

DHRM
GOLDEN HUMANS

DHRM - 1001

Human Resource Management

Efficient and effective utilization of human resources to achieve goals of an organization.



Introduction to the Human Resources Management(HRM)

Lecture 01

Learning Outcomes

At the end of this discussion you should be able to:

- Describe HRM.
- Understand the signification of human resource.
- Understand the generic purpose, goals & objectives ofHRM.
- List HRM function.
- Explain the signification of HRM for the governmentsector organizations.

What is an Organization?

Economic and social entity composed of a group of people who interact with each other for the purpose of achieving common goal.

What do you mean by goal?

Goals are the desired targets to be achieved in future.

The basic goal of any organization is to



Serve the human society

- To fulfill human needs and upgrade standard of living of people.

What are the other Goals of private sector Organizations?

- To increase profit of owners.
- To maximize customer satisfaction.
- To increase the market share.
- Innovations.
- Fulfill corporate social responsibility etc.

What are the other goals of government sector organizations?

- To provide efficient service to the public.
- To provide essential services to the general public.
- To achieve the sustainable developmental goal.

What is management?

Management is the efficient and effective utilization of resources to achieve goals of an organization.

What is HRM?

- HRM is the efficient and effective utilization of human resources to achieve goals of an organization.
- HRM is the set of activities in an organization intended to influence the effectiveness of human resource.

Human resources (HR)



Employees who work for the organization.

Unique Characteristics of Human Resource

- It is animate, active and living
- It has the ability to think , feel and react.
- It has the ability to influence on determining its cost
- It has the ability to organize as unions
- Its behavior is complex and may be unpredictable
- It has the ability of creativity and innovation

