

# HUMAN RESOURCE MANAGEMENT

ADVANCED LEVEL

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# **HUMAN RESOURCE MANAGEMENT**

All the activities related to utilization of Human Resource efficiently and effectively so as to ensure the employee satisfaction and development in order to achieve the goals of an organization is known as Human Resource Management.

**Human Resources have the following specialties in comparison to other resources.**

- Vitality of human resource
- Ability to react and think
- Ability to control all other resources
- Increase in value through training
- Ability to work in teams.
- Behavior being complex and unable to forecast
- Possessing creative skills.

**Specific goals of Human Resource Management**

- Improving the employee effectiveness.
- Increasing the commitment of employees.
- Employee development.
- Motivating employees.
- Employee welfare
- Recruiting employees for the job at the right time
- Motivation of employee.
- Retention of suitable employees in the firm.
- Improving the industrial relations
- Controlling the cost of employment (salaries, overtime payments, cost of recruitment, cost of dismissal)
- Fulfilling the social and legal responsibilities of the organization related to human resources.

**The importance of human resource management**

- Human resource can think feel understand and react as it is live compared to other resources.
- As human resource makes decisions regarding all the other resources it is the most important and valuable resource.
- Human resource is the vital resource that can be used to obtain long term competitive advantages and to assure the survival of the business.

- Managing human resource is not only a task of HR manager, but also it is the collective responsibility of all other managers of the business. o Human Resource management is very important for the welfare of the society
- To minimize and control the labor turnover ☐
- To motivate for leadership through employee abilities and skills
- To improve the quality of working life.
- Being easy to reach the success of the organization through employee motivation
- To get the use of employees' significant characteristics/diversity
- Modern customers reacting positively towards the organization that have good human resource management practices
- Being essential to create employee development

### **The functions relevant to Human Resource Management**

- Job Design
- Job Analysis
- Man power planning
- Recruitment ☐
- Section
- Hiring
- Induction
- Performance Appraisal
- Training & Development ☐
- Employee Movements – changes ☐
- Management of payments
- Employee welfare
- Disciplinary Management
- Health & Safety Management
- Grievances Handling
- Employer & Employee Relations.

### **Job designing**

Generating or creating of a job to achieve a certain goal is the simplest idea of this. Arrangement of tasks, duties and responsibilities assigned for a work unit of the firm in order to achieve a particular goal is known as the job designing. Every job comprises of tasks, duties and responsibilities.

## Job Analysis

Job analysis is a systematic review of the features and related behaviors of a job and the qualities and qualifications that should be possessed by the employee.

The information taken from the job analysis issued to prepare.

- The job description
- The job specification.

### Job Description

The statement which describes the tasks, duties, responsibilities, working conditions, payments and benefits, the number of working hours, the nature of the job and to whom she/he is responsible etc. Relevant to a certain job is the job description

### Job Specification

The document prepared containing the qualifications that should be possessed by the individuals, who would be considered for recruitment is known as the job specification.

Such qualifications can be stated as follows.

- Educational Qualification
- Professional Qualifications
- Physical Fitness ☐
- Experience ☐
- Specialized Skills
- Linguistic knowledge ☐
- Attitudes and passion ☐
- General Knowledge ☐ Intelligence Level

The differences between job description and job specification

Job description	Job specification

## **Human resource planning**

The process of determining the future employee requirements and making decisions regarding the activities to be implemented to fulfill those requirements in order to achieve the goals and objectives of a firm is called Human Resource Planning

### **Followings are the reasons for human resources planning to be important.**

- Ability to determine the future human resources requirements ☐
- Ability to minimize labor cost by identifying excess and deficiencies in a labor and taking necessary actions for them. ☐
- Ability to avoid unnecessary cost that may occur due to sudden recruitments. ☐
- Ability to utilize human resources efficiently and productively. ☐
- Ability to lead the other management functions of the organization in the expected manner.
- For the development of highly competent employees

### **The steps of a process of Human Resources Planning**

- Forecasting the future Human resources requirements.
- Assessing the Human Resources supply
- Comparing the demand and supply of Human Resources.
- Developing the strategies to be implemented to recruit the Human Resources.
- Preparing the Human Resources Planning.
- Evaluating the efforts taken for Human resources planning

### **Factors to be considered in forecasting the Human Resources requirements (demand) (Factors influence for the human resources demand)**

- Demand for the particular goods or services ☐
- Objectives of the firm
- Production method ☐
- Future retirements of the employees
- Number of employees to be resigned
- Number of employees getting promotions ☐
- Future projects ☐
- Termination of service

## **Recruitment**

The process of attracting the job seekers with positive attitudes and capabilities supporting the achievement of organizational goals and objectives is known as recruitment.

