**18BAU303A**   **HUMAN RESOURCE MANAGEMENT**   Semester – III   4H   –   3C

Instruction Hours / week  L: 4  T: 0  P : 0       Marks: Internal: 40    External: 60       Total: 100

End Semester Exam: 3 Hours

**COURSE OBJECTIVES:**
**To make the students**
1. To Understand the Concept of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations.
2. To communicate orally and in written form the understanding of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations.
3. To apply the understanding of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations in lifelong practice.

**COURSE OUTCOMES:**
**Learners should be able to**

1. Understand the Concept of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations.
2. Communicate orally and in written form the understanding of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations.
3. Apply the understanding of Human Resource Management, Human Resource Planning, Recruitment, performance appraisal and employee relations in lifelong practice.

**UNIT I INTRODUCTION TO HUMAN RESOURCE MANAGEMENT:**
Definition and Concept, Features , Objectives, Functions, Scope  and Development of Human Resource Management, Importance of Human Resource Management, Human Resource Practices.

**UNIT II : HUMAN RESOURCE PLANNING, JOB ANALYSIS AND DESIGN:**
Concept of Human Resource Planning (HRP), Factors in HRP, Process of HRP

Job Analysis, Job Description, Writing a Job Description, Job Specification, Job Design

**UNIT IIIRECRUITMENT, SELECTION, INDUCTION AND TRAINING**
Recruitment: Introduction, Concept of Recruitment, Factors Affecting Recruitment, Types of Recruitment

**Selection:** Introduction, Concept of Selection, Process of Selection, Selection Tests, Barriers in Selection

**Induction:** Introduction, Meaning and Definition of Induction, Need for Induction , Problems Faced during Induction , Induction Programme Planning

**Training:** Concept and Significance of Training, Training Needs, Training Methods, Types of Training

**UNIT IV    PERFORMANCE  APPRAISAL,  WAGES  AND  SALARY  AND INCENTIVES**

**Performance Appraisal:** Introduction, Concept of Performance Appraisal, Purpose of performance appraisal, Process, Methods of Performance Appraisal, Major Issues in Performance Appraisal

**Wages and Salary:** Introduction, Nature and Significance of Wage and Salary Administration, Theories of Wages, Methods of Wage Fixation

**Incentives:** Introduction, Concept of Incentives, Effective Incentive System, Types of Incentive Scheme

**UNIT V EMPLOYEE RELATIONS AND INTERNATIONAL HRM**
Employee Relations: Introduction, Concept of Employee Relations, Managing Discipline, Managing Grievance, Employee Counselling

International HRM: Introduction, Comparison of Domestic and International HRM, Challenges in International HRM

**SUGGESTED READINGS:**

1. Aswathappa, K. (2017). *Human Resource Management*, 6[8h] edition, McGraw Hill Education, NewDelhi.
2. Dessler, G. and BijjuVarkkey (2017). *Human Resource Management,* 15[th]edition, Pearson Education, NewDelhi.
3. David A. Decenzo , Stephen P. Robbins, Susan L. Verhulst (2015), *Human Resource Management,* 11th edition, Wiley, NewDelhi.
4. George W Bohlander and Scott., Snell., (2016). *Principles of Human Resource Management* , 16th edition, Cengage India, NewDelhi.
5. Scott Snell, George Bohlander , Veena Vohra (2010), *Human Resources Management: A South Asian Perspective*, 1st edition, Cengage India, NewDelhi.

**KARPAGAM ACADEMY OF HIGHER EDUCATION**
**(Deemed to be University)**
**(Established under section 3 of UGC Act 1956)**
**Coimbatore-641021**
**Department of Commerce**

| | | | |
|---|---|---|---|
| Name | : Dr. M.Usha | Department | : Management |
| Course Code | : 18BAU303A | Semester: III   Year | : 2018-21 Batch |
| Course | : Human Resource Management   LESSON PLAN | | |

| UNIT I | | | |
|---|---|---|---|
| **SI.No** | **Lecture Hours** | **Contents** | **References** |
| 1 | 1 | Human Resource Management Introduction | T: Pg.No.: 2-7 |
| 2 | 1 | Human Resource Management Meaning Definition | R1: Pg.No.: 13-14 |
| 3 | 1 | Features of Human Resource Management Pervasive Continuous process Interdisciplinary | R1: Pg.No.: 15-17 |
| 4 | 1 | Objectives of Human Resource Management Effective Utilization of Resource Organizational Structure Goal Harmony | R1: Pg.No.: 17-19 |
| 5 | 1 | Functions of Human Resource Management Managerial Functions | R2: Pg.No.: 21-23 |
| 6 | 1 | Operative Function Recruitment, Selection, Training, Compensation and Integration | T: Pg.No.: 11-15 |
| 7 | 1 | Scope of Human Resource Management Personnel and Technical Development of Human Resource Management | R2: Pg.No.: 45-46 |
| 8 | 1 | HRM Procedures Need Assessment for training Importance of Human Resource Management Human Resource Practice | R2: Pg.No.: 46-47 W1 |
| 9 | 1 | Recapitulation and discussion of important questions | |
| **Total number of hours planned for Unit I** | | | **9** |

| | | UNIT II | |
|---|---|---|---|
| **SI.No** | **Lecture Hours** | **Contents** | **References** |
| 1 | 1 | Human Resource Planning<br>Inventory of Present Human Resource<br>Forecasting Demand and Supply of Human Resource | T : Pg.No.: 1-3 |
| 2 | 1 | Concept of Human Resource Planning<br>Predetermine course of action'<br>Continuous process | R 2: Pg.No.: 1 – 4 |
| 3 | 1 | Factors of Human Resource Planning<br>Cost effectiveness<br>Staff Expertise<br>Business Growth<br>Change Management<br>Employee impact | W 1 |
| 4 | 1 | Process of Human Resource Planning<br>Preparation of Job Analysis<br>Establishing Plan | T: Pg.No.: 4-6 |
| 5 | 1 | Job Analysis<br>Human Requirement of Jobs<br>Job Duties and requirements | T: Pg.No.:7 |
| 6 | 1 | Job Description<br>Job duties and responsibilities | R 2: Pg.No.: 7 - 10 |
| 7 | 1 | Writing a Job Description<br>Job Summary | T: Pg.No.:8-15 |
| 8 | 1 | Job Specification<br>Specific qualities<br>Job Design: Employee Input, training, task, adjustment and Reschedule | T: Pg.No.:16-18<br>(W2) |
| 9 | 1 | Recapitulation and discussion of important questions | |
| **Total number of hours planned for Unit II** | | | **9** |

| | | UNIT III | |
|---|---|---|---|
| **SI.No** | **Lecture Hours** | **Contents** | **References** |
| 1 | 1 | Recruitment:  Meaning, Definition<br>Methods of Recruitment<br>Types of Recruitment<br>    * Internal Source<br>    * External Source | R1: Pg.No.: 204-210 |
| 2 | 1 | Factors affecting Recruitment | R1: Pg.No.: 211-213 |
| 3 | 1 | Effectiveness of Recruitment Programme | R1: Pg.No.: 214-215<br>W2 |
| 4 | 1 | Selection: * Meaning & Definition | R1: Pg.No.: 215-216 |
| 5 | 1 | Steps involved  in Selection<br>Selection Process:<br>*Meaning and Definition | R1: Pg.No.: 216-217 |
| 6 | 1 | Selection Valued Process:<br>    1. Aptitude tests<br>    2. Achievement tests<br>Barriers in Selection | T: Pg.No.: 146-147 |
| 7 | 1 | Induction: Meaning, Definition<br>Needs of Induction<br>Problem faced during Induction<br>Induction Programme Planning | T: Pg.No.: 150-155<br>W3 |
| 8 | 1 | Training And Development<br>    * Meaning, importance and concept<br>    * Methods of Training and Evaluation | R1: Pg.No.: 307-331 |
| 9 | 1 | Recapitulation   and   discussion   of   important questions | |
| **Total number of hours planned for Unit III** | | | **9** |

<table>
<tr><td colspan="4" align="center">**UNIT IV**</td></tr>
</table>

| SI.No | Lecture Hours | Contents | References |
|---|---|---|---|
| 1 | 1 | Performance Appraisal: * Meaning, Definition | R2: Pg.No.: 188-190 |
| 2 | 1 | Objectives of Performance appraisal<br>    * Salary increase * Promotion<br>    * Training and Development | R2: Pg.No.: 191-193 |
| 3 | 1 | Significance of performance appraisal | R2: Pg.No.: 194-195 |
| 4 | 1 | Performance Appraisal Process | R2: Pg.No.: 195-196 |
| 5 | 1 | Methods of Performance Appraisal<br>Traditional Method<br>Modern Method | T: Pg.No.: 183-185 |
| 6 | 1 | Ranking method<br>Man to man comparison, Forced Choice, Critical Incident method<br>In recent times the additional methods:<br>Appraisal by results or objectives<br>Behaviorally anchored rating scales<br>    (BARS)<br>    360-degree appraisal | T: Pg.No.: 185-189<br>W4 |
| 7 | 1 | Wage and salary administration:<br>* Meaning and Definition<br>Wage Incentives<br>Wage payment plans:<br>Two broad classifications are<br>i. Non-incentive wage<br>ii. Incentive wage plans | R1: Pg.No.: 451-452 |
| 8 | 1 | Types of incentives:<br>*Direct Incentives<br>*Indirect Incentives<br>* Financial Incentives<br>*Semi-Financial Incentives. | R1: Pg.No.: 452-453 |
| 9 | 1 | Recapitulation and discussion of important questions | |
| | | **Total number of hours planned for Unit IV** | **9** |

| | | UNIT V | |
|---|---|---|---|
| **SI.No** | **Lecture Hours** | **Contents** | **References** |
| 1 | 1 | Employee Relations: Meaning, Definition, Importance of Employee Relations | R4: Pg.No.: 195-200 |
| 2 | 1 | Concept of employee relations<br>Scope and Aspects of Industrial Relation | R4: Pg.No.: 200-204 |
| 3 | 1 | Trade Union: Meaning and Concept<br>Basic Characteristics of Trade Union<br>Functions of Trade Unions | R4: Pg.No.: 45-47 |
| 4 | 1 | Role of Trade Unions<br>Principles Regulating Trade Union Functions | R4: Pg.No.: 47-57 |
| 5 | 1 | Managing Discipline<br>Grievances: Meaning, Definition<br>Causes of Grievances | R4: Pg.No.: 57-59<br>W5 |
| 6 | 1 | Procedures of Settlement<br>Procedures in India<br>Collective Bargaining: Meaning, Definition<br>Features of Collective Bargaining | T: Pg.No.: 211-215 |
| 7 | 1 | Employee Counseling<br>International HRM<br>Comparison of Domestic and International HRM | R4: Pg.No.: 523-528 |
| 8 | 1 | Challenges in International HRM | R4: Pg.No.: 528-535 |
| 9 | 1 | Recapitulation and discussion of important questions | |
| **Total No. of Hours Planned for Unit – V** | | | **9** |
| 10 | 1 | Discussion of previous ESE Question papers | |
| 11 | 1 | Discussion of previous ESE Question papers | |
| 12 | 1 | Discussion of previous ESE Question papers | **3** |
| **Total No. of Hours Planned for Unit – V<br>&<br>Previous ESE Question Papers Discussion** | | | **12** |

**SUGGESTED READINGS:**

**TEXT BOOKS**

T- C. B. Memoria, (2018), *Personnel Management and Industrial Relations*, (2nd ed) Himalaya publishing House Mumbai.

**REFERENCES**

R1: Tripathy, (2017), *Personnel Management and Industrial Relation.* (3rd ed), Sultan Chand & sons publishers, New Delhi.

R2: Varma & Agarwal, (2016), *Personnel Management and Industrial Relations*.(5th ed.), Manu Rastogi Publishers New Delhi.

R3: Pradeep Kumar, (2016),*Personnel Management and Industrial Relations*.(9th ed.), Kedarnath ramnath & co., Publishers, New Delhi

R4: Memoria. C.B. (2015),*Dynamics of Industrial Relations*.(5th ed.), Himalaya Publishing house, New Delhi.

**WEBSITES**

W1 - www.liberarywise.edu

W2 -  www.Iimahd.ernetic

W3 - www.crawford.com

W4 - www.grotal.com

W5 - www.acas.org.

## UNIT-I

## SYLLABUS

**INTRODUCTION TO HUMAN RESOURCE MANAGEMENT**: Definition and Concept, Features, Objectives, Functions, Scope and Development of Human Resource Management, Importance of Human Resource Management, Importance of Human Resource Management, Human Resource Practices.

**INTRODUCTION TO HUMAN RESOURCE MANAGEMENT**:

Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade unions, ensuring employees safety, welfare and healthy measures in compliance with labour laws of the land.

**Edwin Flippo** defines- Human Resource Management as "planning, organizing, directing, controlling of procurement, development, compensation, integration , maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved."

According to Leon C. Megginson "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 the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees". Thus, HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organisation so that the goals of an organisation are achieved in an effective and efficient manner.

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## CONCEPT OF HUMAN RESOURCE MANAGEMENT:

A specialized branch of General Management—Personnel management is a part of the general management and therefore all the principles of management are applicable to this also. Personnel management is a central and pervasive subsystem of all organisations.

**MANAGEMENT OF HUMAN RESOURCES:** Human Resource management is management of personnel i.e., human resources. 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 pervasive 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.

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.

**OBJECTIVES:**

The primary objective of HRM is to ensure the availability of right people for right jobs so as the organisational goals are achieved effectively.

**This primary objective can further be divided into the following sub-objectives:**

1. To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.

2. To utilize the available human resources effectively.

3. To increase to the fullest the employee's job satisfaction and self-actualisation.

4. To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.

5. To help maintain ethical policies and behaviour inside and outside the organisation.

6. To establish and maintain cordial relations between employees and management.

7. To reconcile individual/group goals with organisational goals.

**HRM Objectives and Functions:**

| HRM Objectives | Supporting Functions |
|---|---|
| 1. Societal Objectives | 1. Legal compliance<br>2. Benefits<br>3. Union-management relations |
| 2. Organisational Objectives | 1. Human resource planning<br>2. Employee relations<br>3. Selection<br>4. Training and development<br>5. Appraisal<br>6. Placement<br>7. Assessment |
| 3. Functional Objectives | 1. Appraisal<br>2. Placement<br>3. Assessment |
| 4. Personal Objectives | 1. Training and development<br>2. Appraisal<br>3. Placement<br>4. Compensation<br>5. Assessment |

## SCOPE

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organisation. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organisation (see figure 1.1). The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in detail, in seriatim.