Efficient utilization of HR

Optimum use of employees by minimizing wastage in terms of

- Right employees
- Right number
- Right cost
- Right place

Effective Utilization

Use of HR for Organizational effectiveness

Utilization of employees



To accomplish goal of the organization fully

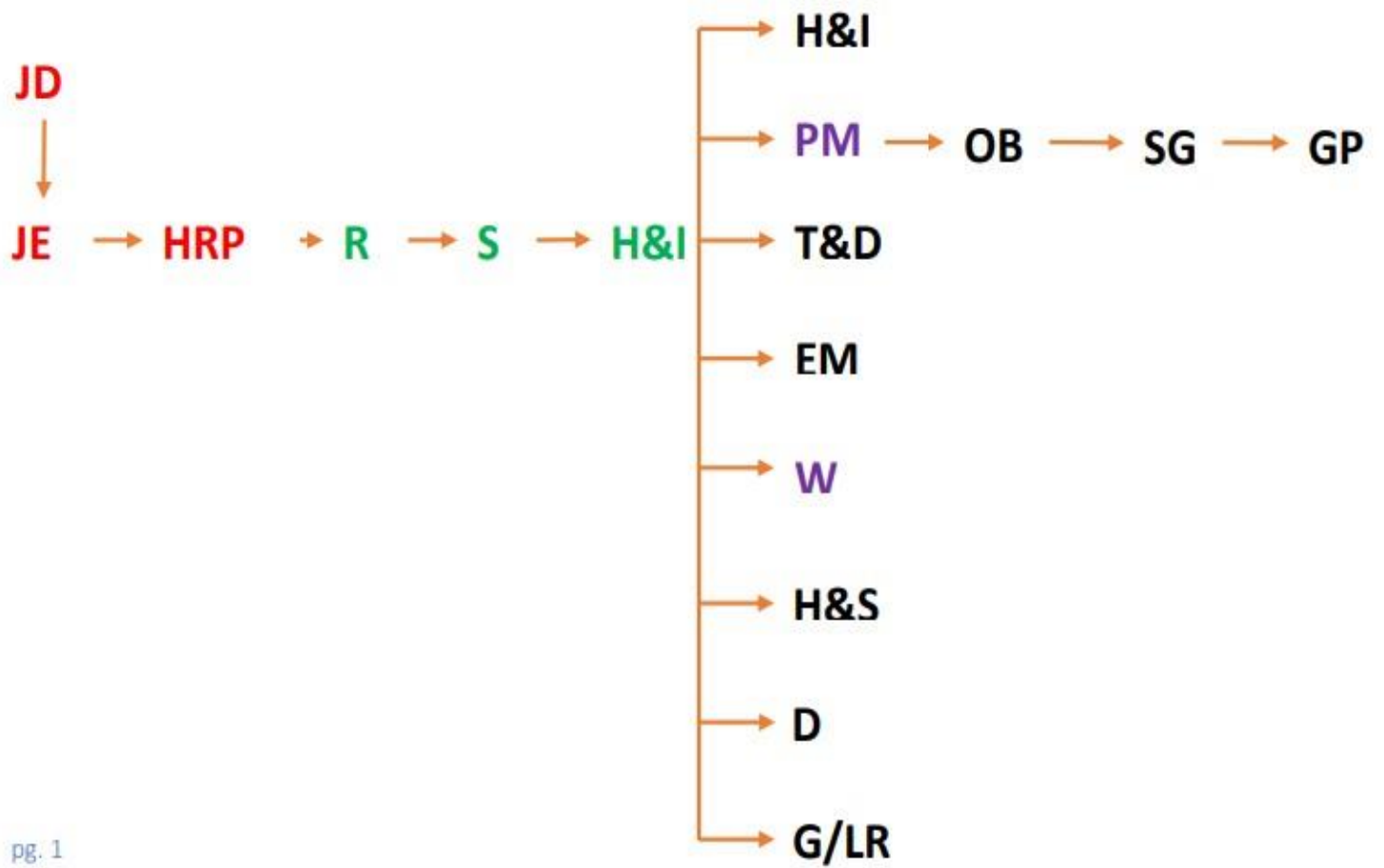
Generic purpose of HRM

- Generate and retain an appropriate and contended workforce
- who gives the maximum individual contribution to organizational success

Goals and Objectives of HRM

- To attract right people.
- To develop employee competencies.
- To retain appropriate employees.
- To improve employee commitment.
- To motivate employees.
- To control the cost of employees.
- To ensure legal compliance.

HRM model



HRM Function

Job design	Job Analysis
❖ Human Resource planning	❖ Recruitment
❖ Selection	❖ Hiring and induction
❖ Performance Management and evaluation	❖ Training and Development
❖ Discipline administration	❖ Employee Movement
❖ Health and safety Management	❖ Welfare ❖ Administration/Employee ❖ Wellbeing.
❖ Labor Relations	

Significance of HRM for the Government Sector Organization

- To achieve the goals and objectives of the organization.
- To develop satisfied, motivated and loyal workforce.
- To increase the service quality of the public service.
- For wellbeing of the general public.
- To develop and strengthen the economy of the country

Job designing

JD is the function of arranging

- ✓ Task
- ✓ duties
- ✓ Responsibilities

Into an organizational unit of work for the purpose of accomplishing a certain objective



JD = JOB DESIGNING

Elements of JD

1. Efficiency Elements

Greater production and greater efficiency through minimize the cost and time

- Division of labor
- Standardization
- Specialization

2. Behavioral Element

Greater motivation or satisfaction of employees.

1. Skill Variety

Jobs require different skills.

2. Task Identity

Doing some complete piece of work

3. Task Significance

Impact on other people work & on the work of the organization as a whole.

4. AUTONOMY

Independence and freedom of the job holder.

5. Feed Back

Clear information of individual efficiency and effectiveness

Both are Contradicted

- ✚ Efficiency elements jobs are maximize satisfaction behavioral elements jobs are Maximize satisfaction but lower productivity.

JOB ANALYSIS – JA

JA IS A SYSTEMATIC INVESTIGATION OF

- Jobs and job holder characteristics in order to create a collection of information that can be used to perform various HRM Activities (Orpatha, 1995)

Why is job analysis treated as a prerequisite for HRM?

Job analysis

- HRP
- Recruitment
- Selection
- Orientation
- T&D
- Performance
- Evaluation.

Job description and job specification

Job description	Job specification
<ul style="list-style-type: none">▪ Explain task, duties responsibilities and working condition	<ul style="list-style-type: none">▪ Specifies the qualities and qualifications
<ul style="list-style-type: none">▪ Describe the job	<ul style="list-style-type: none">▪ Describe the job holder
<ul style="list-style-type: none">▪ A profile of the job	<ul style="list-style-type: none">▪ A profile of the human
<ul style="list-style-type: none">▪ Characteristics	<ul style="list-style-type: none">▪ Characteristics

Human resource planning (HRP/MPP)