- Guleik W.F. -
  - The result of the recruitment process is the generating of a list of job seekers who may be selected or not for the job as new employees.
  - The functions of attraction process can be shown through the following diagram

### **The Recruitment Process**

1. Recognizing Vacancies for job (Man power plan, Special request for managers)
2. Studying the job Specifications (Job analysis information, managers' opinions)
3. Identifying the employee factors relevant to attraction (Policies of the organization, cost time and other)
4. Preparing the application form
5. Selecting the way/ways of recruitment (Internal/External)
6. Implementation (Applying for vacancies by individuals and receipt of applications)
7. Evaluation

### **The sources of attraction are mainly classified as**

- ✓ Internal sources of recruitment
- ✓ External sources of recruitment

#### **Internal recruitment methods**

- Job posting

Notifying about the vacancies by publishing advertisements in firm newspaper, magazines and on the notice boards in the firm.

- Skills Inventory/Skills List For the identification of internal employees who are capable of applying for the relevant job vacancies, the usage of skill inventory prepared at man power planning by entering the skills, abilities and qualifications of employees.
- Intranet

Calling for applications through publishing the advertisement about the job vacancies in internet.

- Referrals from internal employees

Recommending the acquainted individuals like one's associates and relations by current employees for the vacancies.

- Succession Plan  
Formal documents are maintained in a firm with regard to the facts like the qualification, experience and seniority etc. of the employees. When a vacancy arises the next most suitable individuals will be used for it. ☐

### **The advantages of internal employee recruitment**

- Employees being motivated
- Creating good labor relationship
- Easy to retain the most suitable employees
- Reduction in the cost of attraction and recruitment
- . ☐ Increase in the loyalty and dedication of the employees towards the firm.
- Reduction in time spent for employee induction

### **The disadvantages of internal employee's recruitment.**

- Modern knowledge doesn't flow in to the firm.
- Chances for recruiting the most suitable individuals being less.
- Creating an unnecessary competition among the workers.
- Incurring a high cost for training.
- Innovations don't inflow.

### **External recruitment**

External recruitment is the attracting applicants for the posts of a firm from outside the firm.

Few methods of external recruit,

- Through media advertisements (electronic/printed)
- Through internet/web pages for jobs
- Through past employees
- Through educational, professional and vocational institutions
- Through job agencies
- Through professional associations
- Through job fairs
- Through higher educational institutes.

### **The advantages that a firm gain through external employee's attraction**

- Ability to attract individuals with new knowledge
- Ability to recruit the most suitable individuals for the post
- Reduction in the cost for training and development since the recruitment of trained labor taking place.

### **The following disadvantages also can occur due to external employee attraction.**

- Obstructing motivation of existing employees
- Increase in the cost of attraction ☐
- Consuming more time for attraction
- It may adversely affect the employer employee relationship.

### **Job advertisement.**

The document prepared including the required particulars for attracting individual to the organization can be introduced as a job advertisement.

### **Few information contained in an advertisement are mentioned below**

- Title of the post
- Professional and educational qualifications ☐
- Name of the firm
- ☐Experience
- ☐ Age limit
- ☐ Salary Scale
- ☐ Service conditions

### **A prepared job advertisement can be published through the following various media ☐**

- Newspapers ☐
- Internet ☐
- Television ☐
- Radio ☐
- The government gazette
- Posters ☐
- Notice boards
- Leaflets



## **Selection**

Recognizing the best applicants to fill the vacancies from those who were attracted is known as selection

**Few methods used generally to select the most suitable person for the vacancy are stated below.** ☐

- Application Evaluation
- Interviews
- IQ Tests
- Personality Tests
- Practical Tests
- Medical Tests
- Background Tests

## **Application Evaluation**

The description that the candidate sends to firm for the job vacancy by mentioning his/her qualifications and feasibility etc... is known as application. Through such application, assessing the appropriateness and accordingly selecting the most suitable person can be done. Here the selection is done according to the details provided in the application without seeing the person.

## **Interview**

The selection method where the exchange of ideas Face to face between the candidate and the examining board takes place meeting the most suitable candidate for the job is the interview method.

## **Intelligence Quotient Testing**

The testing held aiming to measure the intelligence capacity of the candidate for the job is meant by this. Here, the ability to face challenges will be examined.

## **Personality Test**

The testing used to measure the attitudes, passion, skills, values and norms of the candidate of the job is the personality test.

