



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

[DEEMED TO BE UNIVERSITY]

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

UNIT – I – Human Resource Management – SBA1204

UNIT 1

INTRODUCTION

HRM: Definition- Objectives- Functions: Managerial and Operative- Scope and Importance- Difference between HRM and Personnel Management: Evolution of HRM- Qualities of HR Manager- Roles of HR Manager.

HUMAN RESOURCE MANAGEMENT

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

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

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

DEFINITIONS OF HRM

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

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

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

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

FEATURES/ CHARACTERISTICS OF HRM

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

- **It is an inherent part of management:** Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather than by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.
- **It is a pervasive function:** Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation.
- **It is basic to all functional areas:** Human Resource Management permeates all the functional areas of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.
- **It is people centered:** Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of employees from top to the bottom of the organisation. The broad classification of employees in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e. those working on machines and engaged in loading, unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and non-managerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary, Lawyer, etc.) and non-professional personnel.
- **It involves Personnel Activities or Functions:** Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these

activities efficiently, a separate department known as Personnel Department is created in most of the organisations.

- **It is a continuous process:** Human Resource Management is not a “one shot” function. It must be performed continuously if the organisational objectives are to be achieved smoothly.
- **It is based on Human Relations:** Human Resource Management is concerned with the motivation of human resources in the organisation. The human beings can't be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

NATURE OF HRM

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

- HRM recruit, develop, maintain and remunerating the employees in organization.
- The decisions related to employees are taken by HRM.
- The HRM systematically approach in handling man power resources.
- HRM is an ongoing activity.
- It is interdisciplinary, Combination of Sociology, psychology, economics and so on.
- It is based on Human Relations: Human Resource Management is concerned with the motivation of human resources in the organization.
- It is people centered: Human Resource Management is people centered and is relevant in all types of organizations. It is concerned with all categories of personnel from top to the bottom of the organization.

OBJECTIVES OF HRM

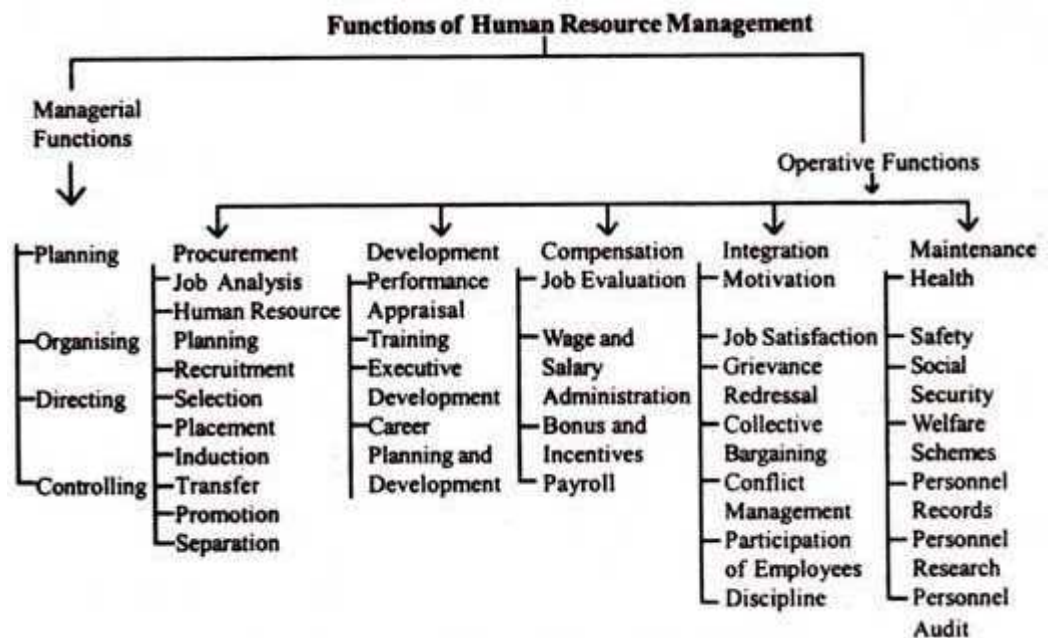
- To create and utilize and motivate workforce to accomplish the basic organizational goal.
- To establish and maintain sound organizational structure and create working relationship among all the members of an organization

- To secure the integration of individual and groups within the organization by coordination of the individual and group goals with those of the organization
- To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.
- To attain an effective utilization of human resources in the achievement of organizational goals.
- To identify and satisfy individual and group needs by providing adequate and equitable wages incentives employee benefits and social security and measures for challenging work, prestige, recognitions, status etc.
- To develop and maintain a quality of work life.
- To provide the organization with well-trained and well-motivated employees
- To inculcate the sense of team spirit, team work and inter-team collaboration.

FUNCTIONS OF HRM

The functions of human resources management may be classified as:

1. Managerial function
2. Operative function



Managerial Functions

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

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

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

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

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

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

Operative Functions

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

- Job Analysis
- HRP
- Recruitment and Selection

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

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

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

Maintenance: It aims at retaining efficient and experienced employees in organisation. The HR managers are responsible for offering occupational safety, Health promotion, Physical fitness, Canteen facilities, Recreation activities, transportation programmes, Employee suggestion schemes and creating a positive work environment.

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

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

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

IMPORTANCE OF HRM

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

The importance of HRM can be discussed as:

1. Organizational Importance

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

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

2. Professional Importance

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

- (a) Human resource management provides maximum opportunities to employees for their personnel development.
- (b) Providing healthy relationship among employees

- (c) Proper allocation of work among employees.
- (d) Providing training facilities for the individual development of employees.

3. Social Importance

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

4. National Importance

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

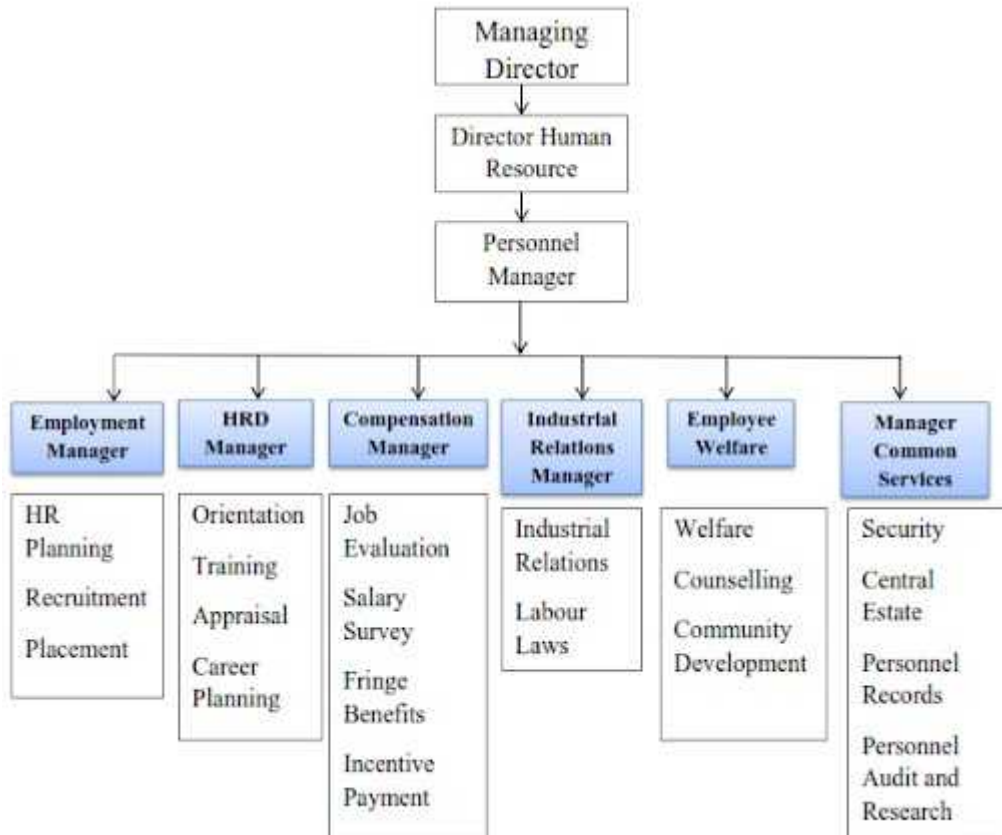
SCOPE OF THE HRM

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

the company. They are told about the organizational culture and values and work ethics and introduce to the other employees.

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

ORGANIZATIONAL STRUCTURE OF HRM DEPARTMENT



ROLE OF HRM / HUMAN RESOURCE ACTIVITIES

Human Resource Management undertakes the following activities:

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

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

DIFFERENCE BETWEEN HUMAN RESOURCE MANAGEMENT AND PERSONNEL

MANAGEMENT

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

QUALITIES OF GOOD HR MANAGER

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

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

RESPONSIBILITIES/ROLE OF HR MANAGER

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

Stated below are major responsibilities of Human Resource Manager:-



EVOLUTION OF HRM

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

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

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

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

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

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

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

1. Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in
 - Worker's training
 - Maintaining wage uniformity
 - Focus on attaining better productivity.

2. Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940). – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.
3. Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow's Hierarchy of needs (1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

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

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

Strategic Human Resource Management Approach

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

HR POLICIES

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

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

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

IMPORTANCE/ SIGNIFICANCE OF HR POLICY:

- **Delegation**

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

- **Speedy Decisions**

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

- **Coordination**

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

- **Better Control**

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

- **Standards of Efficiency**

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

- **Uniformity**

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

- **Confidence**

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

STEPS IN POLICY FORMULATION

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

1. Identify the Areas:

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

2. Collecting Data:

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

3. Evaluating Alternatives:

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

4. Communicating the Policy:

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

5. Evaluation of the Policy:

Policies should be evaluated regularly at periodic intervals to ascertain their effectiveness. The actual policy results should be compared with predetermined standards to check if the policy was successful in achieving its objectives. Policies may be reviewed at the organizational level, or

outside experts may be invited to review it.

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

DIFFERENCE BETWEEN HRM AND HRD

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

Role of Human Resource Manager

1. The counselor – To provide counseling.
2. The mediator – Act as a link between individuals of organization.
3. The spokesman – To answer queries.
4. The change agent – Introduce changes in existing programmes.
5. The problem solver – solves the problems of employees.

Question Bank (Unit I)

Part – A

1. Recall the term Human Resource Management.
2. Expand the Nature of HRM.
3. Summarize the Objective of HRM.
4. Rewrite the concept of personnel management.
5. Draw the meaning of organization structure.
6. Articulate the concept of Industrial revaluation.
7. Denote the meaning of Transfer.
8. Explain the term Promotion.
9. Draw the concept of Staffing.
10. Infer the meaning of Employee motivation.

Part –B

1. Evaluate the Managerial and Operative functions of Human Resource Management.
2. Assess the need and Importance of HRM.
3. Extract the difference of HRM from Personnel Management.
4. Evaluate the evolution of Human Resource Management.
5. Estimate the Human Resource activities in an organization.
6. Discover the qualities of Human Resource Manager.
7. Enlarge the Roles and Responsibilities of Human Resource Manager.
8. Reframe the steps in Policy formulation.
9. Design the difference between HRM and HRD.
10. Sketch the Importance of HR Policy.