Definition of HRP

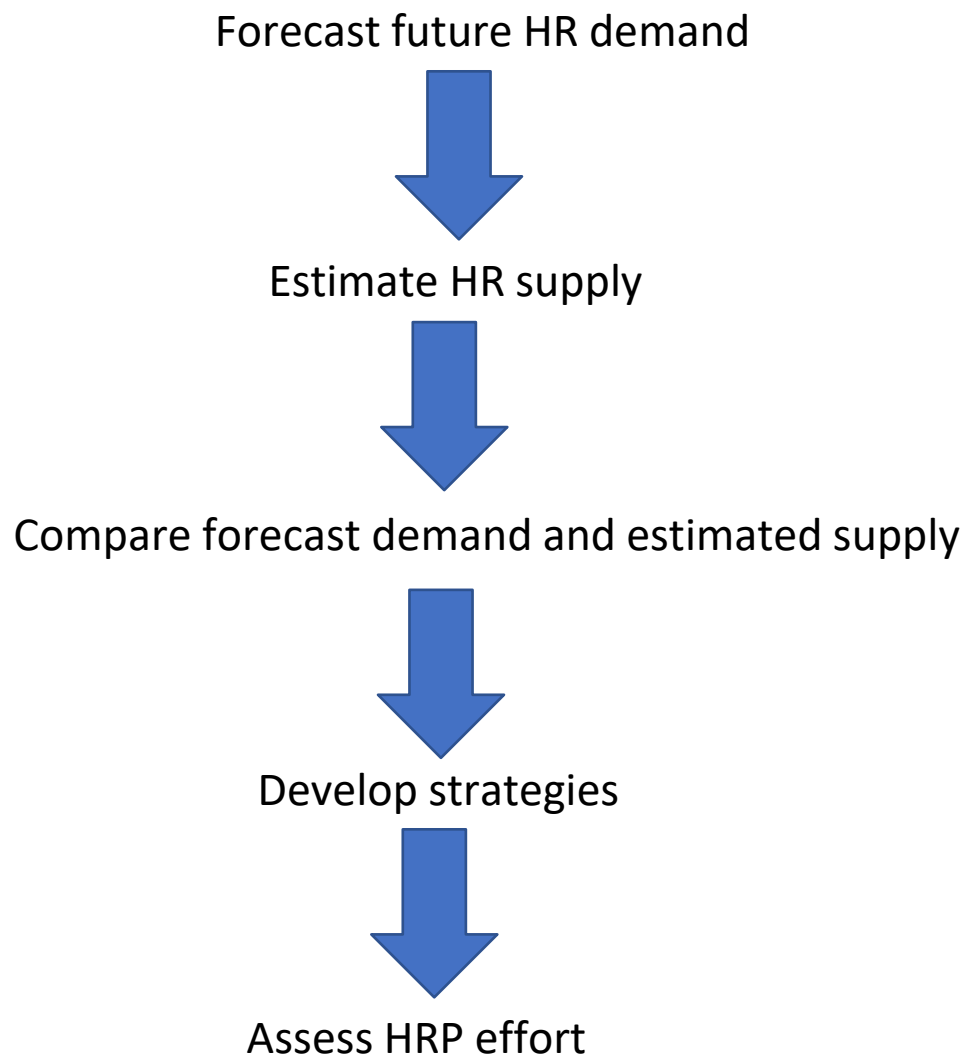
1. HRP is the process by which organization ensure that it has the right number and the right kind of people at the right places at the right time.

To achieve organizational objectives effectively and efficiently

Signification of HRP

- To determine future employee needs.
- To utilize HR more effectively and efficiently.
- To develop high talent employees.
- To formulate and implement strategic plans.

HRP Process



Forecasting techniques

- + Informal forecast
- + Formal expert survey
- + Delphi method
- + Unit forecasting
- + Extrapolation
- Indexation

Strategies for surplus condition

1. Hiring freeze (stoppage of hiring new employees further)
2. Attition (voluntary departure)
3. Lay off (temporary stoppage of employee of employee service with the intention of hiring later).
4. Formal outplacement.
5. Early retirement on voluntary basis.

Strategies in shortage condition

- Current employees to work part time
- Capital substitution
- Sub contract
- Hiring casual employees.
- Hiring full time permanent employees.

Evaluation the MPP process

- Is there any delay between occurring the vacancy and filling the vacancy.
- Is there any vacancy which has not already been forecasted.
- Is there any shortage or surplus of employees.
- Number of employees not considered for replacement but who are competent.

Human Resourcing Recruitment Selection Hiring And Induction

Recruitment

- Recruitment is the process of generating a pool of qualified applicants to fill vacancies in the organization.

What is recruitment policy?

- ❖ It gives guidelines for the recruitment

Government recruitment policies:

- External/ open stream
- Internal (limited stream and merit stream)

Advantages and Disadvantages Of Internal Recruitment Policy

Advantages	Disadvantages
<ul style="list-style-type: none">▪ Possible to attract people who expect career development.	<ul style="list-style-type: none">▪ Prevent from flowing inside of new knowledge and skills.
<ul style="list-style-type: none">▪ Motivates employees.	<ul style="list-style-type: none">▪ Recruitment pool may be limited.
<ul style="list-style-type: none">▪ Cheaper/lesser cost	<ul style="list-style-type: none">▪ High cost for developing professional.
<ul style="list-style-type: none">▪ Encourage sound labor-management relationship.	<ul style="list-style-type: none">▪ Employees promoted beyond his/her competence.
<ul style="list-style-type: none">▪ Lesser orientation time.	