Fig. 1.1: Scope of HRM
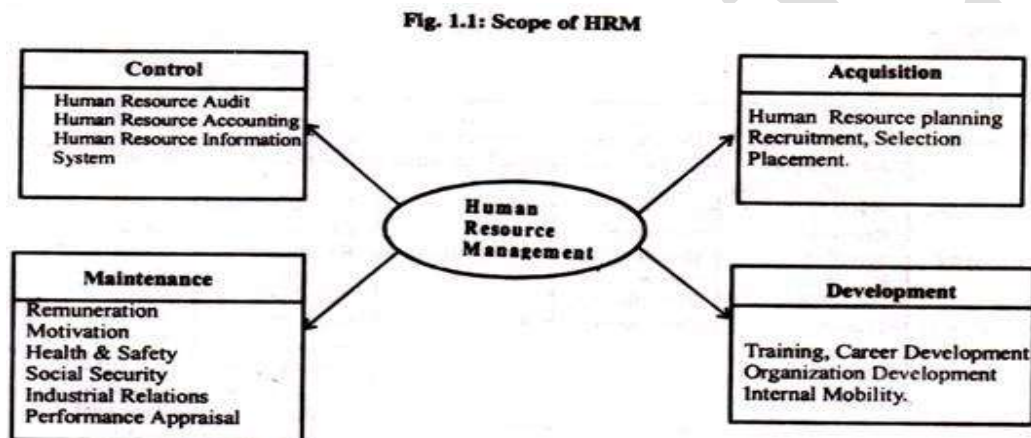
**The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:**

**1. The Labour or Personnel Aspect:** This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

**2. Welfare Aspect:** It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

**3. Industrial Relations Aspects:** This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

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**FUNCTIONS OF HUMAN RESOURCE MANAGEMENT:**

**The Human Resource Management involves two categories of function**

1. Managerial

2. Operative

**BASIC MANAGERIAL FUNCTIONS ARE**

1. Planning,   Organizing , Directing , Co-ordination and  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 HUMAN RESOURCE 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.

## IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

### 1. They are In-charge of Overall Recruitment and Training of a Workforce:

In collaboration with hiring managers of employers, the HR provides leadership training, teamwork management, scheduling assistance, a systematic hiring process, recruitment planning processes, interview expertise, selection monitoring, and more.

### 2. Monitors Company Culture:

Every organization has a distinct company culture. Some organizations say that HR owns the culture, but as in all other employee relations matters, the ownership is generally with the management and the employees. HR must also make sure that the company culture will allow creativity and productivity to thrive most.

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### 3. Supervises Overall Talent Management Processes:

This is one of the leading functions of the HR department. In collaboration with other managers, HR is on top of management development, performance management, succession planning, career paths, and other aspects of talent management. HR can't do it alone and relies heavily on managers and executive staff to help plan and execute the strategies. However, HR has to bring new ideas and effective practices in the organization.

### 4. Develops Standardized, Fair, and Strategic Compensation Plan:

The HR department is knowledgeable in terms of rules and policies involving pay depending on the city, state, or region. This must be applied when trying to evaluate salary grades for all levels of the organization. They guide managers as they determine the salary ranges within their organizations.

### 5. Finds Out, Recommends, and Implements Employee Benefits and Compensation Programs That Would Help Attract and Retain Superior Employees:

HR keeps track of these trends especially regarding employee benefits and compensation perks. They are also responsible for controlling costs and considering various options before recommending adoption of such.

### 6. Recommends and Implements HR Strategies in the Organization:

HR must always merge the current with future goals. This must be aligned to make sure that the momentum does not slow down or decrease at some point. If your organization is changing direction, developing new products, changing mission, vision, or goals, HR must lead the way with employee programs and processes. They must supervise with expansion and growth in mind at all times.

**7. Ensures an Active Workplace Environment Complete with Events, Celebrations, Field Trips, Celebrations, and Team Building Activities:**

HR should be able to actively engage and keep employees nurtured and happy in the work environment. HR is generally responsible for monitoring the budget and providing committee oversight in terms of these activities planned and implemented in the calendar year.

**8. Be Proactive in Terms of Resolving Issues or Conflict Within the Organization or Mapping Out an Effective Approach to Enhancing Work Productivity in the Workplace:**

Conflicts are part of any healthy and robust organization. Not everyone would feel the same way with each other, but they need to develop effective working relationships for contributions and productivity. HR can help by knowing the players and taking on the necessary role of advocate, coach or mediator.

The importance of HR is easily overlooked in the organization especially in the busy day-to-day hustle and bustle in the workplace, but without effective human resource management contributions in each of these areas, the organization would not be able to achieve its fullest potential and expand its horizon.

Think of talent management as a business strategy that will help you retain exceptional employees. For effective talent management, every aspect of recruiting, hiring, and developing employees is affected positively.

Every HR department has its eyes set on providing every company the best services and systems that would work to drive not just profit but team synergy. The goal of talent management is a superior workforce. Here are systems that the organization must include for best practices in talent management.

## QUALITIES OF A GOOD HR 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.

**EVOLUTION AND DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT**

In fact, the seed of HRM were sown during the industrial revolution 1850s in Western Europe and USA. The wind gradually reached to India as well in the beginning of twentieth century. 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 further worsened their conditions. This was the period when state intervention to protect the worker s interest was felt necessary.

The Royal Commission of Labour in India (1911) under the chairmanship of J H, Whitley recommended the abolision of the 'jobber' system and the appointment of labour officers in industrial enterprise to perform the recruitment function as well as to settle the worker's grievances. Also, workers started forming their associations which was subsequently known as 'trade unions' to improve their lots. Trade Union Act, 1926 was passed in India.

The basic philosophy underlying trade unionism 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, boycotts, and sabotage as weapons for the acceptance of their problems.

These activities of trade unions gave rises to personnel practices such as collective bargaining, grievance handling system, arbitration, disciplinary practices, employee benefit programmes, installation of rational and defensible wage structures .

**Social Responsibility Era:**

In the starting decade of 20$^{th}$ century, some factory owners/employers started showing humanistic approach towards the workers. Robert Owen, a British industrialist towards workers. He viewed that

the principal social and economic environments influence the physical mental and psychological development of workers. Therefore, in order to improve the productivity, it is necessary to improve, conditions of employees by removing them from an adverse environment or by changing the environment with the provisions of more satisfactory living and working conditions.

The philosophy underlying in Owen's paternistic approach was that worker' is just like a child and owner is just like a father. Therefore, the owner should take care of a worker just like a father takes care of his child. Accordingly, Owen himself implemented this philosophy in his cotton mill at Scotland by introducing facilities such as shower baths and toilets in the factory premises, model villages for workers, raising minimum wage of employment of child labour to 11 years and reducing working hours from 12 to 10 hours.

Owen also appealed to other industrialists to introduce the similar facilities in their factories. However, some critics view that, in the event of increasing trade unionism in factories, factory owners adopted these facilities to control over the labour problems and unrest. According to them, adoption of such practices was a compulsion for factory owners rather than their paternistic philosophy.

**Scientific Management Era:**

The concept of scientific management was introduced by Fredrick Winslow Taylor' in the USA early in the 20th century as an 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's 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.

4. Harmonious relations and close cooperation with workers to secure performance of work in accordance with the planned jobs and tasks.

In his scientific theory, Taylor viewed man/worker 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's study is limited to the physical characteristics of the human body as it responds to routine and to clearly defined jobs.

He visualized man functioning as an "appendage to the industrial machine". Realizing that with physical efforts, human body can get tired and thus, can affect worker's performance both in quantity and quality, Taylor developed several techniques to introduce his scientific ideas in management.

**The following are the important techniques developed by him:**

1. Time study to analyze and measure the time taken in doing the various elements of a job and to standardize the operations of a job.

2. Motion study involving close observation of the movements required to perform a job with a view to eliminate wasteful motions and decide on the best way of doing the job.

3. Standardization of tools, equipment's and machinery and working conditions.

4. Incentive wage plan with differential piece rate of wages for efficient and inefficient workmen.

The main contribution of Taylor to management was it led to professionalization of management and human engineering. However, some critics criticize his views on the ground that its focus was more on technology and not on human factor in industry.

**Human Relations Era:**

By 1920, it was felt that earlier approaches to human resource management were incomplete as these did not recognize workers as human beings having their feelings, attitudes and needs. It was between 1925 and 1935; many experts expressed their opinions towards the human aspects of organisational activities.

A psychologist namely 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 at the Hawthorne plant of the Western Electric company in the USA.

**The main findings of the Hawthorne Experiments were as follows:**

1. Physical environment at the work place do not have any material impact on the efficiency of work.

2. Favourable attitudes of workers and work-team towards their work were more important factors determining efficiency.

3. Fulfillment of the worker's social and psychological needs had a beneficial impact on the morale and efficiency of workmen.

4. Employee groups based on social interactions and common interests exercised a strong influence on worker's performance.

5. 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.

Based on these findings, the researchers developed a human relations approach to HRM. It was based on the view that the modern organisation is a social system in which the social environment and inter-personal relations govern the behaviour of employees.

The relationship between the superiors and subordinates should relate to the social and psychological satisfaction of the employees. In ultimate sense, the objective of human relations approach was to make employees productive and it was realized that employees' satisfaction is the best means of making the employee productive.

**Behavioural Science Era:**

We have just seen that human relations era assumes that a happy worker is a productive worker. As a corollary to this, the behavioural science era assumes human behavior as a means to achieve efficiency in performance. Behavioural approach to HRM is based on the findings of intensive research carried out by behavioural scientists belonging to the disciplines of sociology, social psychology, anthropology and management experts.

The major contributions made by the behavioral scientists are in the areas of motivation, leadership, communication, organisational change and development, organisational culture, and individual and group dynamics On the whole, behavioural science approach of HRM was concerned with the social and psychological aspects of human behaviour in organisations.

# Evolution and Development of HRM in India:

| Period | Development Status | Outlook | Emphasis | Status |
|--------|-------------------|---------|----------|--------|
| 1920s –1930s | Beginning | Pragmatism of capitalists | Statuory, welfare, paternalism | Clerical |
| 1940s –1960s | Struggling for recognition | Technical, legalistic | Introduction of techniques | Administrative |
| 1970s –1980s | Impressing with sophistication | Professional, legalistic impersonal | Regulatory conformance, imposition of standards on other functions | Managerial |
| 1990s | Promising | Philosophical | Human values, productivity through people | Executive |

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## 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.

## TEN HR PRACTICES THAT CAN HELP YOU ACHIEVE ORGANIZATIONAL GOALS EVERY YEAR.

1. Safe, healthy and happy workplace

Creating a safe, healthy and happy workplace ensures that employees feel at home and stay with the organization for a very long time. Capture their thoughts through frequent surveys.

2. Open book management style

Sharing information about contracts, sales, new clients, management objectives, company policies, employee personal data, etc. ensures that the workforce is as enthusiastic about the business as the management. It helps in making people interested in your strategic decisions, thus aligning them to your business objectives. Be as open as you can. Employee self-service portal, manager on-line etc. are some tools available today to practice this style.

3. Performance linked bonuses

Awarding bonuses or including a variable component in compensation can be both an incentive and a disillusionment based on how it is administered and communicated. Bonuses must be designed in such a way that employees understand that there is no payout unless the company hits a certain level

of profitability. Additional criteria could be the team's success and the individuals performance. It is good for employee retention also.

4. 360 Degree performance management feedback system

This system, which solicits feedback from seniors (including the boss), peers, and subordinates, has been increasingly embraced as the best available method for collecting performance feedback. Every person in the team is responsible for giving relevant, positive and constructive feedback.

5. Fair evaluation system

Develop an evaluation system that clearly links individual performance to corporate business goals and priorities. Each employee should have well-defined reporting relationships. Self-rating should be a part of the evaluation process as it empowers employees. Evaluation becomes fairer if it is based on achievements of the employee, tracked over the year. For higher objectivity, besides the immediate boss, each employee should be evaluated by the next higher level (often called a reviewer). Cross-functional feedback, if obtained by the immediate boss from another manager (for whom this employee's work is also important), will add to the fairness of the system.

6. Knowledge sharing

Adopt a systematic approach to ensure that knowledge management supports strategy. Store knowledge in databases to provide greater access to information posted either by the company or the employees on the knowledge portals of the company. When an employee returns after attending any competencies or skills development program, sharing essential knowledge with others could be made mandatory. Innovative ideas (implemented at the work place) should also be posted on these knowledge sharing platforms. However, what to store and how to maintain a knowledge base requires further and detailed plans.

7. Highlight performers

Create profiles of top performers and make these visible though company intranet, display boards, etc. It will encourage others to put in their best, thereby creating a competitive environment within the company.

8. Open house discussions and feedback mechanism

Ideas rule the world. Great organizations recognize, nurture and execute great ideas. Employees are the biggest source of ideas. The only thing that can stop great ideas being implemented in your organization is the lack of an appropriate mechanism to capture ideas. Open house discussions, employee-management meets, suggestion boxes and tools such as Critical Incidents Diaries can help identify and develop talent.

9. Rewards

Merely recognizing talent may not work, you need to couple it with public appreciation. Getting a cash bonus is often less significant than listening to the thunderous applause by colleagues in a public forum.

10. Delight employees with the unexpected

Last but not least, occasionally, delight your employees with unexpected things in the form of a reward, a gift or a certificate. Reward not only the top performers but also a few others who need to be motivated to exhibit their potential.

Empxtrack is a composite HR solution which helps you implement most of these best practices by utilizing software tools. We provide you with relevant performance management system which is synchronized with your HR processes.

**HUMAN RESOURCE BEST PRACTICES PRESENTED BELOW HAVE BEEN PROPOSED BY JEFFREY PFEFFER. PFEFFER WROTE TWO BOOKS ON THIS TOPIC:**

- Competitive Advantage through People (1994), and

- The Human Equation: Building Profits by Putting People First (1998)

In these books, he proposes a set of best practices that can increase a company's profit. When these best practices are combined (or bundled), their impact is even more profound.

These best practices are:

1. Providing security to employees

2. Selective hiring: Hiring the right people

3. Self-managed and effective teams

4. Fair and performance-based compensation/li>

5. Training in relevant skills

6. Creating a flat and egalitarian organization

7. Making information easily accessible to those who need it

**1. Providing security to employees**

The first Human Resource best practice is employment security. Life is unpredictable and work is a stable factor that is very important to most people. Having an empoloyer who enables the employee to provide for themselves and their family is, in essence, the number one reason why people come to work.

There is both a formal contract (labor for money) and an informal contract (you put in some extra effort, we take good care for you) between the employee and the employer. Employment security enables employees to go home after work and provide for themselves and their families. This concept of security is essential and underpins almost everything HR does.

When this employment security is threatened, for example when there is a restructuring or a layoff, you see this immediately ripple through the organization.

Employment security also benefits organizations because it helps them retain their people. When employees are laid off, for example, it's usually the organization that pays the price. They are the ones who have invested in the selection, training, and development of these employees. This is a costly process. If the organization doesn't work on retaining its people, they are more likely to leave and work for the competition.

**2. Selective hiring: Hiring the right people**

The second HR best practice is selective hiring. This enables an organization to bring in employees who add value.

You can't just hire anyone; you want people who are fit for the job. Companies do their utmost best to hire exceptional people because they add the most value to the business.