Reference Books:

1. Edwin Flippo, Principle of Personnel Management, 1st Edition, prentice Hall Inc, 1984.
2. Gary Dessler, Human Resource Management 13 th Edition, Prentice Hall Inc, 2012.
3. Tripathi .. P.C , Personnel Management Industrial Relations, 19th Edition, Sultan Chand & Sons , 2008.
4. Mamoria & Gankar S.V , Personnel Management Industrial Relations, 29th Edition , Himalaya Publishing House, 2009.
5. William Werther & Keith Davis , Human Resource and Personnel Management , 5th Edition, Tata McGraw Hill , 2003.



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

[DEEMED TO BE UNIVERSITY]

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

UNIT – II – Human Resource Management – SBA1204

Unit: II

Meaning:

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

Definition:

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

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

Importance of HRP

1. It helps the organization to procure the required manpower.
2. It helps to replace employees.
3. It ensures optimum investment in HR.
4. It provides scope for advancement and development of employees through training, development etc.
5. It helps to tackle the problem of surplus or shortage of manpower.
6. HRP reduces the problem of labor turnover.
7. To foresee the need for redundancy and plan to check it or to provide alternative employment in consultation with trade union.

Objectives of HRP

1. To ensure that the HR plan helps to attain the overall objective of the enterprise.
2. To keep the cost of recruitment and selection of employees low.

3. To ensure that that the organization does not face the problem of either surplus or shortage of manpower.
4. To ensure the selection of the right man for the right job.
5. To make available the required manpower when expansion and diversification activities are undertaken.
6. To eliminate or minimize the adverse effects of labour turnover.
7. To find a suitable replacement for those employees who retire, die or dismissed from service.

Factors Influencing HRP

Internal Factors

1. Recruitment policy of the organization or company strategies.
Company's policies and the strategies relating to expansion, diversification, alliances etc. determine the human resources demand in terms of quality and quantity.
2. Human resource policies.
HR policies of the company regarding quality of human resources, compensation level, quality of work life etc. Influence human resource plan.
3. Job analysis.
Determine the qualifications and skills from perspective applicants required.
4. Time horizons.
Companies with a stable competitive environment can plan for long run.
5. Company's production policy.
Company's policy regarding how much to produce influencing the number of people required.
6. Trade unions.
Influence of trade unions regarding the number of hours of work recruitment sources etc. Affect HRP.

External Factors.

1. Government policies.
Government policies like labor policy, Industrial relations policy, policy towards reserving certain jobs for different communities affect HRP.
2. Level of economic development.
Determine the level of supply of human resources in future in the country.
3. Willingness of job seekers.
4. The terms and conditions of service are acceptable to the job seekers if they find it unreasonable they may not be willing to apply.
5. Trend in the industry.
Creates demand for particular job.
6. Level of technology.
Determine the kind of human resources required.

Process of HRP

1. Analyzing the corporate and unit level strategies.

These strategies include expansion, diversification, merger, relation in operations etc. HR implementation essentially requires possessing the required number and kind of employees. This in turn requires human resources plan.

2. Demand forecasting of the overall HR requirements.

The existing job design and analysis may thoroughly be reviewed keeping in view the future capabilities, knowledge and skills of present employees. Further the jobs should be redesigned and re-analyzed keeping in view the organization plans and programs.

Forecasting Methods

i. Managerial Judgement- managers decide the number of employees required for future operations based on their past experience.

ii. Statistical Techniques Ratio- trend analysis calculated from the past data and these ratios are used for the estimation of the future human resources requirements.

Ex:

Present level of production 1.01.2008	- 2000
Present no. Of foreman	- 4
Ratio is	-500
Estimated production as on 1.01.10	-5000
Foreman required as on 1.01.10	$5000/500=10$

iii. Work Study Techniques- In this method total production and units are estimated in a year. Then man hours required to produce each unit is calculated. Later, the required number of employees is calculated.

3. Supply Forecasting

Existing Inventory- The data relating to present human resources inventory designation wise and department wise should be obtained.

-- Head counts regarding total no. of employees.

-- Age inventory- age wise no. of employees.

4. Estimating the net human resource requirements- The no. Of human resources are determined in relation to overall demand and supply of human resources.

Surplus

Action plan for deployment.

If surplus is estimated, the organization has to plan for redeployment; redundancy etc.

A. Redeployment programs

- I. Out placement_ intended to provide guidance for displaced employees helping in resume writing, interview techniques, job searching etc.
- II. Employment in the sister organizations- The surplus employees are offered employment in sister organizations either at the similar level or lower level under the same management.
- III. Employment in other companies_ The HR manager contacts other similar companies for possible hiring of the surplus employees.

B. Redundancy/ Retrenchment programs

- I. Reduced work hours- Each worker works less hours and receives less pay so that the jobs are saved.
- II. Work sharing- Some organizations offer employees the opportunity to share jobs or two employees work half time each.
- III. Lay off- Can be temporary or permanent. Temporary lay offs are due to the slackness in business machinery breakage, power failure etc. Worker are called back as soon as work resumes to the normal position.
- IV. Leave of absence without pay- This technique helps the company to cut the labour cost and the employee to pursue his self interest.
- V. Voluntary retirement/ early retirement- Government of India introduced this method as 'Golden Handshake' management provides cash reward to those employees who opt for VRS in addition to normal retirement benefits.
- VI. Attrition- is the process whereby as incumbents leave their job for various reason, those jobs will be kept vacant or unfilled.
- VII. Compulsory retirement/ iron handshake- The HR manager with the help of the line manager identifies surplus employees and discharges to them for the service.
- VIII. Creation of ad-hoc projects- Some companies create ad-hoc projects in order to provide employment to the surplus employees.

If there is deficit estimated then,

The organization forecasts the future supply and human resources from various sources like various educational and training institutes, employment exchange etc.

- i. Outsourcing- Many organization have been performing the outsourcing function. These companies can avail the services as and when they need and pay the commission to outsourcing organization.

- ii. **Employment-** The organization do recruit and select the required candidates by adapting various recruitment and selection procedures.
- iii. **Training-** The training programs are conducted to the employees and matching of their improved skills with future job requirements.
- iv. **Development-** Number of programs and courses are conducted to improve the performance of the employees.
- v. **Internal mobility-** The management prefer internal candidates and plan for their promotion, transfer, training and development.

Limitations of HRP.

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

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

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

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

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

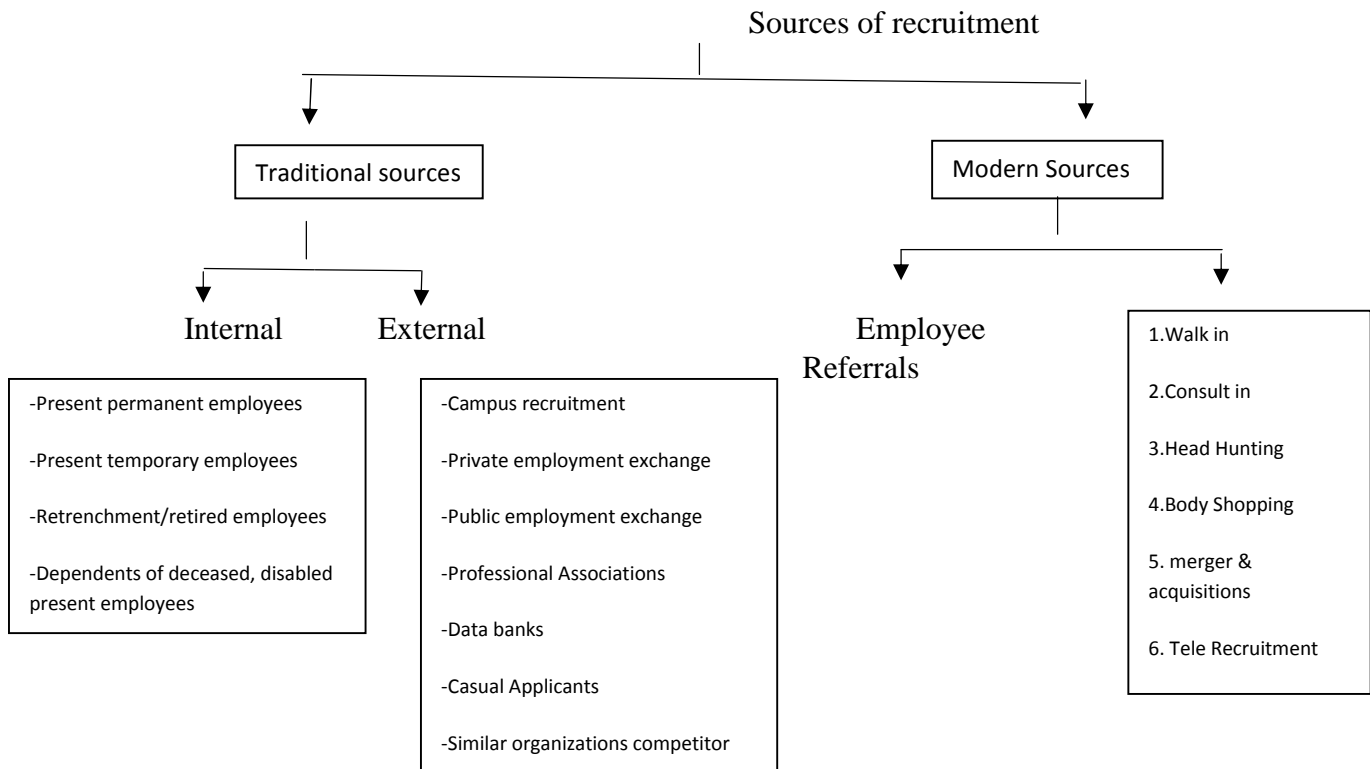
Recruitment

The process to discover the sources the sources of man power to meet the requirements of staffing schedule and to employ effective measures for attracting that man power in adequate numbers to facilitate effective selection of an efficient work force.

Edwin B. Flippo defined the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

Objectives of Recruitment

- To attract people with multi-dimensional that suit the present and future organizational strategies.
- To induct outsiders with a new perspective to lead the company.
- To infuse fresh blood at all levels of the organization.
- To develop an organizational culture that attracts competent people to the company.
- To search or head hunt/ head pouch people whose skills fit the company's value.
- To search for talent globally and not just within the company.
- To anticipate and final people for positions that do not exist yet.



Internal Sources

1. Present permanent employees: Organizations consider the candidates from this source for higher level jobs due to availability of most suitable candidates to meet trade union demands, policy of the organization and to motivate present employees organization adapt this method.
2. Present temporary employees: Organizations find this source to fill the vacancies relatively at the lower owing to the availability of suitable candidates.
3. Retrench or retired employees: A particular organizations retrenches the employees due to lack of work. The organizations takes the employees due to lack of work. The organization takes the candidates for employment from the retrenched employees due to obligation and trade union pressure.
4. Dependents of deceased, disabled, present employees: Some organizations with a view to the commitment and loyalty of employees, recruit the family members of the dependents of deceased, disabled.