Advantages and Disadvantages Of External Recruitment Policy

Advantages	Disadvantages
<ul style="list-style-type: none">• Opportunity to get people with new knowledge and skills.	<ul style="list-style-type: none">• Demotivate internal/current employees.
<ul style="list-style-type: none">• Possible employed more active and young executives.	<ul style="list-style-type: none">• High attractive efforts required.
<ul style="list-style-type: none">• Lower cost for training and development.	<ul style="list-style-type: none">• Leads to bad/negative labor management relations.
<ul style="list-style-type: none">• Recruitment pool may be large.	<ul style="list-style-type: none">• More expensive.

Recruitment methods of the government sector organization

Internal methods

- Notice board
- Intranet, Internal circulars

External methods

- Newspaper
- Government gazettes
- Web sites

Employee selection

- Selection is the process of picking individuals who have the necessary qualities and relevant qualifications to fill job vacancies in the organization.

Significance of effective selection

Success of the organizational largely depends on the human resource available. Some negative consequences of the inappropriate selection.

- Inefficiency will occur.
- Quality of the service will be decline
- Cost incurred on training will be waste.
- Negatively affect to the organization image.
- Difficult attain organizational goals and objectives.

Common selection methods in the government organizations

- Application evaluations
- Employment tests
- Interviews
- Background investigations

N.B

Personality

The sum total of ways in which an individual reacts to and interacts with others.

Most often described in terms of measurable traits that a person exhibits.

Such as:

- Shy
- Aggressive
- Submissive
- Lazy
- Ambitions
- Loyal
- Timid

The dynamic organization within the individual those psychophysical systems that determine his unique adjustments to his environment.

Work stress

Stress

A dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.

Types of stress

Challenge stressors

- Stress associated with workload , pressure to complete tasks, and time urgency.

Hindrance stressors

- Stress that keeps you from reaching your goals.

Such as: red type

- Cause greater harm than challenge stressors.

Demands- resources model of stress

Demands

- Responsibilities, pressures , obligations and uncertainties in the workplace

Resources

- Things within an individual's control that can be used to resolve demands.
- Adequate resources help reduce the stressful nature of demands.

A model of stress potation

Environmental factors

- Economic uncertainty
- Political uncertainty
- Technical change

Organizational factors

- Task demands
- Role demands
- Interpersonal demands

Personal factors

- Family problems
- Economic problems
- Personality

Individual differences

- Social support
- Belief in locus of control
- Self – efficacy
- Hostility

Experienced stress

Consequences

Physiological symptoms

- Headaches
- High blood pressure
- Hearty disease

Physiological symptoms

- Anxiety
- Depression
- Decrease in job satisfaction

Behavioral symptoms

- Productivity
- Absen theism
- Turn over

Potential source of stress

Environmental factors

- Economic uncertainties due to changes in the business cycle.
- Change in business particles due to changes in the political scenario.
- Treat to man power requirement due to technical changes innovation.

Organizational factors

- Task demands related to the job
- Role demand of functioning in an organization.
- Interpersonal demands created by other employees.

Personals factors

- Family and personal relationships.
- Economic problem from exceeding earning capacity.
- Personality problems arising from basic disposition.

What are the problems associated with the employee selection process of the government sector?

- ❖ Always not use appropriate selection methods.
- ❖ Sometime not use appropriate selection criteria.
- ❖ Not give appropriate weight to each criterion.
- ❖ Business
- ❖ Political influences.
- ❖ Interviewer's incompetence.

What are your suggestion to minimize them?

- ❖ Use suitable selection methods.
- ❖ Identify suitable criteria.
- ❖ Assign suitable weights for criteria.
- ❖ Train interviewers.
- ❖ Use panel of interviewers.
- ❖ Develop mechanism to minimize biasness.

Employee hiring

Hiring is the process of appointing the selected candidates to the post/job which is vacant

Appointment letter

- For ever employee who is hired to fill a vacancy an appointment letter should be prepared.
- It describes the terms and conditions relating to the appointment.

Probationary period

- ✚ During the probationary period organization carefully examine the suitability of new employee in terms of his/her performance and behavior.

What is the importance of having probationary period.

What is induction?

Induction is the HRM function that systematically and formally introduces the new employee to the organization, the job, the work group to which the new comer will belong and the work environment where the new comer will work.

Importance of induction

To build confidence about self and the organization within the new employee.

- To reduce cultural and real shock.
- To create the feeling of belongings and loyalty within the new employee.
- To familiarize the new employee to his job and the job environment within a shorter time.
- To generate favorable attitudes within the new employee about peers, superiors, and the organization in general.
- To assist the new employee to contribute to organizational success more quickly.

Selection Note 02

Interviews

It is a face to face , oral and observational evaluation method of evaluating an applicant suitability with regard to a certain job.