Research shows that the difference in performance between an average performer and a high performer can be as high as 400%! This holds true for different industries and job types, including researchers, entertainers, and athletes.

Bringing in the right people is, therefore, a key to building a competitive advantage.

In today's digital world, there are a lot of different recruitment tools we can use to make the right selection. More and more companies vigorously keep track of their recruitment metrics to see how well they are doing in this regard.

Commonly used selection instruments are structured and unstructured interviews, IQ tests, personality assessments, work tests, peer assessments, and reference checks. These (pre-employment) assessments are used to uncover three key candidate characteristics.

1. **Ability**:

is the person able to do the job? Does the person have the right technical and soft skills? Is the person smart enough to do the job well?

2. **Trainability**:

can we train this person to improve his/her skills? Has the person the aptitude to learn and keep developing?

3. **Commitment**:

will the person commit to his/her work and to the organization? Will we be able to retain this person once he/she is up to speed and fully productive?

**3. Self-managed and effective teams**

We all know that teamwork is crucial in achieving goals. High-performance teams are crucial for any company when it comes to achieving success.

Teams provide value because they consist of people who are and think differently but are working towards a common goal. This means that different ideas are generated to help achieve the goal. These ideas are then processed and combined, resulting in the best ones being selected.

The best teams are cognitively diverse and psychologically safe. This means that team members can generate ideas that are different while feeling comfortable bringing these up and discussing them.

Creating and nurturing high-performance teams is one of HRs key responsibilities. Belbin's Team Role Inventory is a commonly used tool for team creation and cooperation.

Individual personality assessments are also often used as they help to understand how other team members think and behave. Understanding these processes is one of the main responsibilities of a manager. This is the reason why a lot of management courses focus on it.

There are different tools that facilitate teamwork. Examples include communication software, feedback tools, project management tools, and other task and goal setting software. These can facilitate communication and help teams be more efficient.

Finally, HR needs to encourage different teams to work together in the organization. A team is usually part of a larger entity, like another team or a department. These larger entities also need to work together. Facilitating this helps to build an efficient and effective organization. One of the tools that can be used for this is Organizational Network Analysis.

**4. Fair and performance-based compensation**

Contingent compensation is the fourth Human Resource best practice. It has everything to do with compensation and benefits.

First of all, if you hire the right people, you want to compensate them above average. These are the people that will add the most value to your company so you want to retain them and pay them fairly. This is an example that shows how different best practices work together to provide more value than they would alone, in this case, selective hiring, contingent compensation, and employment security.

Paying people above the norm also has a number of potential disadvantages. For instance, it discourages bad employees to leave. However, if you're consistently hiring world-class performers, an above average compensation is a must.

This sort of compensation can take the form of financial (base) pay and employee benefits.

Secondly, you want to couple individual rewards with the different types of contributions that employees make. These are performance-related rewards.

By coupling organizational performance outcomes with individual rewards the individual is incentivized to maximize this outcome. It also creates a sense of ownership for the employee.

Think of profit sharing, shared ownership, or stock options for instance. These are great ways to create employee commitment to the company's long-term vision and retain high potentials. Compensation is a key element for successful talent management.

In line with the previous, this type of co-ownership is usually not meant for all employees. Lepak & Snell (2002) offer a good model to assess how important individual employees are.



As an organization, you want to specifically retain your "Criticals". They are people with unique skills (i.e. hard to replace) who are very valuable to the business. That's why senior managers, most of which fit this category, are often offered these benefits.

## 5. Training in relevant skills

This HR best practice states that companies should invest heavily in training time and budget for its employees.

After recruiting the best people, you need to ensure that they remain the frontrunners in the field. This has become even more relevant today as the rate at which technology is developing is growing exponentially. This is where learning and development come in.
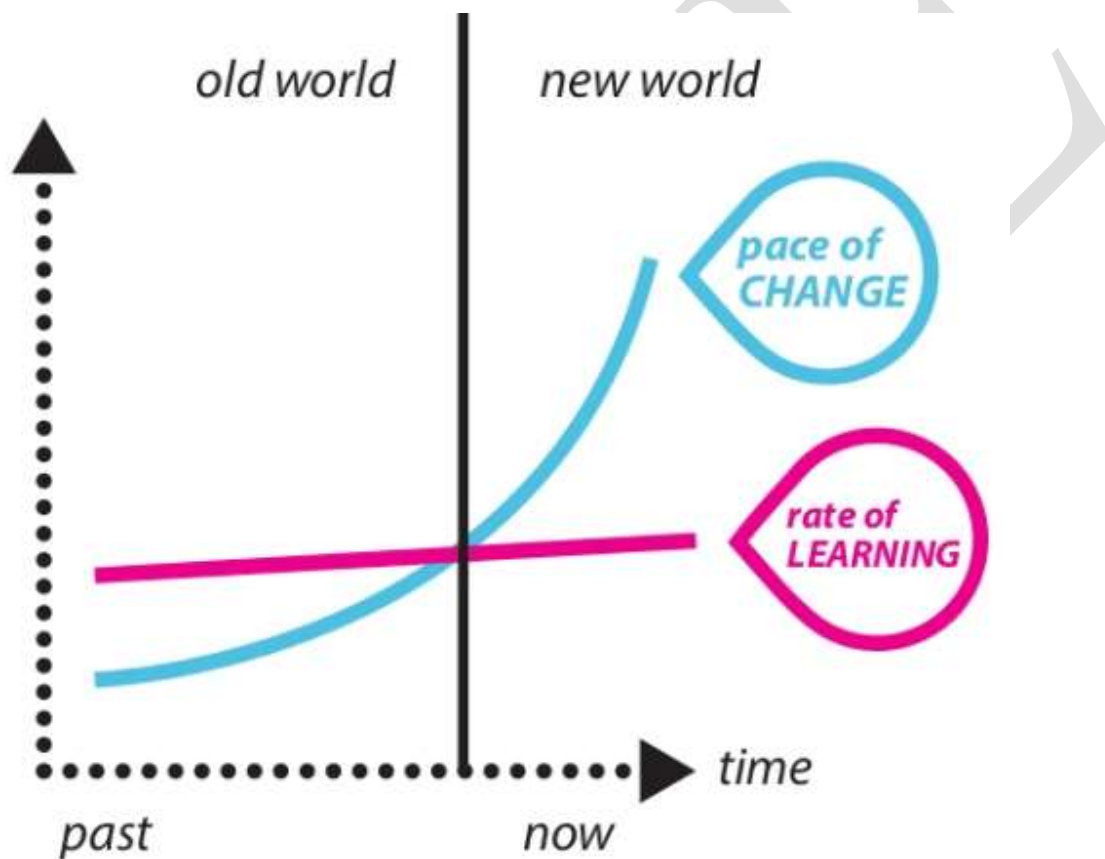


How do we create an organization in which the rate of learning matches the pace of change? Learning has become a way to stay innovative, grow faster, and sustain a competitive advantage.

Employers increasingly invest in skills-specific forms of training. According to the Economist's Lifelong Learning special report, the number of on-demand courses has grown exponentially. Thanks to the internet, everyone is connected and can learn anything, anytime, anywhere.

In addition to formal learning, on-the-job learning also plays an important role. Increased focus on feedback, coaching, and peer learning plays into this. This is part of the often quoted 70|20|10 rule:

- 70% of learning is from challenging assignments
- 20% of learning is from developmental relationships
- 10% of learning is from formal coursework and training

Learning is also becoming increasingly important for the latest generations, such as the Millennials and Generation Z. According to Gallup, younger employees rate learning and personal growth as much more important compared to older generations.

The next generation of workers is actively looking for development opportunities and sees these as a way to grow in their profession. Not offering these opportunities is related to higher levels of employee turnover.

Learning is, of course, also important for HR. To stay up to date and learn the skills needed to do HR in the 21st century, check out our courses at the Academy to Innovate HR!

**6. Creating a flat and egalitarian organization**

This best practice in HR is rooted in the egalitarian practices of Japanese management. Although we just saw that some employees are more critical than others for the organization's success, this shouldn't be communicated in such a way. Every employee is a valuable member of the organization and should be treated as such.

In Japanese organizations, this is expressed with common canteens, company uniforms, and similar sickness and holiday entitlement. Such an egalitarian culture shows that everyone deserves equal respect and could help in promoting the sharing of ideas.

**7. Making information easily accessible to those who need it**

Information sharing is essential. This is an area where a lot of large companies struggle: How do you keep track of who knows what, so you know where to go to with your questions?

According to Pfeffer, there are two reasons why information sharing is so important.

Firstly, open communication about strategy, financials, and operations creates a culture in which people feel they are trusted. It truly involves employees in the business. As an additional effect, it discourages hear-say and negative informal chatter.

Secondly, if you want your people to share their ideas, they need to have an informed understanding of what's going on in the business.

Being informed about the business is also something that employees often mention as something they find important in attitude surveys, as well as having a chance to contribute to and influence decisions affecting their working life.

**THREE MODERN HR PRACTICES FOR SUCCESS TODAY ARE A FOCUS ON EMPATHY, USING DATA AND TURNING ANALYSIS INTO STRATEGY.**

**1. Focus on empathy**

There is no magical divider at the door to every office that prevents people from bringing in other aspects of their lives. Having empathy as an HR professional helps you understand that people will bring their full self to work. As Dawn Sharifan, Head of People at Slack, recently told us, it's hard to be a person.

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## 2. Dig into data

From performance to employee engagement, there are now ways to record and track data about everything. Numbers are an HR professional's new best friend. In fact, a 2017 Deloitte report found that 71 percent of organizations now see people analytics as a priority in their organization.

Data is able to quantify many aspects of the employee experience in a way that makes sense to leaders. They can now see why engagement is important and how it affects the bottom line.

## 3. Turn analysis into strategy

While people analytics provide valuable insights to an organization, the next step is finding a way to apply HR practices in a strategic way to create change.

If the data says the organization has poor retention and low employee engagement, you need to find a way to fix things. By working with other company leaders, you can connect all the dots and create a course of action.

Considering all that HR professionals juggle, that's not always easy. But being involved in everything from the employee experience to payroll budget to learning and development, gives you a unique perspective. And once there's a plan in place, it's up to HR professionals to execute and adjust as necessary.

| Questions | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Answer |
|---|---|---|---|---|---|
| HRM is a concerned with_____. | machines | methods | people | raw materials | people |
| HRM is a_____process. | continuous | discontinuous | breaking | pending | continuous |
| _____is the conscious determination of future course of action. | Stopping | Planning | Directing | Controlling | Planning |
| _____are continuing guidelines on the approach of the organization which intends to adopt in managing its people. | Personnel Policies | Organizational Policies | Departmental Policies | Functional Policies | Personnel Policies |
| HR policies are formulated in context of_____objectives | individual | departmental | organizational | team | organizational |
| _____determines of future needs of man power in the light | HR planning | HR development | HR structure | HR system | HR planning |
| Early of 1920s human resource management status viewed as ---- | Administrative | Managerial | Clerical | Executive | Clerical |
| HRD aims at------------- part human resources in the organisation. | Development | Maintenance | Relationship | Execution | Development |
| HRD is----------of HRM | Subset | Main | Firm | company | Subset |
| The human resource function has---------and ethical objectives | Finance | Customer | Social | Information | Social |
| While HRD is mainly concerned with development function, HRM is----------in nature | Custom | Strategic | Ordinary | risky | Strategic |
| The -------------focuses his attention in providing and improving welfare facilities for employees | HR manager | Functional manager | Arbitrator | Adjudicator | HR manager |
| HRM is the systematic approach to achieve organisational objective through optimal use of ---------- | Latest technologies | Advanced machines | Talented employees | Funds and space | Talented employees |

| Question | Option A | Option B | Option C | Option D | Answer |
|---|---|---|---|---|---|
| HRM is---------- in scope | Broader | Small | No more | Very little | Broader |
| What tasks might the HR evolving HR organisation is involved with most? | Outsourcing | shared service centres | Line manager performing HR tasks | Leader | Line manager performing HR tasks |
| Which of the following positions would be considered a human resource specialist? | Human resource manager | Compensation manager | Vice president human resources | Marketing manager | Vice president human resources |
| HRM is reactive where as HRD is ---------------- | Sensitive | Proactive | Dynamic | Negative | Proactive |
| HRM is concerned with people only where as HRD is concerned with ---------- | Development of the entire organisation | Finance | Marketing | Administration | Development of the entire organisation |
| HR policies promotes-----------work environment | Positive | Negative | Harmful | Unconstructive | Positive |
| HRIS as a, "system used to------------------ information regarding an organisations human resources | Acquire | Store | Analyse | Acquire, store and analyse | Acquire, store and analyse |
| According to HRM employees are--------of organisation | Costs | Assets | Liablity | Expenditure | Assets |
| Effective use of human resource will result in---------- | goal achievement | goal failure | no changes | neutral | goal achievement |
| _____enable the employees to reach their full potencial | Environmenet | Training and development | recruitement | selection | Training and development |
| HRM is both an art and ----------- | maths | science | biology | commerce | science |
| HRM improves employee -----------and loyalty to the organisation | turnover | retention | engagement | management | engagement |
| HRM encourages-----------and co-operation among employees | team work | advice | retention | None of the above | team work |

| Question | A | B | C | D | Answer |
|---|---|---|---|---|---|
| The personal onjectives of the employees should be allined with the-------------- objectives | social | organizational | internal | external | organizational |
| HRM focuses on the attitude, behaviour, perceptions and -------- | money | level | emotions | badness | emotions |
| HR department in tune with the---------- of the organisation | vision and mission | turnover | share holders | mission | vision and mission |
| Reduction in labour costs due to ------------ | training | automation | record work | selection | automation |
| HRIS used to gather, store and analyse information regarding organisations ------ | human resources | gereral management | financial activities | financial functions | human resources |
| HRIS --------------- productivity of the systems | decreace | improve | stagnise | maintain | improve |
| _____evaluates and controls the performance of the HR department | investors | supervisors | hr manager | hr executive | hr manager |
| HRM department maintain records relating to ----------- | recruitement | selection | training | recruitement, selection and training | recruitement, selection and training |
| Staffing includes --------- | recruitement | induction | interview and selection | recruitement, induction, interview and selection | recruitement, induction, interview and selection |
| HR planing is the-------------activity of HRM | primary | secondary | least | highest | primary |
| The role and responsibilities of the HR manager depends on the size of the -------------- | organisation | market | employee | competitors | organisation |
| Successful HR Managers have an open door policy and are -------- | non-approachable | approachable | difficult | distance | approachable |
| Successful--------------know and understand what motivates employees and strive to give it to them | Supervisors | Finance Managers | Marketing Managers | HR Managers | HR Managers |
| _____will make everyone respect and follow same rules in the organisation | customers | HR policies | shareholders | corporation | HR policies |
| The actual achievements compared with the objectives of the job is -------------------- | Job performance | Job evaluation | Job description | job specification | Job performance |
| Empowerment is a direct determinant of------------- morale | employee | employer | customer | shareholder | employee |

| | | | | | |
|---|---|---|---|---|---|
| Greater involvement leads to greater ----------- | advise | commitment | communication | conflicts | commitment |
| Downsizing refers to the process of ----------the size of workforce | increasing | reducing | maintaining | doing nothing | reducing |
| _____is also referred as layoff | recruitement | selection | Downsizing | rightsize | Downsizing |
| _____helps to cut costs | recruitement | Downsizing | training | interview | Downsizing |
| _____is a method used by companies to reduce surplus staff | VRS | empowerment | recruitement | transfer | VRS |
| VRS is a method used by companies to | increase | reduce | maintain | borrow | reduce |
| HRIS helps to keep the information ----------- | outdated | up-to-date | follow | switch | up-to-date |
| _____helps reduction of errors in payroll and employee information database | HRIS | HR policies | Hr manager | recruitement | HRIS |
| HRIS means the collection, recording, storing, analyzing & ----- of data about the human resources | retrieving | demolising | control | manipulate | retrieving |
| VRS applies to an employee who has completed of | 10 years | 1 year | 5 years | 20 years | 10 years |
| VRS should apply to---------- of the organisation | only executives | cader | employees | all employees | all employees |
| Downsizing may get------------ from the public | appreciation | support | criticism | comments | criticism |
| _____may increase the feeling of job insecurity among employees | promotion | transfer | downsizing | mergers | downsizing |
| _____will increase morale and productivity | downsizing | VRS | employee empowerment | selection | employee empowerment |
| When employees are empowered with responsibility, become freed to concentrate on strategy and the bigger picture | directors | shareholders | customers | managers | managers |
| Human resources are one of the most vital _____ of one organisation | Asset | Machine | Organization | Loss | Asset |
| According to HRM employees are----------------- of organisation | Cost | Asset | Loss | Organization | Asset |

| ---------------- resources can be used as a means for developing competitive advantages | Capital | Human | Mechanical | Electrical | Human |
|---|---|---|---|---|---|

## UNIT-II

## SYLLABUS

**HUMAN RESOURCE PLANNING, JOB ANALYSIS AND DESIGN:** Concept of Human Resource Planning (HRP), Factors in HRP, Process of HRP, Job Analysis, Job Description, Writing a Job Description, Job Specification, Job Design.