Why do organizations prefer Internal Sources

1. Internal recruitment can be used as a technique of motivation.
2. Morale of the employees can be improved.
3. Suitability of the internal candidates can be enhanced.
4. Employees psychological needs can be met by providing an opportunity for advancement.
5. Employees economic needs of promotion, higher income can be satisfied.

6. Cost of selection can be minimized
7. Cost of training, induction, orientation, period of adaptability to the organization can be satisfied.
8. Social responsibility towards employees maybe discharged.
9. Stability of employment can be ensured.
10. Trade unions can be satisfied.
11. Loyalty, commitment a sense of belongingness and security of the present employees can be enhanced.

External Sources

1. **Campus Recruitment**
Organizations recruit inexperienced candidates of different types from various educational institutions like colleges, universities, etc.
2. **Private employment agencies of consultants**
Private employment agencies perform recruitment functions on behalf of a client or company by charging fees line managers are relieved from recruitment functions so that they can concentrate on their operational activities and recruitment functions are entrusted to private organization.
3. **Professional Organizations**
Maintain complete biodata of their members and provide the same to various organizations on requisitions. They also act as an exchange between their members and recruiting firms.
4. **Casual applicants**
Depending upon the image of the organization, the candidates apply casually for jobs through mail or handover the applications in the personnel department.
5. **Similar Organizations**
Experienced candidates are available in organizations producing similar products. The management can get potentially suitable candidates from this source.
6. **Trade unions**
Employees seeking change in employment put a word to the trade union leaders with a view to getting suitable employment and when the opportunities arise they inform to management.
7. **Data Banks:** The management can collect the biodata of the candidates from different sources like employment exchange, educational training institute, candidate etc. and feed them in the computer. It will become another source and company can get the particulars as and when it needs to recruit.

Modern sources of Recruitment

Modern Internal Sources:

Employee Referrals

Present employees are aware of the qualifications, attitudes, experience and emotions of their friends and relatives. They are aware of the job requirements and organizational culture of their company and they can make preliminary judgement regarding the match between the job and their friends or relatives. The HR managers offer incentives/ rewards including cash incentives to the current employees for referring the best candidates.

Modern External Sources:

1. Walk-in

The busy organizations do not find time to perform various functions of recruitment. Therefore they advise the potential candidates to attend for an interview directly without a prior application on a specified date, time and at a specified place. The suitable candidates from among the interviewers will be selected for appointment.

2. Consult in

The busy and dynamic companies encourage the potential job seekers to approach them personally and consult them regarding jobs the companies select the suitable candidates from among such candidates through the selection process.

3. Head Hunting (search consultants)

The companies request the professional organizations to search for the best candidates for the senior executive positions. The professional organizations search for the most suitable candidates and advise the company regarding the filling up of the positions.

4. Body shopping

Professional organizations and the hi-tech training institutes develop the pool of human resources for the possible employment. The prospective employers contact these organizations to recruit the candidates. These professional and training institutions are called body shoppers.

5. Mergers & Acquisitions

Business alliances like acquisitions, mergers and take overs help in getting human resources. In addition the companies do also have alliances in sharing their human resources on ad-hoc basis. It means that the company with surplus human resources offers the services of their employees to other needy organizations.

6. Outsourcing

Some organizations recently started developing human resources pool by employing the candidates for themselves. These organizations do not utilize the human resources, instead they supply HRs to various companies based on their needs on temporary or ad-hoc basis.

Why do organizations recruit from external source?

1. The suitable candidates with skill, talent, etc. are generally available.
2. Candidates can be selected without any pre-conceived notion or reservations.
3. Cost of employees can be minimized because employees selected from this source are generally placed in the minimum pay scale.
4. Expertise, excellence and experience in other organizations can be easily brought into the organization.
5. Human Resources mix can be balanced with different background, experience, skills, etc.

Company Strategy and Recruitment Strategy

A strategic plan of action is critical to properly fulfill the staffing needs and desires of your business, leading to new business growth. To find and retain potential candidates, your business should focus on several proven elements in its recruitment process:

- Developing a hiring strategy
- Promoting your employer brand
- Landing passive candidates
- Integrating diversity and inclusion
- Taking advantage of applicant tracking software

The Recruitment strategy could Map with the Company Strategy always for better outcome by applying the following features.

1. Create a strong recruitment strategy.

Curtis advises businesses looking to create a good recruitment strategy for growth to follow these tips.

- **Analyze.** Take a close look at your business needs as well as your goals and objectives.
- **Identify.** Know your long-term plans for expansion or reduction in staff, critical roles in the business, and any gaps that need to be filled. Be on the lookout for seasonal fluctuations in staffing requirements.
- **Determine.** Figure out the best recruitment method for your business. Job searches via social media are increasing, for example, so you could use this method to target candidates with specific skill sets.
- **Secure.** Provide a competitive salary and opportunities for personal growth within your business. According to a Citation survey, 13% of employers said salary is the most important factor in retaining employees.
- **Establish.** Choose and implement a method to measure results and test whether your strategy is working. Establish a training budget to develop and enhance your employees' skills and knowledge.

2. Promote a cohesive image of your brand.

Your employer branding should portray the identity, personality and working culture of your business. This helps candidates see why they should choose you over a competitor, and it creates a positive sense of loyalty with the business.

"The best employer brands create this vision even in the absence of immediate position openings," Terch said. "An effective employer brand can significantly increase the quality and quantity of an organization's applicant pool."

3. Recruit passive candidates.

Passive candidates are professionals who are not actively searching for a new job and are generally satisfied with their current position. However, some of these candidates would make a career move if the opportunity is better than what they have currently.

According to Experts in HR, there are two valuable ways a business can recruit passive candidates:

- **Keep a close eye on passive employees.** The best employees aren't usually out of work for a long time. Prepare a watchlist of passive candidates for the times when you might need to approach them. Having passive candidates in the pipeline allows you to fill any positions needed, especially when you need to hire quickly.
- **Employ an efficient persuasion strategy.** With the current talent crunch, it's essential to know, understand and devise a persuasion strategy. This is not a short-term goal; it is a well-thought, long-term and adaptive strategy to differentiate your current offers from others – not just in monetary compensation terms, but in broad planning and investment in the role, challenges, policies, perks, brand building, the culture of meritocracy, growth prospects and work profile.

Passive candidates keep their options open. While they may not be actively seeking employment, they will engage at a much higher rate when a recruiter presents a brand or business that reflects their values.

4. Develop a diverse workplace.

Diversity and inclusion in your business will help your team to mirror what the real world looks like outside – various ages, shapes, sizes, genders, religions, backgrounds and experiences. The first step is to portray how your business embraces inclusivity by ensuring diversity is more than a goal – it's a reality.

Sue Andrews, an HR and business consultant at KIS Finance, believes you need to demonstrate the steps your company has taken to ensure your workforce reflects the community around you.

"Practical steps, such as reviewing job adverts and job descriptions, need to be taken to ensure that the language used is inclusive and doesn't unintentionally deter certain groups of applicants," she said. "For example, using overly 'masculine' language and terms can put off female applicants. You also need to target wide and inclusive sources of applicants."

5. Use an applicant tracking system.

An applicant tracking system (ATS) helps analyze candidates and searches for any flaws in the hiring process. It filters candidates according to hiring needs and makes it easier for recruiters and hiring managers to view an applicant's performance. The software can't

make wise decisions about who to hire, but it simplifies relevant keywords in a resume, aligning candidates with your business's needs and wants.

6. Consider your unique hiring challenges.

When companies grow faster than expected, hiring needs often arise seemingly out of nowhere, which can make for lots of confusion when it comes to hiring and finding the best candidates to fill the positions. Regardless of how urgently you need to hire new employees, there is no safe way to speed up the process. The only way to go about it is by creating a personalized rapid hiring strategy. While it may take some time to develop, once you create a strategy that considers your specific needs, it will be much easier to hire en masse.

7. Use diverse candidate sources.

These days, there is a vast array of methods for finding the perfect candidates. Rather than just relying on one site or platform to find potential candidates, you should be using as many sources as possible. For instance, you can promote hiring events on social media and your website, send out emails, sign up for various job-seeker sites, and create a referral program to incentivize your employees to recruit.

8. Use employee testimonials.

One strong recruitment strategy is using employee testimonials. This is a great way to attract employees, because people love to work for companies that present employees love. Ask your current employees to write or record testimonials, and post them on your website and social media pages. This will make it much easier to recruit employees when you are in need.

9. Answer candidate FAQs.

Another excellent recruitment strategy is to create a page or section on your website to address questions that candidates often ask. Many candidates may be reluctant to apply for jobs because they still need answers to certain questions before they potentially waste their time applying. You can either take specific questions new candidates have asked you or ask your present employees what questions they had before they were hired.

10. Spotlight current employees.

One underused recruitment strategy is creating employee spotlights. By posting details about various employees, you will allow your potential candidates to get to know the existing staff, which will attract those who relate to and want to work with people who already work for your company.

11. Showcase your brand personality.

No matter what your brand entails, you should be relaying that online. For instance, if you have an especially diverse staff, you may want to post a video or photo that showcases the wide variety of people who work for your company. The point is to show what makes your company unique and why it is a great place to work.

Centralized Recruitment and De-Centralized Recruitment

Centralized Recruitment

Centralized human resources and centralized recruitment is the philosophy of having one system to use throughout an entire company. For example, a business would have one central HR or IT department that would deal with issues from all other departments. This department would have a standard set of rules, shared central values and a standard approach to their work.

Advantages:

- Consistency of methods and policies,
- High economies of scale,
- Meaning fewer employees are necessary,
- Better efficiency within the department.

Disadvantages:

- Lack of regional understanding,
- Lack of flexibility.

De-Centralized Recruitment

Decentralization gives authority to individual departments or divisions to make decisions. For example, a business consisting of three main pieces may have separate IT, HR and even safety departments that focus specifically on that particular location or division. The focus would then be meeting the differing needs of each location.

Advantages:

- Policies tailored to local needs and priorities,
- More effective management of issues,
- Better flexibility.

Disadvantages:

- Lack of consistency,
- Lack of organization

Factors Affecting Recruitment

External Factors:

- Supply and Demand of Manpower
- Condition of Labour Market
- Image and Goodwill of the organization

- Unemployment rate in the society
- Competitors
- Economic Condition of the Nation

Internal Factors:

- Recruitment Policy of the firm
- Human Resource planning Report
- Size of the firm
- Cost of recruitment
- Growth and expansion of the Business

Selection

Meaning and Definition of Selection:

Selection is the next step after recruitment. Theos A Langlie writes, “The manager’s concern with techniques of personal selection is that they are so designed and administered that they provide the basis for effective and economical manning of jobs in the organisation.”

Essentials of a Selection Procedure:

The selection procedure should be planned in such a way that it suits the organisation’s needs.

The Procedure would be Successful if it satisfies the following Requirements:

- (i) There should be sufficient number of applicants from whom the required number of candidates may be selected. The selection will not be proper if number of candidates is
- (ii) There should be some person who is assigned the authority to select. The authority is given on the basis of type of persons to be selected and the nature of work they will take up.
- (iii) There should be some standard with which a prospective employee may be compared (i.e. these should be available beforehand a comprehensive job specification as developed by job analysis.)