## **Practical Test**

The testing conducted for measuring the real ability of the selected individual to accomplish the certain task of the relevant job is the practical test.

Examples : ☐ Computer data processors ☐ Nursing service

## Medical Test

The testing conducted to verify if the job candidate possesses the required health condition to accomplish the tasks, duties and responsibilities of the relevant job is the medical test. The medical test is conducted for the most of the jobs.

## Background Test

The special testing conducted to disclose the personal background of the job candidate. The family background education, profession, financial and social background etc... will be investigated here.

Examples: - ☐ For selecting police officers ☐ For the posts of top level managements, this method is used

## Letter of appointment

The legal document issued by the management after the employee is being appointed stating the terms, conditions, tasks, duties and responsibilities of the job in detail is known as the letter of appointment

- The letter of appointment is considered as a written proof that the job contract is formed.
- Since the letter of appointment is a legal document it is important for the employee as well as the employer.

## The importance/necessity of the letter of appointment

- Being a document that could prove the relationship between the firm and the employee. ☐
- It could be considered as a contract in which the firm and the employee is bound legally.
- Ability to present this as an evidence in front of the law at a problematic situation created between the two parties regarding job conditions.
- The employee being able to get a wide acknowledgment regarding the tasks, duties and responsibilities of his job.
- Being a strong evidence that could be used at every time required to prove that this employee is an employee of the firm.

## Important facts consist in an appointment letter

1. Title of the position
2. Name of the employer and the employee
3. Effective date of appointment
4. Job conditions
5. Salary
5. Probationary period
6. Number of working hours/days
7. Benefits
8. Disciplinary procedure

9. Rights and privileges of the employee (leaves, EPF, ETF)
10. Termination of the service
11. Way to forward grievances
12. Confirmation and promotions
13. Signature of the employer and employee

### **Induction**

Introducing a newly recruited employee to the organization and make him/her aware about the job, work team, work environment and the entire organization is known as induction.

Various techniques such as employee brochures, leaflets, getting seniors for speaking with newly recruited employees, video films, tours inside the institute and lectures etc... are used for induction.

### **The probationary period**

The period of service that should be completed by a newly recruited employee prior to be made him/her permanent in the job is the probationary period

The management can take the following actions in the absence of proper performance of duties and responsibilities by an employee during the probationary period.

- Termination of service
- Warning verbally and in written form
- Extending the probationary period
- Transferring to another department

## ➤ Performance appraisal

The performance appraisal is the process of supervising and reporting to what extent the relevant duties are performed successfully by the employee.

### Benefits gained by the employer through performance appraisal

- To recognize the training needs
- To make decisions on promotion and transfers
- To take disciplinary actions.

### Benefits gained by the employee through the performance appraisal

- Enhancing the employee productivity
- Increasing the employee motivation
- Recognizing the training needs

## ➤ Training

The provision of knowledge, skills and attitudes to non-managerial employees which is required to perform their duties well is known as “training

## ➤ Development

The set of actions taken by concerning the improvement of the future performance of the employees than the performance level at present is known as “development”.

### There are some differences between training and development

Training	Development
<ul style="list-style-type: none"><li>• Provision of job related knowledge, skills and attitudes to the employees in non-management level.</li><li>• Preparing the employee to perform the duties and responsibilities of the current job by this.</li><li>• Relatively a short term program</li><li>• The cost incurred is relatively low.</li><li>• Somewhat a simple program</li><li>• Somewhat as simple program</li><li>• This is related to the current job</li><li>• A process of reacting for the fulfillment of timely needs.</li></ul>	<ul style="list-style-type: none"><li>• Provision of knowledge, skills and attitudes to the employees in management level.</li><li>• A process of pre acting for the fulfillment of prospective job requirements.</li><li>• Relatively a continuous long term program.</li><li>• The cost incurred is relatively high.</li><li>• A very wide program.</li><li>• This is related to make future changes.</li><li>• A process of pre acting for the fulfillment of prospective needs.</li></ul>

### **Benefits gained by the employer through training and development**

- Improvement in employee performance and updating their knowledge and skills.
- Improvement in the quality of the output.
- Creating an employee motivation
- Enhancing employee loyalty.
- Lowering the faults and wastage incurred by employees.
- Minimizing employee absenteeism
- Minimizing employee turnover.