## HUMAN RESOURCE PLANNING

Human Resource 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  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.

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**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.

**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.

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**CONCEPT OF HUMAN RESOURCE PLANNING:**

**OBJECTIVES OF HUMAN RESOURCE PLANNING**

1. To ensure proper utilization of human resources.

2. To check the development of the employees for the achievement of the organization goal.

3. To ensure proper human resource policies.

4. To provide proper control measures whenever required.

**SCOPE OF HUMAN RESOURCE PLANNING**

1. To make the list of current manpower.

2. To check how much current manpower is being utilized.

3. To find out how much manpower is required.

4. To make manpower procurement plans.

5. To make the training programmes.

**IMPORTANCE OF HUMAN RESOURCE PLANNING**

1. Human resource planning/ manpower planning is helpful in finding out surplus/ shortage of manpower.

2. It is helpful in employee development.

3. It is useful in finding out the deficiencies in existing manpower and providing corrective training.

4. It is helpful in overall planning process of the organization.

According to E.W. Vetter, human resource planning is "the process by which a management determines how an organisation should make from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kind of people at the right places, at the right time to do things which result in both the organisation and the individual receiving the maximum long range benefit."

**FACTORS AFFECTING HRP : HRP IS INFLUENCED BY SEVERAL CONSIDERATIONS.**

**THE MORE IMPORTANT OF THEM ARE :**

1.  Type and strategy of organization.

2. Organizational growth cycles and planning.

3. Environmental uncertainties

4. Time horizons.

5. Type and quality forecasting information.

6. Nature of jobs being filled.

7. Off-loading the work.

**Type of organization:** The type of organization determines the production process and number and type of staff needed. Manufacturing organizations have a more complex structure compared to service organization. It goes without saying that the HRP differs according to the nature of the organization.

**Strategy of organization:** The human resource needs of an organization depend on the strategic plan adopted by it. For example, growth of the business calls for hiring of additional labour, while mergers will need a plan for layoffs.

**Environmental Uncertainties:** HR managers rarely have the privilege in a stable and predictable environment. Political, social and economic changes affect all organizations. Personnel planners deal with environmental uncertainties by carefully formulating recruitment , selection, and training and development policies and programmes. Balancing mechanisms are built into the HRM programme through succession planning , promotion channels, layoffs, flextime, job sharing , retirement, VRS and other personnel related arrangements.

**Time period:** Yet another major factor affecting personnel planning is the horizon. On one hand, there are short-term plans spanning six months to one year. On the other hand, there are long-term

plans which spread over three to twenty years. The exact time span, however, depends on the degree of certainty prevailing in an organization's environment. Plans for companies operating in an unstable environment, computers for example, must be for a short period. Plans for others where environment is fairly stable, for example a university plans, may be long-term. In general , the grater the uncertainty, the shorter the plan's time horizon and vice versa.

**Information:** The type and quality of information used in making forecast is an important factor influencing Human Resource Planning. In the absence of a well-developed information mechanism Human Resource Planning is just impossible. Accurate and timely human resource information system helps in getting better quality personnel.

**Nature of jobs being filled:** Job vacancies are very common and arise due to promotions, retirements, termination of services, growth, expansion, etc. HRP is required to ensure that suitable candidates are recruited.

**Off-loading:** This implies giving part of the organizations work to outside parties. If an organization prefers off-loading to recruitment of more people. Human Resource Planning is not required.

**HUMAN RESOURCE PLANNING PROCESS**

The Human Resource Planning is a process of forecasting the organization's demand for and supply of manpower needs in the near future.

**1. Determining the Objectives of Human Resource Planning**: The foremost step in every process is the determination of the objectives for which the process is to be carried on. The objective for which the manpower planning is to be done should be defined precisely, so as to ensure that a right number of people for the right kind of job are selected. The objectives can vary across the several departments in the organization such as the personnel demand may differ in marketing, finance, production, HR department, based on their roles or functions.

**2. Analyzing Current Manpower Inventory:** The next step is to analyze the current manpower supply in the organization through the stored information about the employees in terms of their experience, proficiency, skills, etc. required to perform a particular job. Also, the future vacancies can be estimated, so as to plan for the manpower from both the internal (within the current employees) and the external (hiring candidates from outside) sources. Thus, it is to be ensured that reservoir of talent is maintained to meet any vacancy arising in the near future.

**3. Forecasting Demand and Supply of Human Resources:** Once the inventory of talented manpower is maintained; the next step is to match the demand for the manpower arising in the future with the supply or available resources with the organization. Here, the required skills of personnel for a particular job are matched with the job description and specification.

**4. Analyzing the Manpower Gaps:** After forecasting the demand and supply, the manpower gaps can be easily evaluated. In case the demand is more than the supply of human resources, that means there is a deficit, and thus, new candidates are to be hired. Whereas, if the Demand is less than supply, there arises a surplus in the human resources, and hence, the employees have to be removed either in the form of termination, retirement, layoff, transfer, etc.

**5. Employment Plan/Action Plan:** Once the manpower gaps are evaluated, the action plan is to be formulated accordingly. In a case of a deficit, the firm may go either for recruitment, training, interdepartmental transfer plans whereas in the case of a surplus, the voluntary retirement schemes, redeployment, transfer, layoff, could be followed.

**6. Training and Development:** The training is not only for the new joinees but also for the existing employees who are required to update their skills from time to time. After the employment plan, the training programmes are conducted to equip the new employees as well as the old ones with the requisite skills to be performed on a particular job.

## 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.

After this, the job analyst has completed a form called a job psychograph, which displays the mental requirements of the job. The measure of a sound job analysis is a valid task list. This list contains the functional or duty areas of a position, the related tasks, and the basic training recommendations. Subject matter experts (incumbents) and supervisors for the position being analyzed need to validate this final list in order to validate the job analysis. Job analysis is crucial for first, helping individuals develop their careers, and also for helping organizations develop their employees in order to maximize talent. The outcomes of job analysis are key influences in designing learning, developing performance interventions, and improving processes. The application of job analysis techniques makes the implicit assumption that information about a job as it presently exists may be used to develop programs to recruit, select, train, and appraise people for the job as it will exist in the future.

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**

One of 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.

**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."

**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.

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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.

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

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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.

## 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:

- 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;

## 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.,

## JOB DESIGN

Job design follows job analysis i.e. it is the next step after job analysis. It aims at outlining and organising tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s. Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialised.

There are various steps involved in job design that follow a logical sequence,

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

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

- Checking the work overload.

- Checking upon the work under load.

- Ensuring tasks are not repetitive in nature.

- Ensuring that employees don not remain isolated.

- Defining working hours clearly.

- Defining the work processes clearly.

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The above mentioned are factors that if not taken care of result into building stress within the employees.

**Benefits of Job Design**

The following are the benefits of a good job design:

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

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

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

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

   Job design is a continuous and ever evolving process that is aimed at helping employees make adjustments with the changes in the workplace. The end goal is reducing dissatisfaction, enhancing motivation and employee engagement at the workplace.

**APPROACHES TO JOB DESIGN**

Job design is the next step after job analysis that aims at outlining, and organizing tasks and responsibilities associated with a certain job. It integrates job responsibilities and qualifications or skills that are required to perform the same. There are various methods or approaches to do this. The important ones are discussed below

## HUMAN APPROACH

The human approach of job design laid emphasis on designing a job around the people or employees and not around the organizational processes. In other words it recognizes the need of designing jobs that are rewarding (financially and otherwise) and interesting at the same time.

According to this approach jobs should gratify an individual's need for recognition, respect, growth and responsibility. Job enrichment as popularized by Herzberg's research is one the ways in human approach of job design. Herzberg classified these factors into two categories - the hygiene factors and the motivators.

Motivators include factors like achievement, work nature, responsibility, learning and growth etc that can motivate an individual to perform better at the work place.

Hygiene factor on the other hand include things like working conditions, organizational policies, salary etc that may not motivate directly but the absence of which can lead to dissatisfaction at the work place.

## ENGINEERING APPROACH

The engineering approach was devised by FW Taylors et al. They introduced the idea of the task that gained prominence in due course of time. According to this approach the work or task of each employee is planned by the management a day in advance. The instructions for the same are sent to each employee describing the tasks to e undertaken in detail. The details include things like what, how and when of the task along with the time deadlines. The approach is based on the application of scientific principles to job design. Work, according to this approach should be scientifically analyzed and fragmented into logical tasks. Due emphasis is then laid on organizing the tasks so that a certain logical sequence is followed for efficient execution of the same. The approach also lays due emphasis on compensating employees appropriately and training them continuously for work efficiency.

## THE JOB CHARACTERISTICS APPROACH

The job characteristics approach was popularized by Hackman and Oldham. According to this approach there is a direct relationship between job satisfaction and rewards. They said that employees will be their productive best and committed when they are rewarded appropriately for their work. They laid down five core dimensions that can be used to describe any job - skill variety, task identity, task significance, autonomy and feedback.

- Skill variety: The employees must be able to utilize all their skills and develop new skills while dealing with a job.

- Task Identity: The extent to which an identifiable task or piece or work is required to be done for completion of the job.

- Task Significance: How important is the job to the other people, what impact does it create on their lives? Autonomy: Does the job offer freedom and independence to the individual performing the same.

- Feedback: Is feedback necessary for improving performance.
  These are different approaches but all of them point to more or less the same factors that need to be taken into consideration like interest, efficiency, productivity, motivation etc. All these are crucial to effective job design.

**ISSUES IN JOB DESIGN:** Job design is a systematic organization of job-related tasks, responsibilities, functions and duties. It is a continuous process of integration of content related to job in order to achieve certain objectives. The process plays a vital role as it affects the productivity of employees and organizations. However, there are a number of existing issues emerged recently while designing the jobs in organizations. These are alternative work patterns that are equally effective in handling organization's functions.

Telecommuting / Work from Home: Telecommuting or work from home is considered as the best alternative of working from the actual office. The concept of virtual office is gaining more and more popularity because of ease and convenience associated with it. By using computer networks, fax machines, telephones and internet connection, employees can communicate and perform the job from home. It eliminates the need of coming to office everyday and offers employees the convenience to work at the comfort of their home.

Though there are lots of advantages associated with this working style but it suffers from many limitations. It allows employees to stay at home and manage their job tasks and functions without actually being present in the office but it doesn't allow them to communicate with other employees and establishing relationships with them. They only deal with machines whole day, thus lose creativity. Moreover, it is a great hindrance in their way as it does not allow skill upgradation.

Job Sharing: It is the second most preferable alternative of traditional working styles where two or more individuals share the responsibilities of a full time job. They divide the tasks, responsibilities and compensation according to their mutual consent. This option is generally used by women who are on maternity leave or have family and kids to look after but want to continue their job. These days, organizations are open to this kind of working style where two or more individuals can share a job.

Flexi-Working Hours: These days, organizations allow their employees to work according to the timings that suit them best. There are 3-4 working schedules and individuals can choose any one of them depending upon their availability. Employees can work in early hours as well as night hours. This is good for those individuals who have colleges or some other engagements during the day or specific hours of the day. The best part is that unlike telecommuting, flexi-timings give them chance to communicate with other employees too.

Alternative Work-Patterns: Companies these days allow their employees to work on alternate months or seasons. Though the concept is not that common in India but can be seen in European and American world of work. They also have the option of working two to three full days and can relax after that.

According to the latest concept, employees can work for fixed number of hours and then can attend to their personal needs during the left days.

Technostress: Technostress is the latest technology to keep a check on employees' performance even when they choose to work from home. Because of the introduction of new machines, there performance can be electronically monitored even when they are not aware of it.

Task Revision: Task revision is nothing but modification of existing work design by reducing or adding the new job duties and responsibilities to a specific job.

## FACTORS AFFECTING JOB DESIGN

A well defined job will make the job interesting and satisfying for the employee. The result is increased performance and productivity. If a job fails to appear compelling or interesting and leads to employee dissatisfaction, it means the job has to be redesigned based upon the feedback from the employees.

Broadly speaking the various factors that affect a job design can classified under three heads. They are:

1. Organizational Factors

2. Environmental Factors

3. Behavioural Factors

**Organizational Factors**

Organizational factors that affect job design can be work nature or characteristics, work flow, organizational practices and ergonomics.

Work Nature: There are various elements of a job and job design is required to classify various tasks into a job or a coherent set of jobs. The various tasks may be planning, executing, monitoring, controlling etc and all these are to be taken into consideration while designing a job.

Ergonomics: Ergonomics aims at designing jobs in such a way that the physical abilities and individual traits of employees are taken into consideration so as to ensure efficiency and productivity.

Workflow: Product and service type often determines the sequence of work flow. A balance is required between various product or service processes and a job design ensures this.

Culture: Organizational culture determines the way tasks are carried out at the work places. Practices are methods or standards laid out for carrying out a certain task. These practices often affect the job design especially when the practices are not aligned to the interests of the unions.