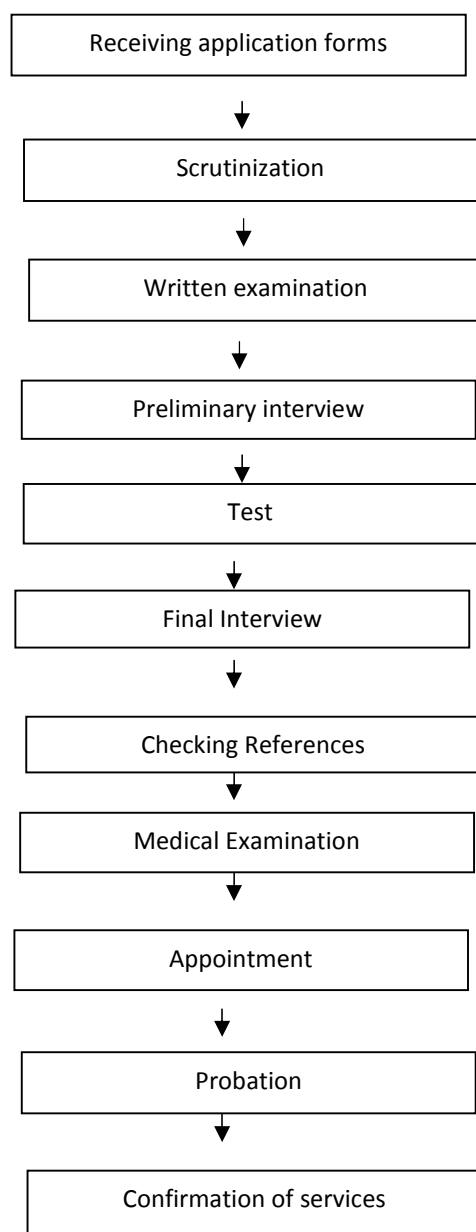
Significance of Selection Procedure:

- (1) The success of an organisation depends on the personnel working therein. If right persons are selected, then organisational goals can be easily achieved. The selection of wrong personnel may create many problems for the organisation. Training needs of such employees will be more, resulting into additional expenditures.
- (2) The employer- employee relations may not be congenial. A right person is an asset for the organisation whereas a wrong selection makes him a liability. Selection procedure should be devised in such a way that right persons are selected and wrong ones are rejected.

(3) The selection procedure should be devised in such a manner that all relevant information concerning the applicant is made available. Whether the procedure is simple or complicated depends on the nature of the job. The candidate will be selected after he clears all the hurdles. The applicant should neither be over qualified nor under qualified for the post.

(4) In both the cases he is a misfit and may leave the organisation any time. A wrong selection means a heavy loss to an organisation in terms of expenditure incurred on selection, induction, training and subsequent poor performance of an employee. Therefore, a well planned selection procedure is of utmost importance for every organisation.

Selection of candidates (Process or Steps in Selection)



Receiving Application Forms

Those applications are known as application blanks. The format of the application contain the details desired by the employer from the candidate.

The usual format of an application blank is given below:

Name of the candidate, date of birth, sex, mother tongue, religion, community, nationality, address for communication, education qualification, previous work experience, reference, declaration etc. After obtaining the application, the candidate has to carefully fill up all the particulars and forward it to the employer on or before the stipulated data.

Scrutiny

means to check all the particulars given by the candidates to ensure that they are correct. Those applications that are incomplete will not be considered. Scrutiny of applications, helps to eliminate those applicants whose applications are incomplete and who do not fulfill the eligibility norms.

Written Examination

The organizations have to conduct written examination for the qualified candidates after they are screened on the basis of the application blanks so as to measure the candidates ability in arithmetical calculations, to know the candidates attitude towards the job, to measure the candidates aptitude, reasoning, knowledge in various disciplines.

Preliminary interview or stand up interviews

The applications which have been considered by the employer maybe called for a preliminary interview. The object of preliminary interview is to see the candidate personally to ensure whether he is physically and mentally suitable for the job during this interview the employer may ask certain basic questions about his educational qualifications, previous work experience areas of interest etc. It gives the employer opportunity to talk to the candidates directly and judge his mobility.

Tests

A test is a sample measurement of a candidates ability and interest for the job different types of test are conducted.

1. Aptitude Test conducted to know whether candidate has the potentials to learn the skills necessary to the work. Ex: salesman.
2. Intelligence Test to test the mental capacity of the candidates like, reasoning, word fluency, memory, vocabulary, etc.
3. Proficiency Test is conducted to measure a persons skill to do his job. Ex: typist.
4. Interest test to measure a candidates interest in a particular work.
5. Personality Test helps to judge the personal traits of a candidates qualities like, courage, values, initiative, curiosity, judgement, temperament, etc.
6. In Basket the candidate is supplied with actual letters, telephone, conversation, reports and adequate information about job and organization. The candidate is asked to take decision on various items based on the information.

7. Thematic Apperception Test (TAT) candidates are shown a series of pictures and are asked to write a story based on these pictures. This test measures candidates conceptual, imaginative and projective skills.
8. Ink-Blot Test The candidates are asked to see the ink- blots and make meaningful concepts out of them. The examiner keeps a record of the responses, emotional expressions and incidental behaviors.

INTERVIEW:

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

- i. Structured Interview
In a structured the interviewer has a list of questions with answers prepared well in advance. The interviewer ask questions only from prepared questions and marks are awarded based on the answer.
 - ii. Unstructured Interview
The interviewer asks any questions that he thinks relevant and see how the interviewee responds. The interviewer asks the candidate to express his views on the job he has applied.
 - iii. Depth Interview
Depth Interview attempts to know the in-depth knowledge of the candidate in his chosen field of activity. This interview is necessary where the candidates are expected to be experts in performing the job to be assigned to them.
 - iv. Stress Interview
This kind of interview is necessary to select candidates for jobs that require tremendous amount of patience, the capacity to overcome resistance and the mental courage to overcome stress and strain.
 - v. Board or panel Interview
In this kind of interview the candidate is interviewed simultaneously by a panel of experts. Each member of the board may ask questions from certain specific areas.
 - vi. Group Discussion Interviews
In this case a group of candidates will be interviewed simultaneously. A practical problem will be given to them and each one is asked to discuss it to find a solution.
9. Checking References The candidate would have been required to mention in his application the names and addresses of a few persons known to him. At this stage the employer may contact such persons and get information regarding the conduct and character of the candidate.
 10. Medical Examination The person selected for a job must be medically fit to perform it. The candidate therefore will be asked to undergo medical examination to prove his/her physical fitness. A report and certificate from a doctor may have to be submitted to the organization.

11. **Appointment** If the employer is satisfied with the medical reports of the candidate he may appoint him in his organization. The appointment order states the date of appointment, the nature of the job, the salary, and other allowance payable, the period of probation, etc.
12. **Probation** It is the initial testing period of the candidates during which his performance will be observed. In certain organizations it may be 6 months while in others it may extend up to 2 years.
13. **Confirmation of service** After the successful completion of the period of probation, the candidate's appointment will be confirmed after getting the confirmation order the candidate becomes eligible to contribute to provident fund and other schemes. The candidate who has not performed satisfactorily will be issued the termination letter.

Job Analysis

It is the process of studying and collecting information relating to the operations and responsibilities of a specific job.

It is a process of identifying the nature of a job.

Job analysis involves gathering data about observable job behaviors and the knowledge, skills, abilities and other characteristics needed to perform the job.

1. It approaches the task of determining the role, context, conditions, human behavior, performance standards and responsibilities of a job systematically.
2. It helps in developing a job profile for each job and also acts as the basis for developing the description and specification statements.

Methods of information collection for job analysis

- Personal Observation
- Interview
- Log records
- Critical incidents
- Checklist
- Questionnaire

Job Description

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

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

Job description contains the following information:

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

Job Specification

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

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

Placement

Placement and induction is the final phase in the recruitment and selection procedure. Candidates selected have to be placed in a job on a permanent basis. After conducting on-the-job test, a candidate will be placed on a particular job and will be introduced to his fellow-workers and supervisor. He is also assisted in making personal adjustments which are quite essential for his effective performance of the job as a member of the work-team.

Problems in placement

1. Employee expectations- If the employee expects high salary independent and challenging work and the job offers low salary, dependant work then the employee finds himself misfit to the job.
2. Job expectations- Sometimes the expectations from the employee are more than the employee's abilities or skills. Then the HR manager finds the mismatch between the job and the employees.
3. Change in technology- Technological changes bring changes in job description and specification. This may mismatch.

4. Changes in organizational structure- The organization may do merger, acquisition, downsizing etc. That may result in mismatch between job and employee.

Steps should be taken to make placement effective and satisfactory:

1. Job Rotation:

Job rotation means transferring the employee from one job to another. This technique of rotating the employee among different jobs in the department or organization enables the employee to satisfy his aptitude for challenging work so as to enable the employee to match with his new job-assignment.

2. Team Work:

Team-spirit is necessary among the employees. The team spirit comes from team work which allows employees to use their skill, knowledge, experience, abilities etc. and minimizes the problems in placement.

3. Training and Development:

Continuous training and management of employees help each employee to acquire new skills and knowledge, based on the re-designed jobs. This will also help in solving placement problems.

4. Job Enrichment:

Job enrichment provides the challenging work and decision-making authority to the employees. It gives an opportunity to the employees to utilize their varied skills and help in solving placement problems.

5. Empowerment:

Employee empowerment relating to the job he does helps him to exploit his potentialities which he can use efficiently. This will also solve the problem in placement.

Importance of Placement

- To assign their responsibility for bringing more productivity and performance.
- It is an Important part for HR Department.
- It will helps to match the need of skill in the job with qualification of employee.
- It will helps the employee to get maximum confidence on the job.
- It helps to maximize the excellence of the business.

Question Bank (Unit II)

Part – A

1. Recall the concept of Recruitment.
2. Expand the term HRP
3. Summarize the tools to be used for in Interviews.
4. Rewrite the concept of Selection.
5. Draw the meaning of campus recruitment.
6. Articulate the need of Induction program for new employees.
7. Denote the meaning of Group Discussion
8. Explain the meaning of Probation Period
9. Draw the meaning of Technical Interview.
10. Infer the Term of Placement.

Part –B

1. Evaluate the Importance of Human Resource Planning.
2. Assess the Objectives of Human Resource Planning.
3. Extract the Process of Human Resource Planning.
4. Evaluate the factors that affecting Human Resource Planning.
5. Estimate the sources of Recruitment.
6. Discover the company strategy with Recruitment strategy.
7. Enlarge the Process or Steps in Selection.
8. Reframe the Centralized and Decentralized recruitment.
9. Design the model of job opening for a Legal Advisor with Job Specification and Job Description.
10. Develop the types of Interviews and test in selection process.

Reference Books:

1. Edwin Flippo, Principle of Personnel Management, 1st Edition, prentice Hall Inc, 1984.
2. Gary Dessler, Human Resource Management 13 th Edition, Prentice Hall Inc, 2012.
3. Tripathi .. P.C , Personnel Management Industrial Relations, 19th Edition, Sultan Chand & Sons , 2008.
4. Mamoria & Gankar S.V , Personnel Management Industrial Relations, 29th Edition , Himalaya Publishing House, 2009.
5. William Werther & Keith Davis , Human Resource and Personnel Management , 5th Edition, Tata McGraw Hill , 2003.



