salary	price	wages	bonus	wages
4	Wages and salary administration concerns with theneeds of ---------- aspect.	financial	recruit	train	wide	financial
5	_____ may be defined as money received.	payment	increase	compensation	bonus	payment
6	_____usually refers to hourly rate or daily rate.	employee	people	employer	wages	employer
7	Salary normally refers to------ rate.	monthly	daily	one day	dual	one day
8	Benefits come under ---------- compensation.	direct	personal	indirect	individual	direct
9	A---------- is an negotiation between employer and	collective bargaining	trade	union	one	collective bargaining

	employees.					
10	Collective bargaining is a system of solving --------- conflict.	people	social	collective	single	collective
11	Management must protect the rights of----------.	employer	employee	trade unions	foreman	employer
12	A---------- strike is of quick,sudden and unauthorized work stoppage.	basic	demand	purpose	wildcat	purpose
13	Sit down strike refuses to---------.	do	earn	work	to earn and work	to earn and work
14	The objective of Trade union is to improve the working condition and-------.	trade	safety	people	policy	people
15	Economic policies are created in---------- factors.	economic	social	political	public	social
16	Trade union is a ----------.	union	consumer	political	member	union
17	Collective bargaining is a---------process.	individual	single	group	one	group
18	A---------- Involves negotiations.	collective bargaining	trade	union	collective and tradeunion	collective and tradeunion
19	A---------- level is one type of collective bargaining.	state	national	company	strategy	company
20	A---------- bargaining is one of the best strategy.	single	one	interactive	double	single

21	A union and management should have mutual trust and---------.	company	loyalty	confidence	dissatisfaction	loyalty
22	Always---------- the rules and regulations contionously.	seen	monitor	correct	wrong	correct
23	A bargaining unit must be only----------.	one	two	none	four	four
24	A unions should not make strike in----------.	periods	situations	emergency	prospective	emergency
25	A----------sectors have insufficient experience in collective bargaining.	individual	plain	government	Group	plain
26	A one welfare act for the company is ----------	medical benefit	goodwill	trade union	positive	goodwill
27	The minimum wages act of year is---------	1968	1948	1937	1943	1948
28	Collective bargaining solves the----------.	employers	employees	problems	direction	problems
29	A complaint becomes a ----------	grievance	trade	union	negative	grievance
30	A grievance is a----------.	person	dissatisfaction	people	right	dissatisfaction
31	Grievances exist in the minds of----------.	company	individual	peoples	supervisors	peoples
32	The company does not allow--------- to settle grievances.	problems	loss	supervisors	worker	supervisors

33	A grievance procedure is a ----------.	clear	seen	closed type	open type	seen
34	A grievances can be----------.	direct	valid	indirect	direct, valid, invalid and indirect	direct, valid, invalid and indirect
35	A grievance procedure is ---------- process.	formal	way	informal	structured	informal
36	Disputes has to be _____	settled	unsettled	define	un analysed	define
37	Grievances is ---------.	employer relation	Disopinion and complaint	employee relation	worker cooperation	Disopinion and complaint
38	Industrial relations refers to a -------concept.	dynamic	desire	relations	trade	dynamic
39	A-------- is the essence of industrial relations	persons	organization integration	collective bargaining	group integration	organization integration
40	The functions of trade union should be ----------	reduced	broadened	treated	formalized	treated
41	A------- activity is concentrated on large scale industries.	trade union	industry	collective	people	trade union
42	Trade unions first concentrates on-------	organization	company	finance	workers	workers
43	A-------- should be honest.	resource	employees	trade union	disobedient	trade union
44	Trade unions should be--------.	personal	seasonal	trade mark	democratic	trade mark
45	Trade unions should improve the ----------.	wages	persons	employees	Employees carrier	Employees carrier
46	A---------- should have a	management	organization	trade union	industrial	industrial

	sense of responsibility.				relationd	relationd
47	A trade union should bring industrial----------.	harmony	relations	people	communication	communication
48	Trade unions mostly concentrates on--------cities.	metropolitian	slum	district	state	metropolitian
49	An industry should have only-------Trade union.	three	one	two	five	three
50	All---------- should be treated as insiders.	single	equally	same	ex-insiders	equally
51	A----------is a force that helps to undertake rules.	policy	rules	regulations	discipiline	regulations
52	Discipiline means-------.	kind	order	obedience	person	order
53	A discipilinary action refers to--------.	punishment	action	seen	control	punishment
54	Employee morale and industrial peace are---------.	accepted	seen	linked	integration	integration
55	Positive discipline refes to----------.	profit	reward	duty	loss	duty
56	_____ participation has to be encouraged	workers	organization	foreman	supervisors	workers
57	worker_____ is intellectual in making a decision to the organization	motivation	encourage	participation	prospective	participation
58	The wage structure should be----------	collected	permitted	seen	flexible	seen
59	The wage and salary structure should fulfill the---	human	job	work	prospect	job

	----------needs.					
60	A ----------level is an average rates paid for the jobs.	data	people	wage	training	data