**Environmental Factors**

Environmental factors affect the job design to a considerable extent. These factors include both the internal as well as external factors. They include factors like employee skills and abilities, their availability, and their socio economic and cultural prospects.

Employee availability and abilities: Employee skills, abilities and time of availability play a crucial role while designing of the jobs. The above mentioned factors of employees who will actually perform the job are taken into consideration. Designing a job that is more demanding and above their skill set will lead to decreased productivity and employee satisfaction.

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Socio economic and cultural expectations: Jobs are nowadays becoming more employee centered rather than process centered. They are therefore designed keeping the employees into consideration. In addition the literacy level among the employees is also on the rise. They now demand jobs that are to their liking and competency and which they can perform the best.

**Behavioural Factors**

Behavioural factors or human factors are those that pertain to the human need and that need to be satisfied for ensuring productivity at workplace. They include the elements like autonomy, diversity, feedback etc. A brief explanation of some is given below:

**Autonomy:** Employees should work in an open environment rather than one that contains fear. It promotes creativity, independence and leads to increased efficiency.

**Feedback:** Feedback should be an integral part of work. Each employee should receive proper feedback about his work performance.

**Diversity:** Repetitive jobs often make work monotonous which leads to boredom. A job should carry sufficient diversity and variety so that it remains as interesting with every passing day. Job variety / diversity should be given due importance while designing a job.

**Use of Skills and abilities:** Jobs should be employee rather than process centered. Though due emphasis needs to be given to the latter but jobs should be designed in a manner such that an employee is able to make full use of his abilities and perform the job effectively.

**TECHNIQUES OF JOB DESIGN**

Some of the most important methods/techniques of job design are as follows: 1. Work Simplification 2. Job Rotation 3. Job Enrichment 4. Job Enlargement.
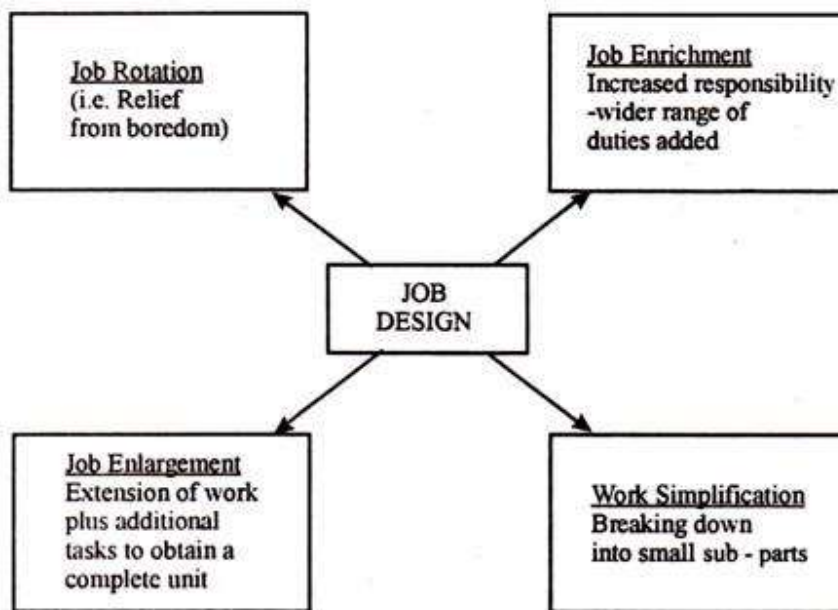


Fig. 5.2 : Aspects of Job Design

**1. Work Simplification:**

Under this method, the job is simplified by breaking it down into small sub-parts. Then, each part of the job is assigned to a worker who does the same task over and over again. This enables the worker to gain proficiency and fitness in doing the repetitive task. This increases worker s productivity, on the one hand, and, in turn, profits, on the other. I he training costs of so simplified jobs are virtually nil because very low level of skill is required to do these simplified jobs.

However, due to the repetitive job, workers feel boredom. They tend to remain absent frequently. Boredom also leads to mistakes and accidents. On the whole, the quality and quantity of output gets adversely affected-". Thus, the company may not always reap the benefits of task specialization due to work simplification.

**2. Job Rotation:**

One solution to boredom, as seen in work simplification, is job rotation'. Job rotation implies the moving of employees from job to job without any change in the job. In case of job rotation, an employee performs different jobs, but of the same nature.

**The advantages of job rotation are:**

(i) It removes boredom

(ii) It broadens employee's knowledge and skill.

(iii) Employees become competent in several jobs rather than only one.

**However, job rotation suffers from certain disadvantages also:**

(i) Frequent shifting of employees across the jobs causes interruption in the job routine,

(ii) Employees may feel alienated when they are rotated from job to job.

(iii) The employees who look for more challenging assignments may still feel frustrated.

**3. Job Enlargement:**

Job enlargement involves adding more tusks to a job. This is a horizontal expansion in a job. By adding more tasks to job, job enlargement expands job scope and gives variety of tasks to the job holder. For example, a mail-sorter's job could be enlarged to include physically delivering the mail to the various departments in the organization.

Job enlargement reduces boredom and monotony by providing the employee more variety of tasks in the job. Thus, it helps increase interest in work and efficiency. A recent study found that by expanding the scope of job, workers found benefits such as more satisfaction, enhanced customer service, and less errors.

It is said that job enlargement removes boredom and contributes to employee motivation. However, the same is not validated in practice. Even with job enlargement, the job could become boring to employee after a time especially when the job was already monotonous.

That's why Frederick Herzberg tempted to say that job enlargement is singly "adding zero to zero", meaning that "One set of boring tasks (zero) is simply added to another set of boring tasks (zero)". That is very possibly the reasons why job enlargement is usually resisted by employees.

**4. Job Enrichment:**

Another approach to designing motivating jobs is job enrichment. Reasons for job enrichment being installed are varied. The excessive job specialization (through job rotation) have been dehumanizing the work by making the worker's job routine, repetitive and removing all challenges from it.As such, human capabilities are not being fully utilized under such conditions and it is creating frustration among the workers and alienating them from their jobs. Moreover, workers today are better educated and higher paid. Job enrichment involves adding motivating factors to job. Thus, job enrichment is a vertical expansion of a job by adding more responsibility and freedom to do it. Fredrick Herzberg et.al describe job enrichment as that type of improvement in the context of the job which may give a worker more of a challenge, more of a complete task, more responsibility, more opportunity for growth, and more chance to contribute his ideas.

Job enrichment increases job depth, which refers to the degree of control employees have over their work. Job enrichment can improve the quality of work output, employee motivation, and satisfaction. Let a real case be quoted.

**In the Traveller's Insurance Company, the job of a key operator was enriched to include:**

(a) Working for one particular department;

(b) Communicating directly with user-clients;

(c) Checking one's own quality;

(d) Establishing a personal work schedule, and

## TALEND BEST PRACTICE

Good Job design is at the heart of your Talend development. Here, we look at the different aspects of designing your Jobs. We can then, through the tutorial and reference pages, look at each of these in a little more depth, and how we can achieve our design goals.

Read about these items in detail by viewing our **Talend Best Practice** menu items.

- Purpose of Job

- Job Architecture

- Reusability

- Error Handling

- Restart & Recovery

- Robustness

- Performance (speed of execution)

- Logging

**Purpose of Job:** The first and possibly easiest of our design goals is unfortunately, this is often where it ends. This may be ok for your first simple Job; but this is not a good basis for working on a larger project either on your own or with a team of developers.

As with any software development, you want to write reusable and reliable code that is written once and run many.

It is the goal of this website to lay the foundations and show the building blocks of good Talend design – through tutorials, working examples and reference material.

**Job Architecture:** Even the simplest of Jobs needs some design thought. A trivial Job that reads data from a source, performs some manipulation and then writes the results to a target, may only require three basic components. But what if the Job fails? You may then need to start thinking about recovery and adding some error handling. Suddenly, the Job becomes much more complex than first thought. Often, it's these aspects of Jobs that gets left for another day.

**Reusability:** A key aspect to our overall design strategy is reusability. Each time we write some reusable and robust code, whether it's just a simple fragment of code or an entire Job, we are closer to our goal of quickly writing fast and robust Job.

Talend provides many features to help you write reusable code. These include Jobs, Joblets, (Enterprise only), Context Groups, Repository Code Routines, Custom Components and other Repository objects.

**Error Handling:** As with any programming, your Job may receive errors and these need to be handled. These may be Exceptions thrown by the components in your Job or they may be other softer errors that you also need to handle in some way.

**Performance :** Performance (usually meaning speed of execution) is often a key metric of a Jobs success or failure. There are many aspects to tuning your Job, including: General Job design, Memory management, I/O, Sharing the load with inputs and outputs (e.g. Databases) and Parallelism. There are also factors that may not be under the direct control of the Talend Developer such as Network performance and the configuration of external sources and targets. These should all be taken in to consideration.

**Logging:** Finally, it's good practice to record information about the execution of your Job, over time. This helps with performance tuning and resolving issues.

| Questions | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Answer |
|---|---|---|---|---|---|
| An HR manger was involved in the process of human resource planning. The first step he undertook was assessing current resources and making an inventory .what is the next step that the manager has to take in HRP? | Start recruiting to meet the requirements | forecasting | Matching the inventory with future requirements | Developing an action plan to meet future requirements | forecasting |
| …………….is the process by which the knowledge of an employee, his skills abilities and motives to perform a job must match the requirements of the | Recruitment | Job Analysis | Selection | Placement | Job analysis |
| The poor quality of selection will mean extra cost on_____and supervision. | Training | Recruitment | Work quality | Development | Training |
| While recruiting for non - managerial, supervisory and middle - management positions which external factor is of prime | Political - Legal | Unemployment rate | Labour market | Growth and Expansion | Labour market |
| A major internal factor that can determine the success of the recruiting programme is whether or not the company engages in _____ | Human resource planning | Selection | Induction | Socialization | Human resource planning |
| What is the natural perception of people on the process of recruitment and selection? | Positive | Negative | Both positive and negative | quantitaive | Positive |
| What is the main objective of the recruitment and selection process | Recruit the right candidates | Meet the high labour turnover | To reduce cost of hiring | qualitative | Meet the high labour turnover |
| In a job analysis method, information was being gathered regarding a particular job from experts.what is the | Observation method | Technical conference method | Group interview method | Questionnaire method | Technical conference method |
| A job analysis where the job analyst conducts background research,interviews job incumbents and supervisors and prepares a detailed document is | Positional analysis questionnarie | Technical conference method | Diary method | Technical conference method | Technical conference method |

| A questionarie propounded by Ernest J Mc Cormick that provides job requirement information and contains 194 elements that fall into 6 major categories is the | Positional analysis questionnarie | Job analysis questionnarie | Performance analysis questionnnarie | Employee analysis questionarie | Positional analysis questionnarie |
|---|---|---|---|---|---|
| Which method of job analysis is more suitable for the middle and top level management jobs and not for the lower level jobs? | Positional analysis questionnarie | functional job analysis | Diary method | critical incident technique | critical incident technique |
| what describes in detail, the various aspects of a job like the tasks involved the resposiblities of the job and the | Job description | Job specification | Job evaluation | Job enlargement | Job description |
| In the process of job specification, the specifications that include analytical ability, data interpretation ability,decision-making ability etc.,are | Physical specifications | Emotional specifications | Mental specification | Behavioural specifications | Mental specifications |
| Which of the following are the uses of job analysis? | Organization audit | Promotion and transfer | health & safety | Organization audit, promotion and transfer, health & safety | Organization audit, promotion and transfer, health |
| Which approach to job design has a key element called the task idea that led to job specialization? | Engineering approach | Hr approach | socio technical approach | job characteristics approach | Engineering approach |
| Which theory of job design by Hackman &Oldham states that employees work hard when they are rewarded for the work they do,and when the work gives them satisfaction | job characteristics approach | employee characteristics approach | performance characteristics approach | group characteristics approach | job characteristics approach |
| _____helps in developing mangement generalists at higher organizational levels as it exposes them to severaldifferent operations. | Job analysis | job rotation | job enrichment | Job enlargement | job rotation |
| Which of the following helps in increasing the length &hence the operating time of each cycle of | Job enlargement | Job enrichment | Job rotation | Job specification | Job enlargement |

| A good recruitment policy | is flexible enough to accommodate changes in the organization | has its own policies & does not comply with govt policy on hiring | Requires more investment for the organization | Ensures short-term employment oppurtunities for its employees | is flexible enough to accommodate changes in the organization |
|---|---|---|---|---|---|
| Which of the following is not an external environment factor that determines the effectiveness of a recruitment program? | The situation in the labor market | The stage of development of the | Culture,social attitudes and beliefs | Geographical location of the job | Geographical location of the job |
| The HR department of Magnus Textiles made sure that any vacancies in the organization first reached the prospective candidates in the organization.Candidates from the org. responded to job postings.What is the source of recruitment being | Advertisements | internal search | Employee referrals | Campus recruitment | Internal search |
| The important information that has to be furnished in the advertisement includes: | Location or place of work | Tasks & responsibilities in the job | Nature of the job | Location or plave of work, Tasks & responsibilities in the job and | Location or plave of work, Tasks & responsibilities in the job and |
| Many human resource professional are now using the internet to recruit personnel.Which of the following statements are not true about online recruiting? | It is a time saving process | It is a cost effective | It supplements rather than replaces the leg work associated with offline recruitment | It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total convenience | It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total |
| A famous IT firm has a vacancy for the post of "vice president". Which of the following methods of recruitment would you suggest? | Employment pages of a national daily or a business | Advertisements in a local daily | Campus placement | Listing of the vacancy on a placard outside the ORG. | Employment pages of a national daily or a business |

| Question | A | B | C | D | Answer |
|---|---|---|---|---|---|
| The process of choosing the most suitable candidate for a job from among the available applicants is | Recruitment | Placement | Appraisal | Selection | Selection |
| Vishal industries committed the mistake of hiring an unsuitable candidate for one of its vacancies.The negative outcomes as a result of selecting an unsuitable candiadte are | Lose the goodwill of other employees | The cost of employees non-performance | It will not be able to lay off such employees | Reduction in the number of employees | The cost of employees non - performance |
| Which of the forecasting technique is the fastest? | Work study technique | Flow models | Ratio trend analysis | HR demand Forecast | Ratio trend analysis |
| What does the ratio trend analysis studies for forecasting? | Profits and loss | Retirements and requirements | Past and future ratios of workers and sales | Only past | Past and future ratios of workers and sales |
| Which is the simplest flow model used for forecasting | Semi - Markov Model | Resource based Model | Markov Model | Vacancy Model | Markov Model |
| Which of the following is not a method of collecting job data? | Checklists | Interviews | Case study | Checklists, Interviews and Case study | Checklists, Interviews and Case study |
| In which approach of reliability, a group of candidates take the same test twice ,within a gap of | Repeat or test retest | Alternate form | Parallel form | Split halves procedure | Repeat or test retest |
| Which of the following questions are included in a management position description questionnaire? | Autonomy of actions | Complexity and stress | Public and customer relations | Autonomy of actions, Complexity and stress and Public and | Autonomy of actions, Complexity and stress and Public and |
| What is the main objective of the recruitment and selection process? | Recruit the right candidates | Meet the high labour turnover | To reduce the costs of recruiting | High cost of hire | Meet the high labour turnover |
| Information regarding job-related knowledge or skills and required personal attributes is included in the information about_____an HR specialist may collect during a job | Work activities | Human behaviors | Human requirements | Performance appraisal | Human requirements |
| A_____summarizes the personal qualities, traits, skills, and background required for getting the job | Job specification | Job analysis | Job description | Job context | Job specification |