SATHYABAMA

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

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

UNIT – III – Human Resource Management – SBA1204

TRAINING AND DEVELOPMENT

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

CONCEPTS OF TRAINING

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

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

DEFINITION:

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

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

Training & Development Need = Standard Performance - Actual Performance

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

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

IMPORTANCE OF TRAINING

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

BENEFITS OF TRAINING:

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

OBJECTIVES OF TRAINING:

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

IDENTIFYING THE NEED OF TRAINING & DEVELOPMENT

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

PROCESS OF TRAINING OR STEPS INVOLVED IN TRAINING:

1) Assessment of training needs.

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

2) Setting the training objectives.

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

3) Selection of training method.

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

4) Conduct of training.

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

5) Evaluation of training program and Follow up

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

TYPES (OR) METHODS OF TRAINING



On the Job Training Method

1. Job Rotation

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

2. Coaching

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

3. Job Instruction

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

4. Committee assignment

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

5. Internship training

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

Off the Job Training Method

1. Case study method

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

2. Incident method

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

3. Role play

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

4. Inbasket method

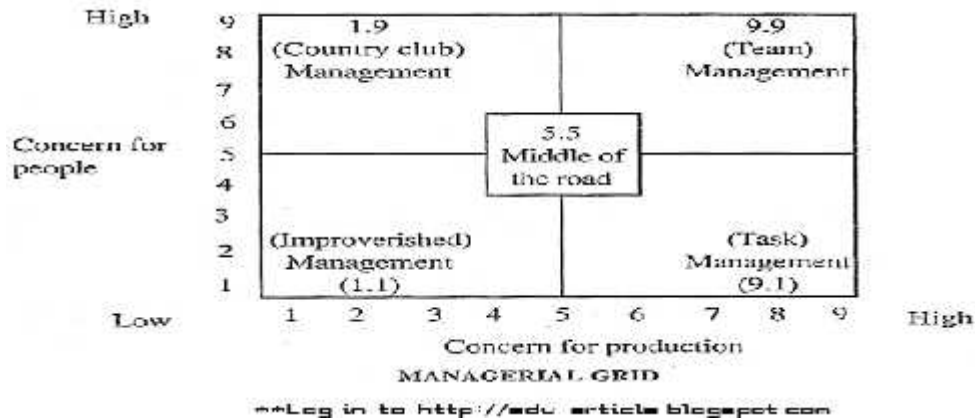
In basket training is a training method to acquaint employees about their job where a number of problems are kept in the "in basket " (usually kept on the desk of the employee). The worker has to look at the problems which could also be complaints from different employees and simultaneously deal with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

5. Business games

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

6. Grid Training

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



7. Lectures

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

8. Stimulation Training

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

9. Management (Games) education

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

10. Conferences and seminars

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

ROLE OF TRAINING

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

COMPETENCY FOR EFFECTIVE TRAINING

- **A Deep Knowledge of the Business**

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

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

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

- **Strong Communication and Interpersonal skills**

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

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

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

- **Innovative Thinking**

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

- **Embrace Efficiency**

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

TRAINING OUTSOURCING

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

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

NEED OF OUTSOURCING

- **COST EFFECTIVE**

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

- **SKILLED SPECIFIC VENDORS**

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

- **SAVES ON INFRASTRUCTURE AND TECHNOLOG**

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

▪ **RISK SHARING**

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

▪ **DEALS WITH TALENT SHORTAGE**

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

▪ **IMPROVED CUSTOMER SERVICES**

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

AREA OF OUTSOURCING IN HR

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

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

MANAGEMENT DEVELOPMENT PROGRAMME

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

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

DEFINITION:

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

CHARACTERISTICS OF MANAGEMENT DEVELOPMENT

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

NEED OF MANAGEMENT DEVELOPMENT

- **Social Obligation**

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

- **Effect of Globalization**

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

- **Effective Functioning of Line Management**

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

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

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

- **Use of Latest Technologies**

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

- **Change in Economic Policy**

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

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

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

CAREER DEVELOPMENT

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

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

NEED FOR EFFECTIVE CAREER DEVELOPMENT

i. Making Available Needed Talent:

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

ii. Attracting and Retaining Talents:

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

iii. Reduced Employee Frustration:

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

iv. Enhancing Cultural Diversity:

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

v. Improving Organizational Goodwill:

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

vi. Motivating for best result:

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

vii. Maximizing Interest on achieving task or work:

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

viii. Reducing absentee:

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

STEPS IN CAREER DEVELOPMENT (PROCESS)

- **Identifying Career Needs**

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

- **Developing Career Opportunities**

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

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

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

- **Regular Monitoring**

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

STRATEGIES IN CAREER DEVELOPMENT

Individual strategy

- **Do it Now**

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

- **Know Yourself**

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

- **Analyze Career Opportunities**

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

- **Establish Career Goals**

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

- **Obtain Feedback**

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

- **Manage Your Career**

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

Organizational Strategy

- **Improving Human Resource Planning**

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

- **Improving Dissemination of Career Option Information**

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

- **Initial Career Counseling**

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

- **Support of Education and Training**

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

- **Job Posting**

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

- **Special Assignments and Job Rotation**

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

- **Career Development Workshops**

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

- **Flexible Rewards and Promotional System**

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

SELF-MANAGEMENT

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

Self-assessment includes some vital aspects such as:

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

- **i. Achievements:**

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

- **ii. Skills and Abilities:**

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

- **iii. Personal Values:**

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

- **iv. Interests:**

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

- **v. Disabilities (If Known):**

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

- **vi. Personal and Family Circumstances:**

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

JOB EVALUATION

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

MERITS OF JOB EVALUATION

- It is the only logical and systematic way of doing wage and salary administration.
- An exercise is job evaluation stabilizes internal norms and standards. Otherwise, there would be chaos in measuring what each job is expected to do.
- It removes wage inequalities because it links the job worth to the wages.
- It ensures proper wage cadres and classifications – also wage differentials.
- Jobs are properly classified as unskilled, semiskilled, etc.
- Helpful for recruitment.
- It helps in promotions.
- For job rotation and training. It is the basis for resolving job anomalies, wage anomalies (high job paid low, low job paid high) and such other complaints.

METHODS :

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

Job enrichment

Job enrichment is a process that is characterized by adding dimensions to existing jobs to make them more motivating. Examples of job enrichment include adding extra tasks (also called job enlargement), increasing skill variety, adding meaning to jobs, creating autonomy, and giving feedback.

Job enlargement

Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. Job enlargement involves combining various activities at the same level in the organization and adding them to the existing job.

Question Bank (Unit III)

Part – A

1. Recall the term 'Training'
2. Expand the concept of Development.
3. Summarize the tools to be used in Training.
4. Rewrite the term Job Rotation.
5. Draw the meaning 'Stimulating training'.
6. Articulate the concept of Case study Method.
7. Denote the terminology of Training outsourcing.
8. Explain the term Job Enrichment.
9. Draw the concept of Career Development
10. Infer the meaning of Management Development Program

Part –B

1. Evaluate the Importance of Training program in an organization.
2. Assess the Benefits of Training and Development program to enhance the Quality of an employee.
3. Extract the Need of Training and Development program in an organization.
4. Evaluate the Process or Steps Involved in Training Process.
5. Estimate the Types or Methods of Training Programs in detail.
6. Discover the Need of Management Development Program.
7. Enlarge the areas of Outsourcing in HR.
8. Reframe the Merits and Demerits of Job Evaluation.
9. Design the steps and stages in Career development Program.
10. Develop the various aspect of self assessment to maximize the strength of an employee.

Reference Books:

1. Edwin Flippo, Principle of Personnel Management, 1st Edition, prentice Hall Inc, 1984.
2. Gary Dessler, Human Resource Management 13 th Edition, Prentice Hall Inc, 2012.
3. Tripathi .. P.C , Personnel Management Industrial Relations, 19th Edition, Sultan Chand & Sons , 2008.
4. Mamoria & Gankar S.V , Personnel Management Industrial Relations, 29th Edition , Himalaya Publishing House, 2009.
5. William Werther & Keith Davis , Human Resource and Personnel Management , 5th Edition, Tata McGraw Hill , 2003.



SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

[DEEMED TO BE UNIVERSITY]

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

UNIT – IV – Human Resource Management – SBA1204

COMPENSATION

MEANING OF COMPENSATION

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

Components of Compensation:

- Basic pay - For the skill of employee
- Increment - For continued learning of the skill year after year.
- Incentive - For efficiency of employee
- Dearness allowances- For cost of living.
- Overtime - For clearing extra workload which cannot be done during normal hours.
- H.R.A. - Allowance for rent.
- C.C.A. - To meet additional cost of living in metros. • Social Security Schemes- like ESI and PF and pension.
- Welfare-fringe benefits-perquisites - like transport, medical facilities, housing, schooling, etc. - not related to efficiency or skill
- Bonus - Sharing the profit for employee motivation.

FACTORS INFLUENCING REMUNERATION

External Factors

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

Internal Factors

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

WAGE PAYMENTS AND INCENTIVES PLANS

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

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

Advantages

- Attract And Retain The Employees
- Builds High Morale
- Satisfied Employees
- Image of Progressive Employer
- Ensure Minimum Wages
- Harmonious Industrial Relations
- No Favoritism/Bias

BASIC KINDS OR TYPES OF WAGE PLANS

A) Time rate system

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

MERITS AND DEMERITS

Merits:

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

Demerits

- All the persons are paid equally without considering ability difference

- Labour changes for a particular job do not remain constant, hence quoting rates for a particular piece of work becomes difficult
- As there is no specific demand for the period of time of work there is possibility of systematic evasion.
- The employees does not know the amount of work done by each other, so total expenditure on wages cannot be adequately assessed
- As no record of workers output is maintained, it becomes difficult for the employees to determine the efficiency for the purpose of promotion

B) Piece wage plan

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

Merits and Demerits

Merits

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

Demerits

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

C) Incentive Scheme

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

Merits and Demerits

Merits

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

Demerits

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

Various types of incentive plans

1. Halsey Plan

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

2. Rowan Plan

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

3. Halsey premium plan

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

4. Rowan premium plan

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

5. Taylor's differential piece rate system

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

6. Taylor's differential piece rate scheme

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

7. Budeaux multiple piece rate

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

8. Merricks Plan

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

9. Gantt's task/bonus plan.

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

10. Group incentive programs

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

FRINGE BENEFITS

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

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

- (a) **Statutory benefits** – The Employees Provident Fund Scheme, Gratuity or Pension Schemes and Employees State Insurance Scheme.
- (b) **Non-statutory benefits** – Payments towards Employees Provident Fund Scheme, Gratuity and Pension Fund contribution, medical facilities, canteens, uniform and recreational facilities.