Problems associated with interviews

Problems with the interviewer

Problems with the interviewee

- Problems with the interviewer
- Unawareness of the job
- Halo effect
- Prejudice
- Leading question
- Dominancy
- Snap judgement

Problems with the interviewee

- Talking too much
- Boasting
- Nervous and fearful
- Not listening
- Being unprepared
- Playing games

Job title: Interview Date:			Candidate name: Interviewer Name:		
Criteria	Unaccep Table	Below average	average	Above average	Excellent
Technical Competencies					
Cultural fit (work style, personality)					
Decision making skills					
Inititives & growth mind set					
Enthusiasm					
Overall evaluation					
Additional notes (areas of strengths, weakness)					

Background investigation

Purpose of this method is to assess or check what kind of a person the applicant is 4 types of background investigation.

Progress discipline

Time of violations	Penalty
• First	Informal talk
• Second	Verbal warning
• Third	Written warning with a record in personal file.
• Fourth	One-week suspension from work without pay.
• Fifth	Suspension for one month without pay.
• Sixth	Demotion
• Seventh	Dismissal

How stove rules for disciplinary system

- + What is the problem
- + How we can find
- + How we can discuss that
- + First listen
- + Second listen
- + Third listen
- + Deduction
- + Solution
- + Happy
- + Win

Discipline Management

විනය කළමනාකරණය

Discipline

Discipline provides people with rules to live their lives efficiently and effectively

පුද්ගලයෙකුගේ ජීවිතය කාර්යක්ෂමව හා සම්ප්‍රදායිකව පවත්වා ගැනීමට අවශ්‍ය නීතිරීති විනය තුළින් සපයනු ලැබේ.

When you have discipline in your life you can make small scarifies in the present for a better life in the future.

ඔබගේ ජීවිතයේ විනයක් පවතින විට වඩාත් ගහාද අනාගත ජීවිතයක් ගවනුගවන් වර්තමානයේදී සුළු කැපකිරීම් සිදුකළ යුතුය.

- Discipline creates habits.
- Habits make routines and
- Routines became who you are daily.

- විනය තුළින් පුරුදු ඇතිකරයි
- පුරුදු තුළින් දෛනික කාර්යය තීරණය ගේ
- දෛනික කාර්යයන් තුළින් ඔබ කවරකුදු යන්න දැක්වේ.

Employee Discipline

Discipline refers to the actions imposed by an organization on its employee for failure to follow the organization's rules, standards or policies.

විනය යනු සංවිධානයක නීති ඡේදනී ගණි ප්‍රතිපත්ති ආදිය අනුගමනය කිරීමට ගසේවකයා අගපාගතාසන්නිම මත සංවිධානයක් විසින් පනවා ඇති ක්‍රියාමාර්ග ගේ.

Objectives of Employee Discipline

- To develop self-control among all employees.
- To encourage employees to meet established rules of behavior
- To protect the life of an employee from illegal and harmful actions of another employees
- To promote a peaceful work environment
- ගසේවකයින් අතර ස්වයං පාලනයක් ඇතිකිරීම
- සේවාපිතකර ඇති වයී නීති රීති අනුව ක්‍රියාත්මක වීමට ගසේවකයින් දේශමත් කිරීම
- ගවනත් ගසේවකයන් විසින් සිදුකරනු ලබන නීති විගරෝදී හා හානිදායක ක්‍රියාවන්ගෙන් ගසේවකයින්ගේ ජීවිත ආරක්ෂා කිරීම.
- සාමකාමී වැඩ පරිසරයක් ඇතිකිරීම.

Examples of Employee Behavioral Rules

1. Time Rules
 - a. Starting and late time
 - b. Maximum break and lunch times
2. Prohibited-behavioral rules
 - a. No sleeping on the job
 - b. No drinking on the job
 - c. No drug taking on the job

Penalties

1. Oral warning
2. Written warning
3. Final writing warning
4. Finishing
5. Suspension of work for two days ++++ without pay
6. Stoppage of salary increments
7. Stoppage of applying for a promotion
8. Transfer to a difficult area
9. Demotion
10. Dismissal

Discipline Investigation

1. To do a preliminary investigation
2. To suspend the service pending inquiry, if necessary
3. To issue a charge sheet
4. To obtain letter of explanation and make decisions based on it
5. To conduct a formal inquiry

Health and safety management

Lecture Outline...

- ✓ Occupational Health
- ✓ Occupational Safety
- ✓ Significance of Health and safety Management
- ✓ Hazards
- ✓ Industrial Accidents
- ✓ Causes for accidents
- ✓ Improve Health and safety