| Question | | | | | |
|---|---|---|---|---|---|
| Which of the following is included in the job specifications? | Traits | Skills | Required background | Traits, skills and required | Traits, skills and required |
| Which of the following is not an advantage of using interviews to collect job analysis data? | it is simple to use | some information may be exaggerated or minimized | it is quick to collect information | it can identify uncommon, but important activities | it is quick to collect information |
| Interviews often include questions about_____. | Supervisory responsibilities | Job duties | Education and experience | Supervisory responsibilities, Job duties and Education and experience | Supervisory responsibilities, Job duties and Education and experience |
| A_____is the time it takes to complete a job. | Job | Work cycle | Work week | Shift | Work cycle |
| For which of the following jobs is direct observation not recommended to collect data used in a job | assembly-line worker | accounting clerk | Engineer | Salesperson | Engineer |
| Which two data collection methods are frequently used together? | direct observation and interviewing | questionnaires and direct observation | interviewing and questionnaires | diaries and interviewing | direct observation and interviewing |
| Jane records every activity she participates in at work along with time in a log. This approach to data collection for job analysis is based on _____. | diaries | Interviews | Direct observation | Questionnaire | Diaries |
| Which of the following is considered a qualitative approach to job analysis? | Position analysis | Interviews | Functional job analysis | Job specification | Interviews |
| Which of the following is not one of the basic activities included in a position analysis questionnaire? | Performing skilled activities | Being physically active | Operating equipment | Performing skilled activities, being physically activ and | Performing skilled activities, being physically activ |
| The_____assigns a quantitative score | Department of | position analysis | functional job | log approach | position |

| | | | | | |
|---|---|---|---|---|---|
| to each job based on its decision-making, skilled activity, physical activity, equipment operation, and information-processing characteristics. | Labor Procedure | questionnaire | analysis | | analysis questionnaire |
| Most job descriptions contain sections that cover_____. | Job summary | Standard of performance | Working conditions | Job summary, standard of performance and working conditions | Job summary, standard of performance and working conditions |
| One uses information from the _____ to write a job specification. | Job summary | Job identification | Job description | Standards of performance | Job description |
| _____is the determination of the job to which an accepted candidate is to be assigned.It is a matching of what the supervisor has reason to think he can do with the job demands". | Recruitment | Placement | Selection | Training | Placement |
| Which of the following steps should be adhered to,when interviewing ? | ask demanding & leading questions | get too engrossed in the interview to follow the plan | interrupt the candidate frequently | make the candidate feel comfortable & relaxed | make the candidate feel comfortable & relaxed |
| Mohan krishna attended an interview & was very upset with the way it progressed.The interviewer repeatedly interrupted him,criticized his answers and asked him unrelated questions. What is the method of interview | Panel interview | Stress interview | In depth interview | Group interview | Stress interview |
| In a defence org.,the tests conducted on validity and truthfulness of an applicants answers,by monitoring the physical changes in his body as he answered a series of questions .What is the type of test being used? | Polygraph tests | Situational tests | Interest tests | Intelligence tests | Polygraph tests |

| | | | | | |
|---|---|---|---|---|---|
| A bank wanted to conduct a test for the applicants for the job of a clerk cum cashier.Most of the app,icants were fresh from the college with little experience related to the job. The bank wants to pick and train the right candidates.Which test do you | Aptitude test | Intelligence test | Achievement test | Situational test | Aptitude test |
| test measures a persons ability to classify things ,identify relationships and derive analogies.It measures several factors like logical reasoning, | intelligence test | Performance tests | Emotional tests | Social Tests | Intelligence test |
| Nature of job along with the minimum acceptable qualities of the personnel is called --------- | Job analysis | Job specification | Job description | Job enlargement | Job analysis |
| When the employee gets the job satisfaction, motivation, and morale, which reduces ------------ | Socialization | Employee turnover | Negative feedbac | Learning | mployee turnove |
| ____ensures the right type of people to do the right kind of work | Marketing | Human Resource Planning | Middle Management | Top Management | Human Resource Planning |
| While job description focuses on the job, job specification focuses on the ------ | Company's goal | Job | Person | Time | Person |
| Interview refers to a-----------, in-depth conversation between two or more persons | Formal | Informal | Casual | Unofficial | Formal |
| When employees are empowered with responsibility, ------------------ become freed to concentrate on strategy and the bigger picture | Directors | Sharholders | Customers | Managers | Managers |

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## UNIT-III

## SYLLABUS

**RECRUITMENT, SELECTION, INDUCTION AND TRAINING:** Recruitment: Introduction, Concept of Recruitment, Factors Affecting Recruitment, Types of Recruitment. Selection: Introduction, Concept of Selection, Process of Selection, Selection Tests, Barriers in Selection. Induction: Introduction, Meaning and Definition of Induction, Need for Induction, Problems faced during Induction, Induction programme planning. Training: Concept and Significance of Training, Training Needs, Training Methods, Types of Training.

## 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

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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.

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**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.

## INDUCTION:  INTRODUCTION

Induction training is a form of introducing employees to their new place of work. The program should be part of organization's overall planning process, and it should be in line with the goals and objectives of the organization. Organizations must have proven strategies in place to make the process as smooth as possible when new employees join the company.

## MEANING

An induction programme is the process used within many businesses to welcome new employees to the company and prepare them for their new role. Induction training should include development of theoretical and practical skills, but also meet interaction needs that exist among the new employees.

## DEFINITION OF INDUCTION

 "Induction is the process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work"

A process of demonstration in which a general truth is gathered from an examination of particular cases, one of which is known to be true, the examination being so conducted that each case is made to depend on the preceding one; -- called also successive induction.

 "The process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and start work."

## NEED FOR INDUCTION

Employee training is very important for the organization, and delivering an effective induction training program to new employees who join the company should be its first priority. ... Induction training helps new employees settle down quickly in the new work environment, and gives them a sense of belonging.

**INDUCTION PROGRAM: CONCEPT OF INDUCTION:**

Introduction of a new entrant into any existing group of people has been a common feature we come across in our everyday life. Recall, the bride on joining to (your) family was introduced to (your) family members and manners. Remember your own joining to your present Department of Business Administration. On joining the Department, you may have been told about the Department's rules and regulations, the procedure for academic activities such as sessional tests, assignments, seminar presentations, summer training, semester examination, papers to be taught with the names of the teachers, etc. Similarly, when a person joins a new job, he/she also needs the same type of introduction to his/her job and the organisation. This introduction is called 'induction'. Induction is also known as 'orientation' and 'indoctrination'.

A new entrant joins an organisation as a stranger to his co-workers, job and organisation. This causes the initial anxiety for the new entrant. It culminates at times to surprise resignation by the new employee. Hence, arrangements need to be made to make the integration of the new employee into the organisation as smooth and as free of anxiety as possible. Induction helps do so.

Induction is welcoming a new employee to the organisation. In other words, it is a well orchestrated event to socialise the new entrant with the people and the work environment in a particular organization.

According to Michael Armstrong "Induction is the process of receiving and welcoming an employee when he first joins a company and giving him basic information he needs to settle down quickly and happily and start work". B.P. Billimoria defined induction as "a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purposes of the organisation." In short, induction is, therefore, the process of welcoming, indoctrination and socialisation of new employee to his/her job and organisation.

**OBJECTIVES OF INDUCTION:**

When a new entrant joins an organisation, he/she is an utter stranger to the co-workers, workplace and work environment. As such, he/she may feel insecure, shy and nervous. The first few days may be all anxious and disturbing ones for the new entrant.

Particularly when a new entrant comes from rural area, he/she finds himself/herself completely at sea in an industrial town and city. Then, induction helps reduce such anxieties and dispels doubts and nervousness from the mind of the new entrant.

**Therefore, an induction programme is designed to achieve the following objectives:**

1. To reduce the initial anxiety all new entrants feel when they join a new job in a new organisation.

2. To familiarize the new employees with the job, people, work-place, work environment and the organisation.

3. To facilitate outsider – insider transition in an integrated manner.

4. To reduce exploitation by the unscrupulous co-workers.

5. To reduce the cultural shock faced in the new organisation.

**BENEFITS OF INDUCTION PROGRAMME:**

A formal induction programme may provide the following benefits to the new comer and the organisation:

1. A well-designed induction programme reduces anxiety, nervousness, and absenteeism and employee turnover.

2. Induction helps minimize the reality or cultural shock new employees undergo on joining a new organisation.

3. Effective induction also helps integrate the new employees into the organisation and fosters the feeling of belongingness to the new organisation.

4. Induction also binds the newcomer and the present employees in a team.

B.P. Billimoria has appreciated the benefits of induction in these words: "Induction has a greater significance in a developing country like India, where the percentage of illiteracy is very high. The worker finds himself completely at sea when by force of circumstances he has to shift from rural surroundings into an industrial environment. It is no use trying to push a handbook of certified rules and regulations into his hands and expecting him to turn out into a loyal and efficient employee. He needs a short and simple induction conducted by someone who speaks his own language. This will go a long way in reducing turnover and, above all, in preventing a worker from the likelihood of falling a prey to subversive elements which thrive on creating labour unrest by misrepresenting employees to illiterate employees".

**ADVANTAGES OF INDUCTION TRAINING**

Induction training has many benefits for organizations and its employees. For the organization, an effective induction training system has the following advantages:

- **Saves a lot of time and company money:** Induction training provides all the information needed to help a new hire to start performing his duties. The better and more effective the training, the faster a new employee can start delivering results quickly.

- **Reduces employee turnover:** When a new employee starts in a company, he has a thousand questions about his new role and the company itself that need to be answered. The fastest he can get an answer for those questions, the more prepared and confident he will feel about his new position and what he can accomplish inside the organization.

- **Ensures operational efficiency:** An effective training helps employees understand the company culture, its values, its place in the world, and where they, as employees, fit in the

puzzle. Also, keeping all new hires and employees on the same page ensures quality and consistency across all the company's products and services.

For the employee: **Makes the new employee feel respected and valued:** good induction training is like a warm welcome: it helps employees feel valued, respected and a part of something bigger than themselves. It motivates them to give their best.

- **Provides the necessary information:** A comprehensive induction training helps the employee get the necessary information to do his job and clarifies the companies' expectations of him. Learning the company culture, rules and policies makes it easier to adapt to the work environment.

- **Helps establishing good communication:** By learning how the company operates, its structure and the people he has to answer to, the new employee knows exactly where and who to look for when he needs information, or has questions.

**PROBLEMS FACED DURING INDUCTION**

**DISADVANTAGES OF INDUCTION TRAINING**

The disadvantages don't really come with the fact of conducting induction training itself, since training employees is always something positive, except when the training is poorly designed and does not meet the needs of the employees and may get them started off on the wrong note.

The worst consequence of that, which would be similar of not providing any training at all, is high (and costly) employee turnover. And even if the employee stays in the company, he will be ill equipped to perform his job well, could be embarrassed to ask questions and might lose trust in the company.

## TRAINING AND DEVELOPMENT

Training and Development is one of the main functions of the human resource management department. Training refers to a systematic setup where employees are instructed and taught matters of technical knowledge related to their jobs. It focuses on teaching employees how to use particular machines or how to do specific tasks to increase efficiency.

Whereas, Development refers to the overall holistic and educational growth and maturity of people in managerial positions. The process of development is in relation to insights, attitudes, adaptability, leadership and human relations.

### 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 Programmes:** Training and development programmes are designed according to the requirements of the organisation, the type and skills of employees being trained, the end goals of the training and the job profile of the employees. These programmes are generally classified into two types: (i) on the job programmes, and (ii)off the job programmes.

**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.

**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.

## OTHER TRAINING PROGRAMMES

Technical Training – Technical training is that type of training that is aimed at teaching employees how a particular technology or a machine. Quality Training – Quality training is usually performed in companies who physically produce a product. Quality training teaches employees to identify faulty products and only allow perfect products to go out to the markets.

Skills Training – Skills training refers to training given to employees so as to perform their particular jobs. For e.g. A receptionist would be specifically taught to answer calls and handle the answering machine.

 Soft Skills – Soft skills training includes personality development, being welcoming and friendly to clients, building rapport, training on sexual harassment etc. Professional Training – Professional Training is done for jobs that have constantly changing and evolving work like the field of medicine and research. People working in these sectors have to be regularly updated on matters of the industry.

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## BENEFITS OF TRAINING

1. Training improves the quantity and quality of the workforce. It increases the skills and knowledge base of the employees.

2. It improves upon the time and money required to reach the company's goals. For e.g. Trained salesmen achieve and exceed their targets faster than inexperienced and untrained salesmen.

3. Training helps to identify the highly skilled and talented employees and the company can give them jobs of higher responsibilities.

4. Trained employees are highly efficient in comparison to untrained ones.

5. Reduces the need to constantly supervise and overlook the employees.

6. Improves job satisfaction and thus boosts morale.

## BENEFITS OF DEVELOPMENT

1. Exposes executives to the latest techniques and trends in their professional fields.

2. Ensures that the company has an adequate number of managers with knowledge and skill at any given point.

3. Helps in the long-term growth and survival of the company.

4. Creates an effective team of managers who can handle the company issues without fail.

5. Ensures that the employees utilise their managerial and leadership skills in particular to the fullest.

6. Training helps to identify the highly skilled and talented employees and so the company can give them jobs of higher responsibilities.

7. Trained employees are highly efficient in comparison to untrained ones.

8. Ensures that the company has an adequate number of managers with knowledge and skill at any given point and thus, adequately staffed.

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**SYSTEMS VIEW OF TRAINING - STAGES IN A TRAINING PROGRAM**

The success of a training program is evaluated in terms of the end result or the increase in the work ability, skill or competency in the trainee. For any training program to be successful it is very essential to follow a certain process.