OBJECTIVES OF FRINGE BENEFITS

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

BENEFITS & CATEGORIES OF FRINGE BENEFITS:

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

TYPES OF FRINGE BENEFITS

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

Sick day payout at retirement will be based on the following

- 25+ years 120 days
- 20+ years 100 days
- 15+ years 80 days
- 10+ years 60 days
- less than 10 years0 days

PERFORMANCE LINKED COMPENSATION

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

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

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

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

PERFORMANCE APPRAISAL

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

NATURE OF PERFORMANCE APPRAISAL

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

DEFINITION:

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

OBJECTIVES OF PERFORMANCE APPRAISAL

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

IMPORTANCE OF PERFORMANCE APPRAISAL

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

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

METHODS (OR) TECHNIQUES OF PERFORMANCE APPRAISAL

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

I. Traditional Methods

1. Ranking Method:

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

2. Paired Comparison Method

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

3. Grade scale

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

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

4. Forced distribution method

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

5. Forced Choice method

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

6. Check list method

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

7. Critical incident method

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

8. Graphic scale method

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

- i. Discrete
- ii. Continuous

9. Essay evaluation method

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

10. Field review method

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

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

11. Confidential method

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

II. Modern Methods

1. MBO (Management by Objectives)

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

2. 360 Degree Feedback

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

3. Assessment center Method

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

4. Behaviourally anchored rating system (BARS)

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

5. Psychological appraisals

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

NEED FOR MODERN PERFORMANCE APPRAISAL METHODS

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

PITFALLS (OR) DISADVANTAGES OF PERFORMANCE APPRAISAL

- **The lack of objectivity**

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

- **The halo effect**

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

- **The regency effect**

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

- **The Additional Workload**

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

- **The contrast tendency**

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

- **The prejudice (stereotype)**

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

- **The distributional tendency**

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

- **Lack of Continuous Assessment**

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

POTENTIAL APPRAISAL

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

PURPOSE OF POTENTIAL APPRAISAL

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

TECHNIQUES OF POTENTIAL APPRAISAL

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

DIFFERENCE BETWEEN POTENTIAL APPRAISAL AND PERFORMANCE APPRAISAL

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

COUNSELLING

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

DEFINITION:

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

NEED FOR EMPLOYEE COUNSELLING

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

OBJECTIVES OF EMPLOYEE COUNSELLING

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

JOB CHANGES

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

OBJECTIVES:

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

CAUSES OF JOB CHANGE

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

TRANSFER & PROMOTION

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

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

OBJECTIVES & NEED OF TRANSFER & PROMOTION

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

TYPES OF TRANSFER

(A) Production Transfers:

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

(B) Replacement Transfers:

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

(C) Versatility Transfers:

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

(D) Shift Transfers:

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

(E) Remedial Transfers:

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

(F) Miscellaneous Transfers:

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

(a) Limited Promotion

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

(b) Dry Promotion

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

(c) Multiple Chain Promotion

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

(d) Up and Out Promotion

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

(e) Horizontal and Vertical Promotion

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

Question Bank (Unit IV)

Part – A

1. Recall the term compensation.
2. Expand the term 'HRA & DA' in compensation.
3. Summarize the meaning of Time and Piece rate system.
4. Rewrite the concept of incentives schemes
5. Draw the meaning of Bonus.
6. Articulate the concept of Fringe Benefits.
7. Denote the basic facilities of standard working culture.
8. Explain the concept of ESI to the workers.
9. State any Two examples of Non- Monetary Motivation to the employee.
10. Infer the meaning of 'Allowances' to the employee.

Part –B

1. Evaluate the factors Influencing Remuneration.
2. Assess the Merits and Demerits of Time Rate system.
3. Extract the components of Compensation with suitable examples
4. Evaluate the Merits and Demerits of Piece Rate system.
5. Estimate the Advantages and Dis- Advantages of Incentive schemes
6. Discover the various types of Incentive plans.
7. Enlarge the objective and Benefits of Fringe Benefits.
8. Reframe the various types of Fringe Benefits.
9. Design the concept of Performance linked compensation.
10. Create the various methods of performance appraisal system.

Reference Books:

1. Edwin Flippo, Principle of Personnel Management, 1st Edition, prentice Hall Inc, 1984.
2. Gary Dessler, Human Resource Management 13 th Edition, Prentice Hall Inc, 2012.
3. Tripathi .. P.C , Personnel Management Industrial Relations, 19th Edition, Sultan Chand & Sons , 2008.
4. Mamoria & Gankar S.V , Personnel Management Industrial Relations, 29th Edition , Himalaya Publishing House, 2009.
5. William Werther & Keith Davis , Human Resource and Personnel Management , 5th Edition, Tata McGraw Hill , 2003.



SATHYABAMA

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

Accredited "A" Grade by NAAC | 12B Status by UGC | Approved by AICTE

www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

UNIT – V – Human Resource Management – SBA1204

Quality of Work-Life

Quality of Work-Life is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees.”

Quality of Work-Life is a generic phrase that covers a person’s feelings about every dimension of work including economic rewards and benefits, security, working conditions, organisational and interpersonal relationships and its intrinsic meaning in a person’s life.

Quality of Work Life – Definitions: By Some Eminent Authors like Lloyd Suttle, Johnstorn, Alexander and Robin and a Few Others

It embodies the following inter-related sets of ideas:

- (a) Ideas dealing with a body of knowledge, concepts experiences related to the nature, meaning and structure of work.
- (b) Ideas dealing with the nature and process of introducing and managing organizational change; and
- (c) Ideas dealing with outcomes or results the change process.

Characteristics of QWL

i. Attitude of the Employee:

Specifies that an employee who is entrusted with a particular job should have sufficient skills, knowledge, and expertise in performing his/her work, willingness to learn, and openness for creativity and team spirit.

ii. Fair Compensation and Job Security:

Specifies that employees should be offered compensation in proportion to their skills, knowledge, experience, and performance. If compensation paid to employees is not directly proportional to the performance of the employee, it may lead to greater employee discontent and lack of productivity on the part of employees. Job security provided to employees in the form of permanent employment also improves QWL.

iii. Personal and Career Growth Opportunities:

Imply that an organization should provide employees with opportunities for personal development and growth. Proper training and development programs should be organized from time-to-time in order to help employees to accept higher job responsibilities in future.

iv. Balance between Personal and Professional Life:

Means that an organization should provide proper leisure and relaxation time to its employees, so that they can maintain a balance between their personal as well as professional life. They should not be overburdened or pressurized with extra work and should not be sent on unplanned business travels or untimely transfers.

v. Nature of Job:

Refers to the type of job allocated to an employee. It means that if routine, dull, and monotonous jobs are allocated to employees, then it would lead to boredom and decline in QWL, but if the nature of job is such that it offers recognition, growth, creativity, and opportunities of advancement then it leads to improvement in QWL.

vi. Level of Stress:

Needs to be reduced, as stress is harmful for an individual. If the level of stress, which an individual faces on job is high, his/her productivity and efficiency to work would decline, thus, leading to a decrease in QWL. An organization should provide a stress free environment to its employees so that they can work productively towards the goals of the organization.

vii. Risk and Reward:

Means that a job, which is risky and challenging, is paid more, as Compared to the job that requires less risk, challenge, and enthusiasm. Rewards provided to an employee must be directly proportional to the risk and responsibilities involved in that job. Rewards act as a proper motivational tool to enhance the morale of its workers.

viii. Participative Style of Leadership:

Encourages employees' participation and involvement that is employees feel themselves as a part of the organization and this develops a feeling of belongingness in them. They offer innovative and creative ideas and suggestions to managers, which in turn helps in improvement in overall work processes and environment. Recognition provided to them, in turn, helps in motivating them to perform better.

ix. Career Prospects:

Refer to opportunities for career growth and advancements. If an employee is performing well, he/she should be rewarded by providing growth prospects.

x. Fun at Workplace:

Refers to various contests, games, and quizzes that should be organized from time-to-time among employees, so that they enjoy while working. Games, such as tambola, dumb charade, can be planned at times, so that employees feel relaxed and tuned to their work.

xi. Alternative Work Arrangement Techniques:

Refer to programs, such as flexi-time and compressed workweek, play a vital role in enhancing QWL of employees.

Thus, it can be rightly said that QWL is related to job satisfaction and improvement in overall efficiency and productivity of employees. It ultimately leads to a decrease in absenteeism, turnover, and higher quality and quantity of work output. It further helps in making workforce happy and satisfied and in turn, improves physical and psychological health of employees.

Organizational Environment:

Maintaining a conducive organizational environment is not about managing retention. It is about managing people. If an organization manages people well, retention will take care of itself. Organizations should focus on managing the work environment to make better use of the available human assets.

People want to work for an organization which provides-

1. Appreciation for the work done
2. Ample opportunities to grow
3. A friendly and cooperative environment
4. A feeling that the organization is second home to the employee
5. Organization environment includes
6. Culture
7. Values
8. Company reputation

9. Quality of people in the organization
10. Employee development and career growth
11. Risk taking
12. Leading technologies
13. Trust

Types of Environment Employees Seek in an Organization:

1. Learning Environment – It includes continuous learning and improvement of the individual, certifications and provision for higher studies, etc.
2. Support Environment – Organization can provide support in the form of work life balance.

Work life balance includes:

- i. Flexible hours
- ii. Telecommuting
- iii. Dependent care
- iv. Alternate work schedules
- v. Vacations
- vi. Wellness

Work Environment:

It includes efficient managers, supportive co-workers, challenging work, involvement in decision-making, clarity of work and responsibilities and recognition. Lack or absence of such environment pushes employees to look for new opportunities. The environment should be such that the employee feels connected to the organization in every respect.

The four basic elements of quality of work life are:

- (i) The programme is meant for enhancing human dignity and growth opportunities;
- (ii) Employees are to work together to achieve the collective goal(s);
- (iii) Employees decide on work related issues through total participation;
- (iv) The programme integrates the people with the organisation by assimilating individual and organisational goals.

Need of Quality Work life

1. Safer Working Conditions:

Walton considers QWL deeply concerned with provision of a work environment absolutely free from various hazards arising out of natural and unnatural things. He further encompasses the need for reasonable hours of work, favourable physical conditions of work, age restrictions, etc. to be followed by the organizations.

In India, the Factories Act, 1948 and several other labour laws provide the various rules and regulation of protecting the workers from the health hazards at the working site.

2. Equitable and Fair Pay:

The QWL requires that employees must be paid their due share in the progress of the firm. Compensation system should create a favourable environment whereby the organization utilizes the human resources to the maximum extent and should help the employee to maintain himself and his family with a standard in the society.

3. Job Satisfaction:

The workers, as they are living beings, desire to work on the job that will utilize their abilities and talents and provide them satisfaction. The management must enrich the jobs and redesign the jobs in such a way that workers feel satisfied.

4. Job Security:

Employees strongly desire stability of their jobs. The workplace should offer security of employment. Layoffs and retrenchment are opposed by all categories of employees these days.

5. Autonomy and Control:

As the work has become highly monotonous today, the worker becomes more mechanical towards the machines and lacks controls on them. Walton observes, when sufficient autonomy as well as control are given to workers, who in turn will use their innate skill and abilities for developing the organization, it will lead to improvement of QWL in the organization.