Definitions

Health

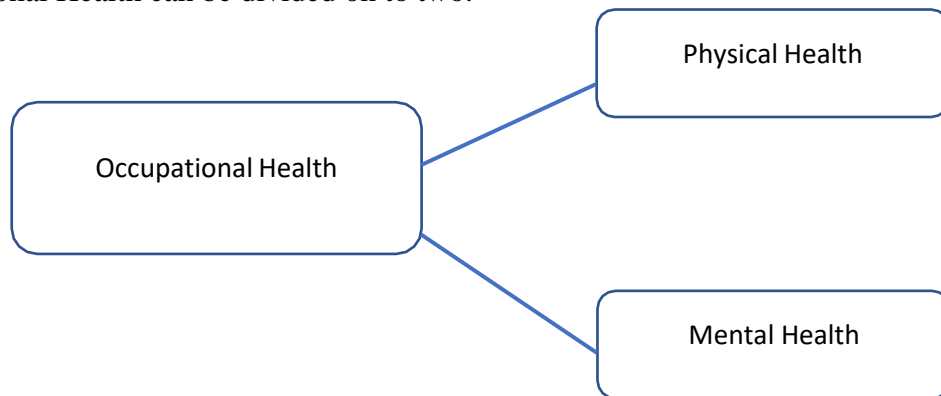
- Health can define as a state of complete physical, mental and social well-being and not merely the absence of disease of infinity - WHO

Here, health means industrial health- health of employees working for an organization.
It is identified by alternative terms such as 'occupational health' and employee health.

Occupational Health

It the physical, mental and emotional wellbeing of an employee.

Occupational Health can be divided on to two.



Physical health- this is more related to human body rather than a human mind or emotions. It is bodily well-being of the employee. It is a state where physical diseases do not exist within the employee- [physical fit to do a job](#)

Mental health- this is more related to human mind and emotions rather than to human body. It is a state where mental diseases do not exist within the employee-

Mentally healthy person means one who has following qualities.

- a. [Understand reality of life](#)
- b. [Adaptation of situation mental stress](#)

Safety

Safety refers to protection of the physical health of people.

Occupational Safety

- Occupational health means protection of the physical health of employees' accidents at work.
- Free from danger and risk. Working environment is free from accidents and industrial disasters that may cause personal injury or health to employees.

Aims of occupational Health & Safety

- a. Improve workers 'quality of work life
- b. Reduction of occupational / organizational stress
- c. Create a workplace free from danger / risk
- d. Protect organizational image as a safer place to work
- e. Reduce unnecessary cost relating to accidents

Industrial / Occupational Accidents

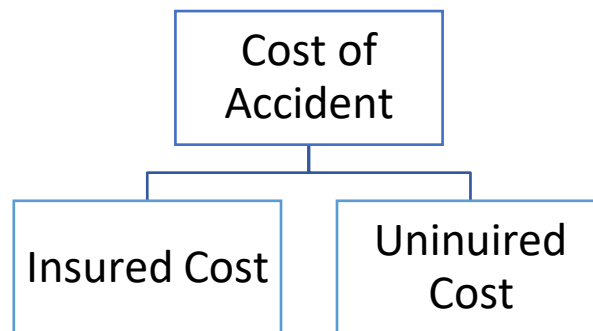
An occupational accident can be defined as a sudden event which causes a physical injury or injuries.

-Major Accidents

-Minor accidents

Industrial accidents are mainly due to human failure somewhere in the chain of circumstance which lead to the injury, and it is an unexpected occurrence the interrupts regular progress of work.

Cost of Accident....



Insured Cost

Insurance premium paid to cover

- Medical expenses
- Compensation benefits

Uninsured Cost

- Cost of wages paid to the injured worker.
- Cost of wages paid for the time lost of workers not injured
- Cost of replacing the injured employee
- Cost of damages to plant, equipment and materials.
- Cost of legal expenses arising due to the accident

Causes of Occupational Accidents

Causes relating to machines

- Not covering / guarding dangerous parts at all
- Not covering dangerous parts properly
- Machines defects
- No proper repairing
- Operating machines at very high speed

Causes relating to humans

- Poor health
- Lack of training
- Lack of competence
- Lack of right attitude and discipline
- Fatigue
- Negligence
- Anxiety
- Monotony
- Lack of self confidence
- Frustration
- Intoxication
- Boredom

Miscellaneous Causes

- Weak housekeeping
- Excessive noise
- Leaking of electric wires
- Unsafe storage
- Congestion
- Overloading
- Improper safety devices
- Poor supervision
- Working continuedly

Causes relating work environment

- Inappropriate layout and location
- Inappropriate ventilation
- Inadequate space for movement
- Either very high or low temperature than the needed degree
- Inadequate lightning
- Tools, equipment etc. not properly arranged
- Cabinets, drawers, widows, etc. being kept open
- Getting the floor wet unnecessary due to water, or oily substance etc.
- Telephone and electrical cables falling on the floor improperly
- Carpets used to cover the floor are turn off, loose or unsuitable
- Too much policing of the floor

Occupational Diseases

An occupational disease is an ailment that catches an employee due to the reason of performing tasks, duties and responsibilities of his/her job.