The basic process as illustrated in the figure below consists of four stages which are assessment, development, delivery and evaluation.
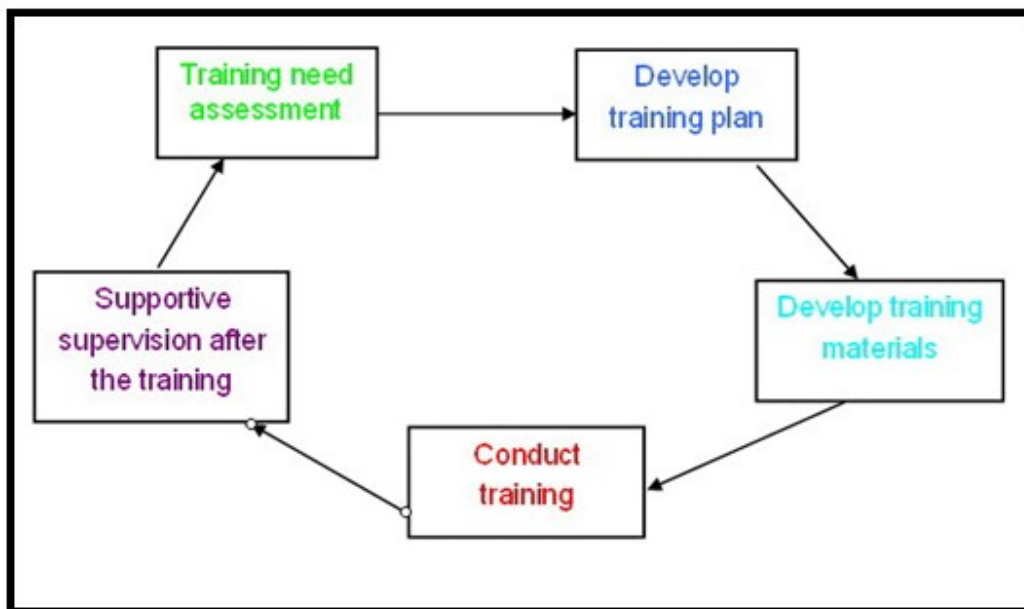


- The process of training begins with the needs **assessment** stage. The aim of the assessment stage is to understand whether or not training is required. If the answer is yes; the next step is determining competency or skills gaps and the appropriate training intervention required. The training intervention is essentially decided in terms of attitude, knowledge and skill (ASK), the combination of which is called as competency. The assessment also called as the 'training needs analysis' is undertaken at three levels, the job, the individual and organisational analysis.

- Once the training needs analysis is complete, the next stage is that of Development. This stage involves the development of content and the training material. Right from designing the appropriate environment to deciding the various tools, everything is taken care of in the development stage. Games, A/V's, Case Studies, Class room intervention are various means that may be decided upon apart from the content delivered. For example, in behavioural training emotional intelligence, teamwork, listening are examples of competencies that are required to perform superior work. The same may be transferred into the trainees through any of the above means depending upon various factors like demographics, job nature etc which are taken care of in the first stage.

- The most important stage and perhaps the least talked upon from the training process is the delivery. Once the development stage is over it is time to conduct the training. Factors like time and venue of delivery are already decided in the earlier stages. There are various factors that determine the process of delivery like the participant demographics, the training intervention, the individual style of the trainer etc. This brings in a lot of diversity to the training programs.

- Evaluation is the last stage in the training process and more important from the perspective of evaluation of the effectiveness of training. Needless to say, it is aimed at analysing whether or not the training has been effective in achieving the objective (bridging the competency gap, changing the attitude, developing new skills etc). There are various ways in which the effectiveness of training programs can be evaluated but not many are able to answer in terms of ROI. The most effective tool for evaluation of training is the Kirk Patrick Model of Evaluation.

In order for the evaluation to be effective the both the criteria and design for training program is decided so that there is no discrepancy and the participants are able to evaluate the benefits effectively for themselves. The evaluation is made on the basis of participant reaction to the training, their learning and the change in behaviour. This feedback is then reused in the first step 'training needs analysis' for making future training more effective.

## TRAINING NEEDS ANALYSIS

Training is an expensive process not only in terms of the money spent on it but also the time and the other resources spent on the same. The most important question therefore is determining whether or not a need for training actually exists and whether the intervention will contribute to the achievement of organisational goal directly or indirectly? The answer to the above mentioned question lies in 'training needs analysis' which is the first step in the entire process of training and development.

Training needs analysis is a systematic process of understanding training requirements. It is conducted at three stages - at the level of organisation, individual and the job, each of which is called as the organisational, individual and job analysis. Once these analyses are over, the results are collated to arrive upon the objectives of the training program.

Another view of the training need is that, it is the discrepancy between 'what is' and 'what should be'. Taking cues from this the world bank conducted a needs analysis and arrived upon the conclusion that many of its units in eastern regions of Europe required transformation from state owned business to self sustaining organisations. A number of universities were then contacted to develop the necessary modules and conduct the training upon the same.

Although each step in the entire training process is unique in its own, needs analysis is special in that it lays the foundation for the kind of training required. The assessment gives insight into what kind of intervention is required, knowledge or skill or both. In certain cases where both of these are present and the performance is still missing then the problem may be motivational in nature. It thus highlights the need and the appropriate intervention which is essential to make the training effective.

As mentioned earlier, the needs analysis / assessment is carried out at three levels - organisational, Individual and Job. We now take up each one of them in detail.

**Organisational Analysis**

The organisational analysis is aimed at short listing the focus areas for training within the organisation and the factors that may affect the same. Organisational mission, vision, goals, people inventories, processes, performance data are all studied. The study gives cues about the kind of learning environment required for the training. Motorola and IBM for example, conduct surveys every year keeping in view the short term and long term goals of the organisation.

**Job Analysis :** The job analysis of the needs assessment survey aims at understanding the 'what' of the training development stage. The kind of intervention needed is what is decided upon in the job analysis. It is an objective assessment of the job wherein both the worker oriented - approach as well as the task - oriented approach is taken into consideration. The worker approach identifies key behaviours and ASK for a certain job and the task - oriented approach identifies the activities to be performed in a certain job. The former is useful in deciding the intervention and the latter in content development and program evaluation.

**Individual Analysis :** As evident from the name itself, the individual analysis is concerned with who in the organisation needs the training and in which particular area. Here performance is taken out from the performance appraisal data and the same is compared with the expected level or standard of performance. The individual analysis is also conducted through questionnaires, 360 feedback, personal interviews etc. Likewise, many organisation use competency ratings to rate their managers; these ratings may come from their subordinates, customers, peers, bosses etc. Apart from the above mentioned organisations also make use of attitude surveys, critical Incidents and Assessment surveys to understand training needs which will be discussed in detail in other articles.

## TECHNIQUES FOR COLLECTING DATA FOR TRAINING NEEDS ASSESSMENT

The process of needs assessment happens at three stages or levels, the organisational, the job and the person or the individual. This is the basis for any needs assessment survey and remains the same more or less in all organisations around the globe. There are however many techniques for collecting the data for training need analysis. This article discusses some of the methods used for the same.

The needs assessment conducted at various stages tries to answer a different set of questions. Organisational analysis, for example, aims at the 'where in the organisation' of the training. Person analysis similarly attempts to decipher the question of 'Whom in the organisation'. There are therefore various instruments or techniques that are used to collect data for the analysis at each stage.

**Techniques for Collecting data at Organisational Level :**

In organisational analysis we try to ascertain the areas in the organisation that require training interventions. For example, among the various kinds of interventions that organisations chose it was

found out managerial training is picking up fast among corporations and also that managerial competencies amount for 98% of success in the jobs.

Personnel and skill inventories, organisational climate and efficiency indices, Management requests, Exit interviews, management by objectives (MBO) are the various kinds of techniques that are used at the level of organisational analysis for collecting data for training needs analysis.

Essentially all these tools collect data that is inferential in nature, but does not give a clear picture of the training needs. For example, the above mentioned tools may lead an organisation to deduce that 'there is a need for aligning the work processes with the organisational goals / objectives', which is not very rich diagnostically. It may require further analysis, which is done with the help of tools at the level of Job or the task.

The techniques for data collection at the level of the job include job description, performance standards, work sampling, job specifications, job literature analysis, and analysis of operational problems among others. These techniques are aimed at extracting data for understanding the target of training i.e. what exactly should be taught in training. Time management may be may be one critical intervention in project handling / management. These techniques at the level of job are useful but yet not sufficient in helping understand who requires training and when. Taking the above example further, time management may be a critical intervention for Projects people, but there may already be some who are very efficient in time management and may require the intervention at other level, which is only possible to ascertain with the help of techniques used at the level of the individual or the person. Training may prove worthless if it is conducted without studying individual data. Every member in a team is unique and works as well as performs at a certain level (n). There may be others who are at (n+1) or (n-1) or more. Thus, the same intervention may halt the progress of a certain

individual and finally the organisation. There are therefore certain tools that help in deciding interventions at the individual level.

## 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.

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**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.

| Questions | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Answer |
|---|---|---|---|---|---|
| Training is the act of increasing the---------- of a employee for doing a particular job | recruitement | turnover | knowledge and skill | status | knowledge and skill |
| Primary reasons for training is/are ------------ | increased productivity | reduced supervision | reduced accidents | Increased productivity, reduced supervision and reduced accidents | Increased productivity, reduced supervision and reduced accidents |
| Training helps in reducing-------- | employee turnover | profit | customers | conflicts | employee turnover |
| The major outcome of training is--------- | learning | time management | commitment | involvement | learning |
| _____improves the individual skills and increases the performance level | Induction | Placement | Training and development | promotion | Training and development |
| Main objective of training an ddevelopment is to ----------- | provide incentives | provide job-related knowledge | provide comfort zone | none of the above | provide job-related knowledge |
| Employees weakness will turn into their strengths when they get -------- | higher positions | Training and development | transfers | high salary | Training and development |
| _____helps the employees to perform tasks easily. | Induction | Promotion | Transfers | Training | Training |
| Once the employee gets          in their role they can provide  better revenue than before | roles | skilled | resposibilities | promotion | skilled |
| When the employee gets the job satisfaction, motivation, and morale, which reduces--------- | socialisation | employee turnover | negative feedbach | learning | employee turnover |

| Induction training also known as ------------ | orientation training | job instruction training | vestibule training | apprenticeship training | orientation training |
|---|---|---|---|---|---|
| _____is the training on actual work to be done by an employee but conducted away from the work place. | job instruction training | vestibule training | orientation training | Informative | vestibule training |
| _____training is offered in order to incorporate the latest development in a particular field | Induction | Refresher | Vestibule | Apprenticeship | Refresher |
| _____method comes under the on-the job training | Job rotation | Role play | Lecture | Business games | Job rotation |
| _____method comes under the off-the job training | Simulation | Coaching | Internship training | Job rotation | Simulation |
| _____method comes under the on-the job training | Job rotation | Coaching | Internship training | Job rotation, Coaching and Internship training | Job rotation, Coaching and Internship training |
| _____involves personal and professional growth of an employee | Performance appraisal | Development | Reinforcement | Labour analysis | Development |
| The purose of training is ------------ | harnessing the existing skills | Personal and professional growth of an employee | realization of the task at hand | Only task | realization of the task at hand |
| Development comprises of ------- | feedback | reinforcement | orientation | performance appraisal | training |
| Training is time bound where as _____ is unending | orientation | development | promotion | transfers | development |

| Question | | | | | |
|---|---|---|---|---|---|
| Development happens ____ and doesn't need to be conducted | deliberately | inadvertently | purposely | intentionally | inadvertently |
| Through ____ the effectiveness of employee training programs can be assesed | self-assessment questionnaires | On-the-job observation | Supervisor report and feedback | Assessment of others | self-assessment questionnaires |
| The primary reason why companies outsource training is to ------- | save money | incur money | shortage of knowledge | Expenses | save money |
| _____ is the series of activities or the on-going/lifelong process of developing one's career | Career development | Transfers | Promotion | Performance appraisal | Career development |
| _____ is directly linked to the goals and objectives set by an individual | On-the-job observation | Supervisor report and feedback | performance appraisal | none of the above | Career development |
| Importance of Career Development in an Organization is/are | Attracting top talent | Job satisfaction | Productivity and Financial Returns | Attrating top talent, Job satisfaction and productivity and financial returns | Attrating top talent, Job satisfaction and productivity and financial returns |
| Employees feel confident in his work when he posses enough -------- | money | skill | supportive colleagues | positive feedback | skill |
| Training and development will increase in companies --- --------- | productivity | employee turnover | conflicts | all of the above | productivity |
| _____ quality performance leads to improved customer satisfaction and service | Employers | Employees | customers | shareholders | Employees |

| | | | | | |
|---|---|---|---|---|---|
| Employee turnover will be low when there is ------------ | job satisfaction | motivation | morale | Job satisfaction, motivation and morale | Job satisfaction, motivation and morale |
| _____helps the employees to understand the procedures, code of conduct, policies existing in that organization | Induction program | recruitment process | Internship training | selection program | Induction program |
| Telling the trainee that he is not correct is an example of ------------ | negative feedback | positive feedback | performance appraisal | orientation | negative feedback |
| _____helps the new commersto interact freely with employees working at various levels and learn behaviour that are acceptable | orientation | socialisation | follow up | selection | orientation |
| _____is a pointer to undesirable behaviour | punishment | rewarding | reinforcement | motivation | punishment |
| Informimg the trainee that he is doing good that comes under the -------- | negative feedback | positive feedback | performance appraisal | orientation | positive feedback |
| _____focuses on the individual in a given job | Task analysis | Resource utilisation analysis | Orientation climate analysis | Labour analysis | Task analysis |
| In _____ trainees are asked to solve the actual organisational problem | Job rotation | apprenticeship training | committee assignments | special purpose training | committee assignments |
| Sameer,a fresh chemical engineer has been provided training in a simulated work environment using the same equipment and materials that he would be using on the job. This training is termed | Case Exercise | Computer Modeling | In Basket training | Vestibule training | Vestibule training |

| | | | | | |
|---|---|---|---|---|---|
| One of the reasons for over-staffing in the government and the public sector enterprises is | Minimal turn - over rates | Long term planning | Continuous assessment | Highly qualified employee | Minimal turn - over rates |
| ……………… is the process of obtaining and maintaining capable and competent personnel in various position at all levels | Controlling | Directing | Staffing | Employment | Staffing |
| ………………..is the first operative function of HRM. | Staffing | Directing | maintanence | Employment | Employment |
| ………………...involves forecasting the human resource requirements. | Human Resource planning | Job Analysis | Job Description | Job specification | Job Description |
| …………………in the process of seeking and acting prospective candidates against a vacancy in a firm. | Staffing | Directing | Selection | Recruitment | Recruitment |
| Introducing a new employee to the company is…………. | Selection | Placement | Induction | Training | Induction |
| …………. Is the process of evaluating the performance of an employee on the job and developing a plan for improvement. | Performance appraisal | Training | Management development | Career Planning | Performance appraisal |
| …………….. Is the concept of developing the employees of an organization to meet future changes and challenges. | Career planning | Performance appraisal | Job evaluation | Management development | Management development |
| ……………. Includes all the extrinsic rewards that an employee receives during and after the course of his job. | Compensation | Wages | Salary | incentives | incentives |
| …………..are the rewards an employee earns in addition to regular wages. | Bonus | Incentives | Fringe benefit | Salary | Incentives |

| | | | | | |
|---|---|---|---|---|---|
| ......................is primarily a share in the bounty and is directly related to the organizations performance | Fringe benefits | Incentives | Salary | Bonus | Bonus |
| Recreational facility in a............... | Fringe benefits | Incentives | Bonus | Compensation | Fringe benefits |
| ................. define the role of the HR department. | Team building | Team management | HR policies | IR | HR policies |
| Expand BIFR | Board for Industrial and Financial Reconstruction | Bank for Industrial Reconstruction | Bank for Financial Recovery | Bord of Financial Recovery | Board for Industrial and Financial Reconstruction |
| Expand SHRM | School for Human Resource Management | Science for Human Resource Management | Society Human Resource Management | Scheme for Human Resource Management | Society Human Resource Management |
| To assist employees in achieving their personal goals is _____ objective of HRM. | Personal | Functional | Organizational | Social | Personal |
| Legal compliance is a supporting function of................. | Organizational objective | Functional objective | social objective | Personal objective | social objective |
| Training and Development is a supporting function of................. | Social objective | Organizational objective | Functional objective | Personal objective | Organizational objective |
| Appraisal is a supporting function of........................... | Functional objective | Organizational objective | Social objective | Personal objective | Functional objective |
| Compensation is a supporting function of..................... | Social objective | Organizational objective | Functional objective | Personal objective | Personal objective |
| -------------- process helps to collect many of job candidates with less cost. | Development | Training | Recruitment | Transfer | Recruitment |

| _____ focuses on the individual in a given job | Task analysis | Resource utilisation analysis | Orientation | Labour analysis | Task analysis |
| --- | --- | --- | --- | --- | --- |

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## UNIT-IV

## SYLLABUS

**PERFORMANCE APPRAISAL,WAGES AND SALARY AND INCENTIVES:** Performance Appraisal: Introduction, Concept of Performance Appraisal, Purpose of performance appraisal, Process, Methods of Performance Appraisal, Major Issues in Performance Appraisal. Wages and Salary: Introduction, Nature and Significance of Wage and Salary Administration, Theories of Wages, Methods of Wage Fixation. Incentives: Introduction, Concept of Incentives, Effective Incentive System, Types of Incentive Scheme.