Factors that affecting QWL Framework

(i) Adequate and Fair Compensation:

Motivation experts believe that money is still an important motive, which makes people work on the job. However, people also want to see fairness and adequacy in their pay rewards. Equal pay for equal work and pay that is linked to responsibility; skill, performance and individual accomplishment are viewed with great importance.

(ii) Safe and Healthy Working Conditions:

An organization must create working conditions that are physically and psychologically safe for its worker. The emergence of ergonomics in the 1950s has significantly improved equipment design and plant layout to enhance the physical as well as psychological comfort and safety of the workers.

(iii) Immediate Opportunity to Use and Develop Human Capacities:

An organization must be responsible for the growth and development of its workers. This involves training, skill, development, recognition and promotion. Work assignments should be made challenging enough to expand skills, abilities and knowledge. They should create a positive effect on self-esteem, autonomy, involvement and motivation.

(iv) Future Opportunity for Continued Growth and Security:

There must be employment, which provides for continual growth in job and income security. Opportunities for training and advancement should be considered.

(v) Social Integration in the Work Organization:

The work environment should provide opportunities for preserving an employee's personal identity and self-esteem through freedom from prejudice, a sense of community, interpersonal openness and the absence of dissatisfaction in the organization.

(vi) Constitutionalism in the Work Organization:

There should be the right to personal-privacy, free speech and equitable treatment in the work place.

(vii) Work and Total Life Space:

A person's work should not overbalance his life. Ideally, work schedules, career demand and travel requirements should not take up too much of his leisure and family life.

(viii) Social Relevance of Work Life:

The standing of an organization in society can influence an employee's value of his work and career.

Essential steps of quality of work life

1. Flexibility in Work Schedule – Employees want flexibility in work schedule. There may be three aspects of flexibility, viz. flexi time – a system of flexible working hours, staggered working hours – different time intervals for beginning and end of working hours and compressed work-week – more working hours per day with lesser number of working days per week.

2. Autonomous Work Group – Creation of autonomous work group helps in creating positive feelings among employees. They may be given freedom to choose their own teams; there should be freedom of decision making regarding the choice of methods for work distribution of tasks among group members and designing of work schedules.

3. Job Enrichment – Job enrichment attempts to design a job in such a way that it becomes more interesting and challenging so that the worker makes meaning out of that. The degree of job enrichment determines the degree of QWL.

4. Opportunity for Growth – An employee, particularly the achievement oriented one, seeks growth through his work. If the work provides him opportunity for personal growth and to develop his personality, he will feel committed to the job and the organisation.

5. Providing stability of employment – Good pay and different alternative ways of providing better wages and stability of employment will help the work force to function better.

6. Participation – Participation in decision making, particularly on the matters directly concerned with an individual's working, has an important bearing on his satisfaction and performance. Higher degree of participation improves the QWL and overall organisational climate.

7. Recognition – Awarding and rewarding for their achievement, job enrichment, providing well-furnished and decent work places, offering membership in associations and in clubs, offering vacation trips etc., are the ways to recognise the employees.

8. Congenial relationship – Harmonious worker-manager relationship makes the worker have a sense of association and belongingness.

9. Grievance procedure – When the organisation allows the employees to express their grievances and represent their problems, their confidence in the management improves.

10. Occupational stress – Stress is a condition of strain on one's emotions. It adversely affects employee's productivity. The HR manager has to identify and minimise the stress.

11. Organisational health programme – These programmes educate the employees about health problems, and means to maintain and improve health. This programme should also suggest physical

exercise, diet control, etc. Effective implementation of these programmes results in reduction of hospitalisation, absenteeism, excessive job turnover, disability etc.

12. Adequacy of resources – The enterprise must see that sufficient resources are allocated towards achieving the objectives of QWL.

13. Seniority and merit promotion – Seniority is to be taken for promotion for operating employees and merit is to be considered for advancement of managerial personnel. The promotional policies and activities should be fair and just for maintaining high order of QWL.

14. Communication – To make QWL effective, two-way communication is necessary. Through the downward communication employees would receive -information about the various aspects of the organisation, instructions about job performance and other specific communication which may be relevant for them.

Industrial Relations

In a broad sense, the term Industrial Relations includes the relationship between the various unions, between the state and the unions as well as those between the various employers and the government. Relations of all those associated in an industry may be called Industrial Relations.

The term ‘Industrial Relations’ comprises ‘Industry’ and ‘relations’. Industry means any productive activity in which an individual is engaged. It includes- (a) primary activities like agriculture, fisheries, plantation, forestry, horticulture, mining etc. etc. and (b) Secondary activities like manufacturing, construction, trade, transport, commerce, banking, communication etc.

Objectives of good industrial relations

Two-fold objectives of good industrial relations are to preserve industrial peace and to secure industrial co-operation

Industry can be defined as a venture of co-operation under the direction of the management to secure the effective co-ordination of men, materials, and machinery and money.

The objectives of good industrial relations should be development and progress of industry; through democratic methods, stability, total wellbeing and happiness of the workers; and industrial peace.

Industrial peace is the fruit of good industrial relations. It is the harmonious atmosphere where there is no “inquilabs”, no strikes and no industrial disputes.

Regional prejudices, provincialism and clannishness have no place where good industrial relations prevail.

The primary objective of industrial relations is to bring about good and healthy relations between the two partners in the industry i.e., the management and the labour.

Industrial Relations – Importance of IR

1. The labours today are more educated and they are aware of their responsibilities and rights. Management has to deal with them not merely as factors of production, but as individuals having human dignity and self-respect. The objective is to change the traditional views of management and labour towards each other and develop mutual understanding and co-operation and work towards achievement of common goal. Good industrial relations lead to industrial peace and increase in production.
2. Joint consultation between employees and management paves the way for industrial democracy and they contribute to the growth of the organisation.
3. Conducive industrial relations motivate the workers to give increased output. Problems are solved through mutual discussions, workers’ participation, suggestion schemes, joint meeting, etc. Good industrial relations, increase labour efficiency and productivity.
4. With increased productivity, the management is in a position to offer financial and non- financial incentives to workers.

Factors for Healthy IR

Every organization strives to induce good industrial relations. To ensure industrial peace and avoid labour unrest like strikes, gheraos, demonstrations, slogan shouting, work stoppages etc.; healthy work relationships must exist for the development and promotion of harmonious labour-management relations which has become very important in the modern industrial society.

Importance of good industrial relations and concern for the welfare of the labour is best expressed in the words of Dorabji Tata as follows –

“The welfare of the labouring classes must be one of the first cares of every employer. Any betterment of their conditions must proceed more from the employers downward rather than be forced up by demands from below, since labour, contented, well-housed, well-fed and generally well-looked after, is not only an asset and advantageous to the employer but serves to raise the standard of industry and labour in the country.”

Good industrial relations depend upon a large number of factors/conditions.

1. History of Industrial Relations in an Enterprise:

Every industry moves ahead with its good or bad history of industrial relations. Harmonious relationship between the workers and management marks the good history of the enterprise. While strikes and lockout characterise the bad history of the business. History, good or bad, established once will take time to change.

Once militancy (strikes, lockouts etc.) is established as a conduct of operations, there is a tendency to continue. If harmonious relationships are established, it will perpetuate. This, however, does not mean that militancy situation cannot be converted into a harmonious relationships or vice-versa. Rather what it means is that probability of peaceful relations is greater where mutual understanding exists – and the probability of conflict is greater when industrial conflict has been accepted as a normal conduct of business.

2. Strong Trade Unions:

Strong and enlightened trade unions help to promote the status of labour without jeopardising the interest of management. Trade unions maintain good relations with management and avoid militancy and strikes situation. Enlightened trade unions induce the workers to produce more and persuade the management to pay more.

They mobilize public opinion on vital labour issues and help the government in enacting progressive labour laws. They develop right kind of leadership, avoid multiplicity of unionism and union rivalry. Hence, a strong, responsible and enlightened trade union promote healthy industrial relations.

3. Negotiating Skills of Management and Workers:

Well experienced and skillful negotiations create a bargaining environment conducive to the equitable collective agreements. The representatives of management and workers must recognize the human element involved in collective bargaining process.

Both parties must have trust and confidence in each other. They should be able to perceive a problem from the opposite angle with an open mind. A constructive and positive approach from both the parties must be present to honour the agreements in the right spirit.

4. Economic Factors:

Economic satisfaction of workers is one of the important condition for good industrial relations. Reasonable wages and benefits in commensurate with other industries must be paid by the employer. Economic need is the basic survival need of the workers.

5. Social Factors:

Social factors such as – social values, social groups and social status also influence the industrial relations. The employment relationship is not just an economic contract. It is a joint venture involving a climate of human and social relationships wherein each party (workers and management) fulfills his needs and contributes to the needs of others. The supportive climate is essentially built around social factors. The influence of social factors gets changed with the progress of industrialisation.

6. Psychological Factors:

The psychological factors such as motivation, alienation and morale are significant determinants of industrial relations. The relationship between workers and management would be more stable and sure if the needs and expectations of the workers are integrated with the goals of the enterprise.

Workers should understand that their interests get furthered when organisational goals are achieved. Cordial and collective relations create an environment of power relationships, where everyone will be motivated to offer their best towards the attainment of goals.

7. Public Policy and Legislation:

The regulation of employer- employee relationship by the government is another important factor for the smooth industrial relations. Government intervenes the relationships by enacting and enforcing labour laws. Government intervention checks and balances upon the arbitrary management action.

It also provides a formal measure to the workers and employers to give emotional release to their dissatisfaction. Timely intervention by the government can catch and solve problems before they become amounting serious.

8. Off the Job Conditions:

Living conditions of workers are also important. The industry appoints the ‘whole person’. His personal and home life is inseparable from his work life. His personal optional conditions do affect on

his efficiency and productivity. So off-the-job conditions of workers must be taken care of and improved to develop good industrial relations at the work place.

9. Better Education:

Industrial workers in Indian are generally illiterate. They can be easily misled by the trade union leaders who have their self-interest. Workers must be properly educated to understand the prevailing industrial environment. They must have a problem solving approach and a capability to analyse the things in the right perspective. They must be aware of their responsibility towards the organisation and the community at large.

10. Business Cycles:

Industrial relations are good when there is boom and prosperity all round. Levels of employment go up, wages rise and workers are more happy in prosperity period. But during recession, there is decline in wages and fall in employment level. Such recessionary conditions mars the good industrial relations. Thus business cycles also influence the existence of healthy industrial relations.

Trade Unions with Industrial Relations

Unions Work With Employers to Resolve Labor Issues

One of the most important roles that labor unions perform is that when there is a dispute in the workplace, the union acts as an intermediary between employers and business owners. Labor union leaders are experienced at solving problems through formal arbitration and grievance procedures. Instead of viewing this process as contentious, business owners should welcome the involvement of a union representative, because it can expedite the resolution. When issues arise at the workplace between you and your employee, the goal is to secure a “win-win” in which both sides feel as if they each attained something from the deal.

Save Employer Time Through Collective Bargaining

Every labor union in the U.S. operates under what is known as the collective bargaining agreement, which helps secure fair wages, working hours, benefits, and the standards necessary for wage increases. The collective bargaining agreement also protects your employees from being fired without just cause, which protects you from litigation, because you can only terminate a worker if that worker violated your company’s standards and policies. Some employers view the collective bargaining

agreement as a necessary evil, but you should view it as a way to save your company the time and money of having to negotiate wages, wage increases and benefits on your own.