Eg:

- Skin diseases
- Dust diseases of the lungs
- Positioning
- Physical disorders
- Trauma disorders

Occupational Diseases/ Hazards

Chemical	Biological	Physical	Psychological/Mental
<ul style="list-style-type: none"> • Dust • Fumes • Gases • Lead • Toxic metals 	<ul style="list-style-type: none"> • Bacteria • Funguses • Insects • viruses 	<ul style="list-style-type: none"> • Excessive noise • Vibration • Heat • Radiation • Lack of light • Lack of proper ventilation 	<ul style="list-style-type: none"> • Boredom • Monotony • Frustration • Fear • Shocks

Pay Management

Objective

- ✓ Define what PM means
- ✓ Understand the significance of PM
- ✓ Understand equity issue in PM
- ✓ Explain affecting to pay

What is pay?

It is a payment made to an employee in return for his/her contribution to the organization

It is known as wage/salary

Pay management

Pay management is the HRM function that deals with development implementation and maintenance of a base pay system that adheres to equity

Objective of PM

1. To attract suitable qualified person to the organization
2. To motivate employees
3. To retain most appropriate employee within the organization
4. To comply with legal requirements
5. To insure equity
6. To control employee cost.

Types of Equity

- Internal
- ☐ External
- Absolute

Internal Equity

Pay should be related to the relative worth of jobs

Similar jobs get similar pay

Different jobs get different pay

External Equity

Degree to which pay received by an employee in an organization is similar to the pay received by similar employees in other organizations.

Absolute equity

Pay should be enough to meet normal expenses of the employee.