## PERFORMANCE APPRAISAL

## INTRODUCTION:

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.

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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

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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.

## CONCEPTS 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.

## PROCESS 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

### CONTRIBUTORS

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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.

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- 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.

## 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.

## WAGES AND SALARY ADMINISTRATION:

### 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.

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**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.

## NEED AND FEATURES OF 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.

## OBJECTIVES AND SIGNIFICANCE 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

**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.

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**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 AND FIXATION 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.
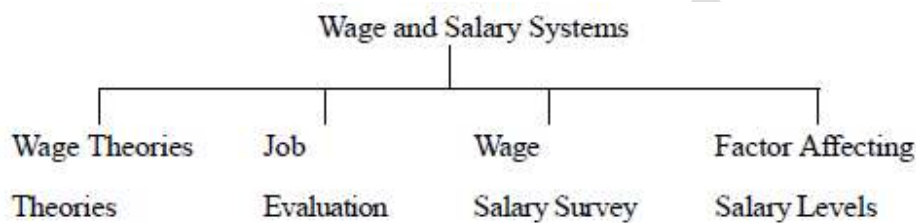


## WAGE THEORIES

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.

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

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**(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

## CONCEPTS OF WAGE AND INCENTIVES

**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.

## TYPES OF EFFECTIVE INCENTIVES

- Four types of incentives:

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- 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.

## UNIT-V

## SYLLABUS

**EMPLOYEE RELATIONS AND INTERNATIONAL HRM:** Introduction, Concept of employee Relations, Managing Discipline, Managing Grievance, Employee Counselling. International HRM: Introduction, Comparison of Domestic and International HRM, Challenges in International HRM

**EMPLOYEE REALTIONS**

**MEANING AND DEFINITION**

Employee 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

**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

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- 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.

**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;

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- 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;

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**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.

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## 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.

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- 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.

## 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.

## 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; and

## 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.

## 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.

## 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.

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## 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.

## 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.

## 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.

## INTERNATIONAL HUMAN RESOURCE MANAGEMENT (IHRM)

Boxall, P. (1992) defined International Human Resource Management (IHRM) as 'concerned with the human resource problems of multinational firms in foreign subsidiaries (such as expatriate management) or more broadly, with the unfolding HRM issues that are associated with the various stages of the internationalisation process. (Boxhall, P. 1992).

Mark Mendenhall (2000) sought to be more specific by outlining a number of criteria relevant to a definition of IHRM:

1. IHRM is concerned with HRM issues that cross national boundaries or are conducted in locations other than the home country headquarters.

2. IHRM is concerned with the relationships between the HRM activities of organisations and the foreign environments in which the organisations operate.

3. IHRM includes comparative HRM studies; e.g. differences in how companies in Japan, Thailand, Austria and Switzerland plan for upgrading of employee skills and so on.

## WHAT IHRM IS NOT

- IHRM does not include studies that are focused on issues outside the traditional activities inherent in the HRM function.

E.g. leadership style is not IHRM, unless specifically linked to an HRM function; developing a selection programme to measure and select global leaders would arguably lie within the domain of organisational behaviour.

- IHRM does not include studies of HRM activities in single countries.

E.g. a study of personnel selection practices in Saudi Arabia, whether undertaken by an English, German or Canadian researcher, is still a study about domestic HRM in Saudi Arabia.

## IHRM APPROACHES

Ethnocentric: key positions filled by nationals of parent company

Polycentric: host country nationals recruited to manage subsidiary in their own country

Geocentric: best people recruited, whatever their nationality

Regiocentric: best people recruited within region in which the subsidiary operates (e.g. EU, USA).

## IHRM solutions

Choice of IHRM approach depends upon:

- Degree and type of internationalisation
- Type of industry and markets served
- Characteristics of staff
- Cultural preferences.

## ADVANTAGES AND DISADVANTAGES OF A 'DECENTRALISED' APPROACH TO IHRM

**ADVANTAGES**

- Groups within the subsidiary can gain in status

- Groups within the subsidiary become more cohesive, fostering group identity

- IHRM takes place within a culture appropriate to the local workforce and customers

## COMPARISION OF DOMESTIC AND INTERNATIONAL HRM

Today industries and industrial groups are no more limited to one geographical region or country. A company almost spans three to four continents and thus with such a large work force spanning boundaries of other nations, companies require a management concept which would cover each and every employee.

Thus keeping the global perspective in mind HRM has now also been modified into IHRM (International Human Resource Management) to cover the ever changing work scenario in the world.

IHRM or International Human Resource Management is the process of employing competent people across all the nations in which the company spans and effectively utilizing the talent of these human resources in the organization to achieve the company's mission statement.

HR Managers or People Managers in a multinational company have to ensure that the HR policies are integrated and practiced across all the branches of the companies in different nations bearing in mind the significant differences in the HR policies in different countries while continuing to work together as a whole to achieve the company's targets and goals.

International HRM is concerned with the management of the company's dispersed work force and their output despite being geographically divided by boundaries to ensure that the company receives a competitive advantage both locally as well as globally.

## CHALLENGES IN INTERNATIONAL HRM

HR professionals from all over the world to find the answer to this question – beyond the obvious issues of language barriers and timezone differences. I discovered the following:

- It's too easy to accidentally break local laws

- Cultural differences cause professional misunderstandings

- It's hard to create an international human connection

## IT'S TOO EASY TO ACCIDENTALLY BREAK LOCAL LAWS

Employment law varies from country to country. This means that for every country you operate in, you need your HR team to be up to speed with each country's legislation. And while some countries operate within a similar legal framework – for example, member states of the European Union – they all have their own international HR nuances to contend with.

"Any HR management team with employees who reside in the EU faces the complexities of the General Data Protection Regulation" says Michael DesRochers, founder of PoliteMail. "But then there are data privacy regulations within specific countries of the EU, such as Germany and France, making matters even more complex."

DesRochers advises HR teams who collect and store employee data to ensure they are complying with regional privacy laws – taking care to watch out for things like employee consent regarding the use of personal data.

## CULTURAL DIFFERENCES CAUSE PROFESSIONAL MISUNDERSTANDINGS

Cultural HR challenges in this context are less about international co-workers accidentally offending somebody's religious beliefs, and more about the different ways people tend to work, based on where in the world they are. A good example of this comes from Warren Heaps, Partner at global HR research company Birches Group.

**KARPAGAM ACADEMY OF HIGHER EDUCATION, COIMBATORE**
**Class: II BBA**      **Course Name: Human Resource Management**
**Course Code: 18BAU303A**   **Unit –V Employee Relation and International HRM**    **BATCH: 2018-21**

"The deadline is tonight…" he starts, dramatically. "In my current company, we have offices in the US, Europe and the Philippines. In the Philippines, an employee may say they understand the expectation, but the sense of urgency is often not present."

## IT'S DIFFICULT TO CREATE AN INTERNATIONAL HUMAN CONNECTION

Maria Vihtkari, Chief Human Resources Officer for Arcusys, says that one of HR's biggest international challenges is building a strong human connection between teams across borders.

| Questions | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Answer |
|---|---|---|---|---|---|
| Under Section--------of the Act the employer has a duty to ensure the employees' safety, health and welfare at work | 7 | 6 | 9 | 8 | 8 |
| Management should provide instruction and ------------ to employees on health and safety | announcement | training | information | data | training |
| According to the----------of the Act, the employee not to be under the influence of drink or drugs in the workplace | Section 13 | Section 14 | Section15 | Section 16 | Section 13 |
| _____relations is one of the most complex problems in industrial society. | Industrial | trade | collective | bargaining | Industrial |
| A union and management should have mutual trust and---- | company | loyalty | confidence | dissatisfaction | loyalty |
| Collective bargaining solves the--------- | employers | employees | collective problems | direction | collective problems |
| Find the machinery which is not method of settlement of industrial dispute ------------ | Consultation | Works committee | Conciliation | Adjudication | Consultation |
| -------------- of the following is the meaning of 'Golden handshake | It is a bribe | It is a gift | It is a gratis | It is compensation | It is compensation |
| An employer's refusal to provide work opportunities is classified as ------------ | Grievance procedure | Lock out | Injunction | Strike procedure | Lock out |
| A combined refusal to use or buy product of employers, by members of union or all employees is classified as ----------- | Boycott | Impasse boycott | Strike | Picketing | Boycott |
| Voluntary withdrawal of labor of company is classified as -------- | Strike | Picketing | Boycott | Impasse boycott | Strike |
| _____-is not a traditional method of | Survey | Sensitivity training | Process | Managerial grid | feedback |

| Negotiation of labour contract by Union and Management is referred to as----- | Industrial Relations | Trade Union | Consumerism | Collective Bargaining | Collective Bargaining |
|---|---|---|---|---|---|
| A complaint becomes a --------------- | grievance | trade | union | negative | grievance |
| A grievance is a----------- | person | dissatisfaction | people | right | dissatisfaction |
| Grievances exist in the between of----------- | company | structure | men | supervisors | men |
| The company does not allow    to settle | problems | loss | supervisors | worker | supervisors |
| A grievance procedure is a------- | clear | clear and definite | closed type | open type | clear and definite |
| A grievances can be ---------- | direct | valid | indirect | invalid and | indirect |
| A grievance procedure is    process | formal | way | informal | structured | informal |
| Disputes has to be -------- | settled | unsettled | define | un analysed | settled |
| Grievances is------------- | employer relation | Disopinion and complaint | employee relation | worker cooperation | Disopinion and complaint |
| Industrial relations refers to a--------------concept | dynamic | desire | relations | trade | dynamic |
| A---------------is the essence of industrial relations | persons | organization integration | collective bargaining | group integration | organization integration |
| The functions of trade union should be ----------- | reduced | broadened | treated | informalized | broadened |
| A------------activity is concentrated on large scale industries. | trade union | industry | collective | people | trade union |
| Trade unions first concentrates on------- | organization | company | finance | workers | workers |
| A----------should be honest | resource | employees | trade union | people | trade union |
| Trade unions should be-------------- | personal | seasonal | towards their | democratic | towards their activity |
| Trade unions should improve the---------- | wages | persons | employees | Employees carrier | carrier |
| A---------------should have a sense of responsibility | management | organization | trade union | industrial relation | relation |
| A trade union should bring industrial------------ | harmony | growth | developme | communication | harmony |
| Trade unions mostly concentrates on------------cities | metropolitan | slum | district | state | metropolitan |
| An industry should have only------------Trade union | three | one | two | five | three |
| All------------should be treated as insiders | single | equally | same | ex-insiders | equally |
| A--------------is a force that helps to undertake rules | policy | rules | regulations | discipline | policy |

| Grievances affect the employees-------------- | Promotion | Training | Wages | Morale | Morale |
|---|---|---|---|---|---|
| A negative disciplinary action refers to-------- | punishment | action | seen | activity | punishment |
| Employee morale and industrial peace are-------- | accepted | seen | linked | integration | integration |
| Positive discipline refes to----------- | profit | reward | duty | loss | reward |
| _____participation has to be encouraged | workers | organization | foreman | customers | workers |
| worker------------- is intellectual in making a decision to the organization | motivation | encouragement | participation | prospects | participation |
| Industrial relationship means the harmonious relationship-------- | employer employee | women of an industry | among employers | employers& employees | employer employee |
| Trade unions always aim at---------- | minimizing punishment | mobilizing labour | maximizing | supporting govt | mobilizing labour |
| The objective of Trade union is to improve the working condition and---------- | trade | safety | people knowledge | policy | people knowledge |
| Economic policies are created in          factors | economic | social | political | public | social |
| Trade union is a------------------ | union | consumer | political | member | union |
| Collective bargaining is a------------process | individual | single | group | one | group |
| A company Involves in--------- | collective bargaining | trade | union | negotiation | negotiation |
| A----------------strike is of quick, sudden and unauthorized work stoppage | basic | demand | purposeful | wildcat | purposeful |
| The strength of trade unions is their-------- | unity | Work | Economic security | training | unity |
| Industrial relations has its own---------- | rules | employees | amount | procedures | rules |
| In big five model, 'conscientiousness' is tendency to be----------- | Unconventional | assertive | achievement | autonomous | achievement |
| A test, in which examinees respond to situations representing jobs is called------- | Situational test | reasoning test | simulation test | job training | Situational test |
| Assistance to top level management for strategic plans is provided by-------- | Transactional HR group | Corporate HR group | Embedded HR group | Center of expertise | Corporate HR group |

| | Human process intervention | structural interventions | strategic intervention | process intervention | process intervention |
|---|---|---|---|---|---|
| Team building' is an example of-------------- | Human process intervention | structural interventions | strategic intervention | process intervention | process intervention |
| Transactional Analysis (TA) is related to------ | Learning | Attitudes | Perception | Personality | Personality |
| A profit sharing is-------- | simple | voluntary | seen | single | voluntary |
| Profit sharing creates          harmony | trade | collective | industrial | company | industrial |
| _____is  the most widely used pay for performance plans in industry | Individual Incentive Plan | Group Incentive Plan | Stock Ownership | Bedaux Plan | Individual Incentive Plan |