Help Reduce Turnover Rate

The goal of most labor unions isn't to create conflict with your business; the goal is to ensure that employees are treated fairly, and that they feel comfortable and secure on the job. When that goal is achieved, employees tend to stick around, instead of trying to find a more favorable situation. Union members earn an estimated 30 percent more in wages than do non-unionized workers, and 92 percent of unionized workers have health insurance, compared to only 68 percent of non-unionized workers.

Another union benefit is that union workers are much more likely to secure guaranteed pensions than are non-unionized workers. By ensuring fair wages and benefits, labor unions help keep the membership content, and workers who are satisfied with their jobs are more likely to work hard, instead of looking for a quick way to exit your company.

Suggestion Schemes

It can be defined as a management tool, which encourages employees to contribute ideas for A suggestion scheme is a formal mechanism, which encourages employees to contribute constructive ideas for improving their organization.

The concept of a suggestion scheme is simple. It can be defined as a management tool, which encourages employees to contribute ideas for improvement and innovation in the organization. It is based on rationale that creative talent exists in the employees and each of them has the ability and is well placed to make suggestions to improve the way the job is being done at the workplace.

Purpose of Suggestion Schemes

A suggestion scheme is a formal system by which workers are encouraged to offer ideas for improving the organization. The objective of introducing a suggestion scheme is to have a means for channeling workers' ideas on how to improve the work. The purpose of having suggestion schemes can be both economic and motivational. Good ideas can improve the competitive position of the organization through increasing efficiency of production and higher quality products and services.

Data collected from Suggestion Schemes

- work methods
- health and safety
- general environment, layout or facilities
- job structure or contents
- product and materials
- machines, tools, fittings and their installation.

Requirements for Effective Suggestion Schemes

If the steps are followed as recommended, the scheme should be helpful in improving productivity. Key areas of focus should be the reward system and the speedy administration of the scheme. In order for suggestion schemes to achieve the objective of enhancing company productivity, they must be constantly reviewed, updated and brought to the attention of employees.

Process of Suggestion Scheme

Step 1: Worker writes down an idea

Workers who have good ideas are required to put them in writing. This first stage raises three questions which must be decided by management as follows:

1. What format should be used for the ideas?
2. Which workers are eligible to submit ideas?
3. What category of suggestions is acceptable?

The rules of the scheme should be as flexible as possible in order to encourage workers' participation. Therefore, while printed suggestion forms should be made widely available, workers can also be permitted to write their ideas on any paper they can obtain. Workers who have access to a computer can e-mail their idea to the officer in charge using a downloadable form.

Step 2: Submitting the idea

Once the idea has been put in writing, it must be submitted for evaluation. A number of issues need clarification, especially:

- What is the role of the supervisor at this stage?
- How is the idea to be submitted?

In some organizations, there is no need for an employee to contact or inform his supervisor at all when he has an idea for submission. The written suggestions can be placed in a special box, which should not be confused with the suggestion box that used to be commonly found in government departments. The main purpose of the latter is to give the public a channel for complaints about the service they receive. Suggestion schemes focus on work improvements. Evaluation cannot begin until the idea has been collected and presented to the committee responsible for assessment.

Step 3: Evaluating the idea

Once the idea has been received and an acknowledgement or receipt issued, it should be passed to an evaluation committee as soon as possible. The chairperson should be the officer-in-charge of the scheme, who will normally be from either the Human Resource or Administration Departments. The committee should include a representative from the Finance Department who will assist in costing the suggestions and evaluating their financial impact on the organization. The chairperson should impress upon the committee members the importance of speedy evaluation.

Step 4: Inform the worker and reward good ideas

As soon as the evaluation committee have come to a decision, the employee submitting the idea should be informed as to whether his suggestion is usable or not. When the idea is to be implemented, the worker must be rewarded. The reward system is the key to successful suggestion schemes. Reward might be:

- a flat rate cash sum
- a cash sum based on the estimated savings over a particular period
- vouchers which can be accumulated or exchanged for goods at certain stores

Whatever reward system chosen, it must be attractive enough to encourage worker participation in the scheme and it must be seen as fair and equitable.

Human Resources Information System

A Human Resources Information System, or HRIS, is the most used software in HR. In this article, we will give an overview of what an HRIS is, its main functionalities, and everything more you need to know to have a basic understanding of the HRIS.

Benefits of an HRIS

- **Record-keeping.** An HRIS is a record-keeping system that keeps track of changes to anything related to employees. The HRIS can be seen as the one source of truth when it comes to personnel data.
- **Compliance.** Some data is collected and stored for compliance reasons. This includes material for the identification for employees in case of theft, fraud, or other misbehaviors, first contact information in case of accidents, citizens identification information for the tax office, and expiration dates for mandatory certification. All this information can be stored in the HRIS.
- **Efficiency.** Having all this information in one place not only benefits accuracy but also saves time.
- **HR strategy.** The HRIS enables the tracking of data required to advance the HR and business strategy. Depending on the priorities of the organization, different data will be essential to track. This is where the HRIS comes in.
- **Self-Service HR.** A final benefit is the ability to offer self-service HR to employees and managers. This enables employees to manage their own affairs. When done right, the HRIS can offer a good employee experience. Keep in mind that not all HRIS systems offer this in a user-friendly manner

The Functions and Role of HRIS

- **Applicant Tracking System (ATS).** This software handles all the company's recruiting needs. It tracks candidate information and resumes, enables recruiters to match job openings to suitable candidates from the company's application pool, and helps in guiding the hiring process.
- **Payroll.** Payroll automates the pay process of employees. Contractual data is often entered into this system – sometimes combined with time & attendance data – and at the end of the month, payments orders are created.

- **Benefits.** Another functionality of the HRIS is benefits management. Employee benefits are an important aspect of compensation and are also managed in this system. More advanced systems offer an employee self-service model for employee benefits. In this case, employees can select the benefits they are looking for themselves. One may want more paternity leave, the other one a more expensive company car. This self-service approach to benefits is also called a *cafeteria model*.
- **Time & Attendance.** This module gathers time and attendance data from employees. These are especially relevant for blue-collar work where employees clock in and out. Back in the day when I worked in a supermarket, we wrote the time worked down on a piece of paper, which was then manually entered into the time tracking system by the manager. Based on this data, payment orders were generated and paid to all employees.
- **Training.** Learning and development is a key element when it comes to employee management. This module allows HR to track qualification, certification, and skills of the employees, as well as an outline of available courses for company employees. This module is often referred to as an LMS, or Learning Management System, when it's a stand-alone. An LMS usually includes available e-learning and other courses to be followed by employees.
- **Performance management.** Performance management is a key part of managing people. Performance ratings are generated once or multiple times a year by the direct manager or peers of the employee.
- **Succession planning.** Creating a talent pipeline and having replacements available for key roles in the organization is another key component of an HRIS.
- **Employee self-service.** Employee self-service was already mentioned. Organizations are focusing increasingly on having employees and their direct supervisors manage their own data. Requests like holidays can be asked for by the employee him/herself. After approval, these are then immediately saved into the system (and registered to track for payroll and benefits purposes).
- **Reporting & Analytics.** A much rarer module in HRIS systems is reporting and analytics. Modern systems enable the creation of automated HR reports on various topics like employee turnover, absence, performance, and more. Analytics involves the analysis of this data for better-informed decision making. We'll explain more about this in the section below.

EMPLOYER & EMPLOYEE RELATION

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

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

NEED OF EMPLOYER-EMPLOYEE RELATIONS

1. Productivity

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

2. Employee Loyalty

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

3. Conflict Reduction

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

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

4. Achieving Strong Employment Relations

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

5. Motivating our employees

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

6. Set Goals

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

7. Delegate

Delegation of work/tasks throughout any business is important. Through delegation you are taking an opportunity to teach and empower your employees. This also allows you and the

employees to acknowledge and understand their strengths and weaknesses. These are a few points to consider when delegating tasks.

8. Communicate Effectively

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

GRIEVANCES

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

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

DEFINITION:

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

CAUSES OF GRIEVANCES

A. Resulting from working conditions

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

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

- **Changes in schedules or procedures**

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

- **Inadequate tools, machines and equipments**

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

- **Tight production standards**

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

- **Bad working conditions**

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

- **Failure to maintain proper discipline**

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

- **Poor relationship with the supervisor**

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

B. Resulting from management policy

- **Wage payment**

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

- **Leave**

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

- **Overtime**

Continuous overtime will lead for boredom among the employees that de- motivate them in their work.

- **Transfer**

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

- **Promotion, demotion and discharges**

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

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

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

- **Hostility towards a labour union**

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

OBJECTIVES OF THE GRIEVANCE HANDLING

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

BENEFITS OF GRIEVANCE HANDLING PROCEDURE

- It encourages employees to raise concerns without fear of reprisal.
- It provides a fair and speedy means of dealing with complaints.
- It prevents minor disagreements developing into more serious disputes.
- It serves as an outlet for employee frustrations and discontents.

- It saves employer's time and money as solutions are found for workplace problems. It helps to build an organizational climate based on openness and trust.

EFFECTS (OR) RESULT OF GRIEVANCE

A) On the Basis of production

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

B) On the Basis of employees

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

C) On the Basis of managers

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

STEPS TO OVERCOME GRIEVANCE

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

Question Bank (Unit V)

Part – A

1. Recall the Quality of Work Life.
2. Expand the term 'Tele-communication'.
3. Summarize the concept of Job security.
4. Rewrite the concept of Job Satisfaction.
5. Draw the meaning of 'Grievance '
6. Articulate the concept of Overtime.
7. Denote the benefits of HRIS.
8. Explain the term Turn Over Rate.
9. Draw the concept of Industrial Relation.
10. Infer the steps to overcome the Grievance.

Part –B

1. Evaluate the characteristics of Quality of Work Life.
2. Assess the types of environment that supports the Quality of work Life.
3. Extract the factor that helps to maximize the Job satisfaction.
4. Evaluate the factors that affect the QWL Framework.
5. Estimate the essential steps in Quality of Work Life.
6. Discover the factors for Healthy Industrial Relation.
7. Enlarge the requirement for effective suggestion schemes.
8. Reframe the Benefits of Human Resource Information system.
9. Design the functions and Role of HRIS.
10. Enlighten the causes of Grievances in Industry.
11. Develop the effect and outcome of Grievance handling system.

Reference Books:

1. Edwin Flippo, Principle of Personnel Management, 1st Edition, prentice Hall Inc, 1984.
2. Gary Dessler, Human Resource Management 13 th Edition, Prentice Hall Inc, 2012.
3. Tripathi .. P.C , Personnel Management Industrial Relations, 19th Edition, Sultan Chand & Sons , 2008.
4. Mamoria & Gankar S.V , Personnel Management Industrial Relations, 29th Edition , Himalaya Publishing House, 2009.
5. William Werther & Keith Davis , Human Resource and Personnel Management , 5th Edition, Tata McGraw Hill , 2003.