### **Benefits gained by the employee through training and development**

- Enhancement of the job satisfaction
- Improvement in employee performance
- More chances of getting promotions
- Improvement in the professional value of the employee
- More opportunities to test new skills
- Ability to gain extra benefits

### **Various methods used for training and development**

- Apprenticeship training
- On the job training
- Job rotation
- Role play
- Training and development programs
- Simulation

### **➤ Employee movements**

- Promotions
- Transfers
- Dismissal
- Termination

➤ **Evaluation criteria of human resource management functions**

- Labor turnover
- Employee absenteeism
- Labor productivity
- Industrial relations

**1. Labor turnover**

The rate at which employees leave the firm during a particular period is known as labor turnover/employee turnover. The labor turnover being a low rate is appropriate for the successfulness of the human resources management. Labor turnover can be calculated as follows.

No of employees left during a period

Average no. of employees employed during that period

**2. Labor Absenteeism**

The lost in service due to employees not attending to the job is known as labor absenteeism. Some instances where the firm doesn't get the service are

- Not attending to duty
- No provision of service after reporting to the duty.
- Having more time for internal
- Arriving late
- Departing before the due time

**3. Labor Productivity**

The relationship between the employee inputs and the outputs is known as labor productivity. It is better to have a high value of labor productivity for the successfulness of the human resource management. Labor productivity can be calculated as follows.

Out put

Labor Productivity = the no. of employee

**4. Industrial Relations**

Any type of professional relationship between the employers –employee is known as industrial relations. There should be a proper relationship between the employers and employees in the firm for the successfulness of the human resource management. It assists the employees to continue their duties enthusiastically and satisfactorily. Accordingly, there are various benefits from favorable industrial relations and there will be various problems through unfavorable industrial relations.

### **The benefits of favorable industrial relations**

- Improvement in labor productivity
- Minimizing the waste of the resources
- Lowering the employee absenteeism
- Lowering the employee turnover
- Creating a team of motivated employees
- Minimizing the employee disputes.

### **The adverse effect from an unfavorable industrial relations**

- Interruption to production process (strikes, industrial disputes)
- Declining the employee productivity
- Demoralizing of employees
- Waste in resources
- Lower the efficiency and the effectiveness of the total firm.

### **➤ Employee grievances**

Employee grievances are the mental discontent or dissatisfaction of an employee or a group of employees regarding the job or working environment. ☐ It can be either expressed or unexpressed (Said or unsaid). Grievances directly affect the employee performance. These hinder the achievement of organizational goals. Employee grievances are the early stage of industrial disputes. Therefore, the necessary steps should be taken to handle/manage the employee grievances at the early stages.

#### **Reasons for the employee grievances**

- ✓ **Following are some of the job related reasons.**
  - Assignment of the tasks and duties to the employee which are not related to his Job Description.
  - Employing him of a job that mismatches his knowledge and skills.
- ✓ **Reasons related to work condition**
  - Changing the work place or working hours.
  - Having unhealthy or unsafe work environment at the workplace
- ✓ **Reasons related to Human Resource Management Policies, procedures and strategies**
  - Salary, wages and incentives
  - Provision of the promotion to someone else which had been entitled to a qualified employee. Policies and procedures related to promotions, demotions, transfers, termination from the job, etc...
  - Unavailability of a formal promotion procedure.
- ✓ **Reasons related to violation of rules and regulations of the organization**
  - Taking tough or unreasonable disciplinary actions against violation of disciplines.
  - Breach of the conditions in collective agreements by the management

✓ **Reasons relating to unnecessary personal behavior**

- Unattainable expectations or having nonrealistic goals.
- Wrong attitudes regarding senior officers
- Employee over estimation regarding himself.

✓ **Reasons beyond the job or work environment.**

- Reasons relating to family.
- Reasons relating to other. Competitive businesses.

**Benefits received by a business through handling employee grievances successfully.**

- Decreasing of employee turnover
- Controlling of employee absenteeism
- Minimizing of Trade Union actions.
- Having industrial harmony by strengthening industrial relations.
- Increasing the goodwill of the business

**Negative effects faced by a business for not handling employee grievances properly.**

- labor/employee turnover.
- Increasing the absenteeism of the employees.
- Industrial disputes due to weak industrial relations.
- Decreasing of employee productivity.
- High cost of hiring employees frequently to cover the job vacancies.

**Strategies/Methods that can be used to handle/manage employee grievances.**

- Formal grievance handling procedure.
- Through the immediate supervisor
- Having an Open-Door Policy
- Joint Committee Method
- Counselling
- Appointing an Ombudsman
- Arbitration

**Following are the steps of handling employee grievances.**

- Listening about the grievance carefully.
- Collecting the accurate information of the grievance and the related employee.
- Discussing the relevant matters with the employee.
- Listening to the employee carefully
- Accepting the matters said by employee if they are true.
- Build trust in the employee.