Significance of HRM

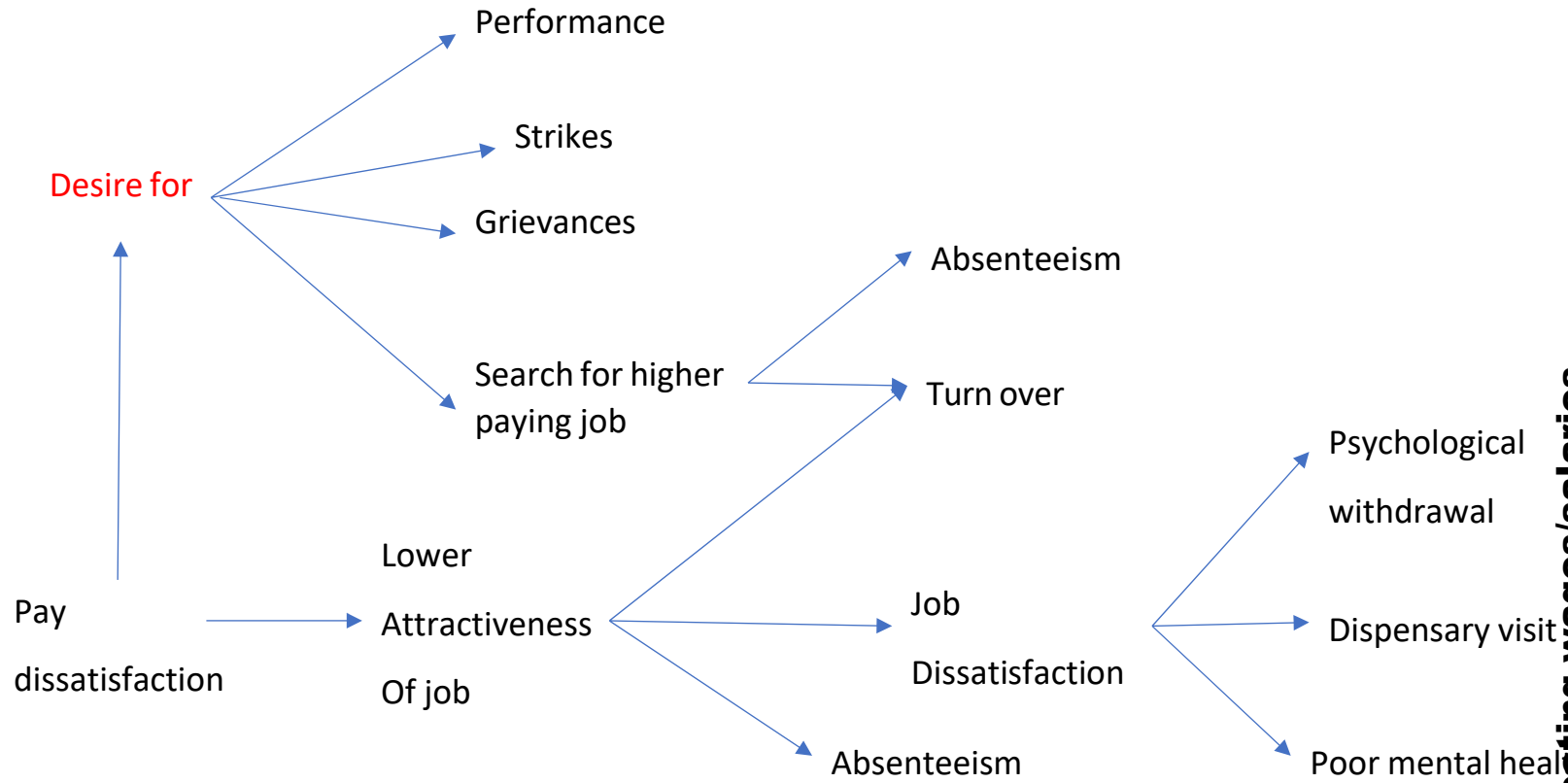
Employer → Pay → expenditure ↓

Employer → Pay → income ↑

Conflict between employee and employer

PM → reduce the conflicts

Consequences of pay dissatisfaction



Factors affecting wages/salaries

1. Government legal regulations

- a. No. 27 of 1941 Wage Board Ordinance
 - b. No. 19 of 1954 Shops & Office Act
-
- 2. Trade unions
 - 3. Cost of living
 - 4. Demand and supply
 - 5. Productivity
 - 6. Financial ability to pay
 - 7. Competitive pays

Employee Welfare Management



Learning Objectives

After studying this lesson successfully, you should be able to

- Define what Welfare management is
- Understand the significance of employee welfare
- Understand the classification of employee welfare work
- Identify employee welfare activities

Definition

Welfare refers to all the facilities and comforts given by the employees to employees apart from wages, salaries, and incentives.

Employee Welfare

Welfare is called as a **relative concept**. It differs from country to country, place to place to and organization to organization.

Welfare is a **positive concept**. It demands certain minimum acceptable conditions of existence, biological and socially.

Welfare can be seen as a **total concept**. It is a desirable state of existence involving physical, mental, moral and emotional well – being. It may include variety of facilities and comforts apart from pays and incentives.

Alternative terms

Employee benefit, Fringe benefits, indirect compensation, indirect rewards.

Significance of Employee Welfare

- To enhance employees' loyalty to the organization
- To increase employee morale
- To improve employee motivation
- To improve job satisfaction of employees
- To reduce employee absenteeism
- To reduce employee turnover
- To improve employee productivity
- To express feelings and values of philanthropy and paternity
- To increase goodwill and public image
- To minimize the degree of government intervention with managing people at work through labor laws
- To give some relief for economical difficulties being faced by employee owing to higher inflation
- To improve personnel and industrial relations
- To make recruitments function more successfully by increasing job appeal

Principals of Welfare Management

1. Fulfillment / Satisfaction of real need
2. Cost benefit analysis
3. Participation
4. Welfare Financing
5. Permission for Criticism
6. Welfare is for Welfare
7. Impartiality

Fulfillment / Satisfaction of real need

Every welfare service programme should satisfy a real need or real needs of employee concerned. At least majority of employees should really need that welfare programme.

Cost benefit analysis

Before implementing a certain welfare programme, It is essential to do a cost benefit analysis.

Participation

It is important to get employees' participation in developing a welfare programme. If there is a trade union its participation needs to be sought.

Welfare financing

Welfare programme should not be implemented without a sufficient amount a money. Sufficient funding needs to be generated and provided.

Permission for the Criticism

Employees should be allowed to criticize welfare programmes

Welfare is for welfare

An organization should not start any welfare programme with the intention of earning profits or saving money

Impartiality

Administration of any welfare programme is to be based on honesty and non-cordiality

Classification of Employee Welfare work

1. Salutory
2. Voluntary
3. Mutual

Statutory

Welfare services to be given by the employer/ organization according to legal requirements imposed by the government

E.g. - Factories Ordinance, **Shop and office act**, Wages boards Ordinance, EPF, ETF

Factories Ordinance

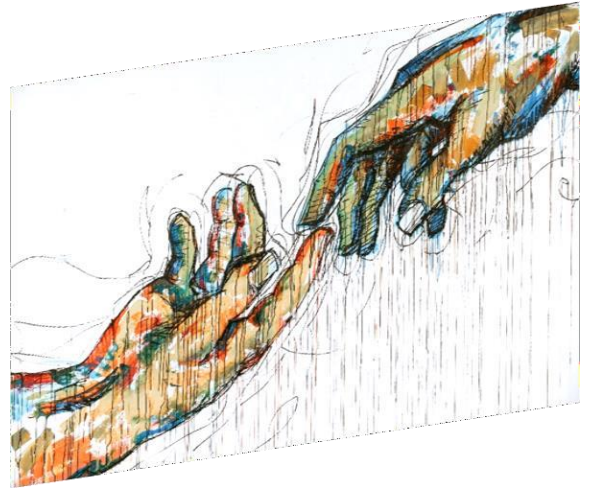
- Supply of drinking water, first-aid facilities, resting facilities for female workers

Shop and office act

- Annual leave, casual leave, medical

Voluntary

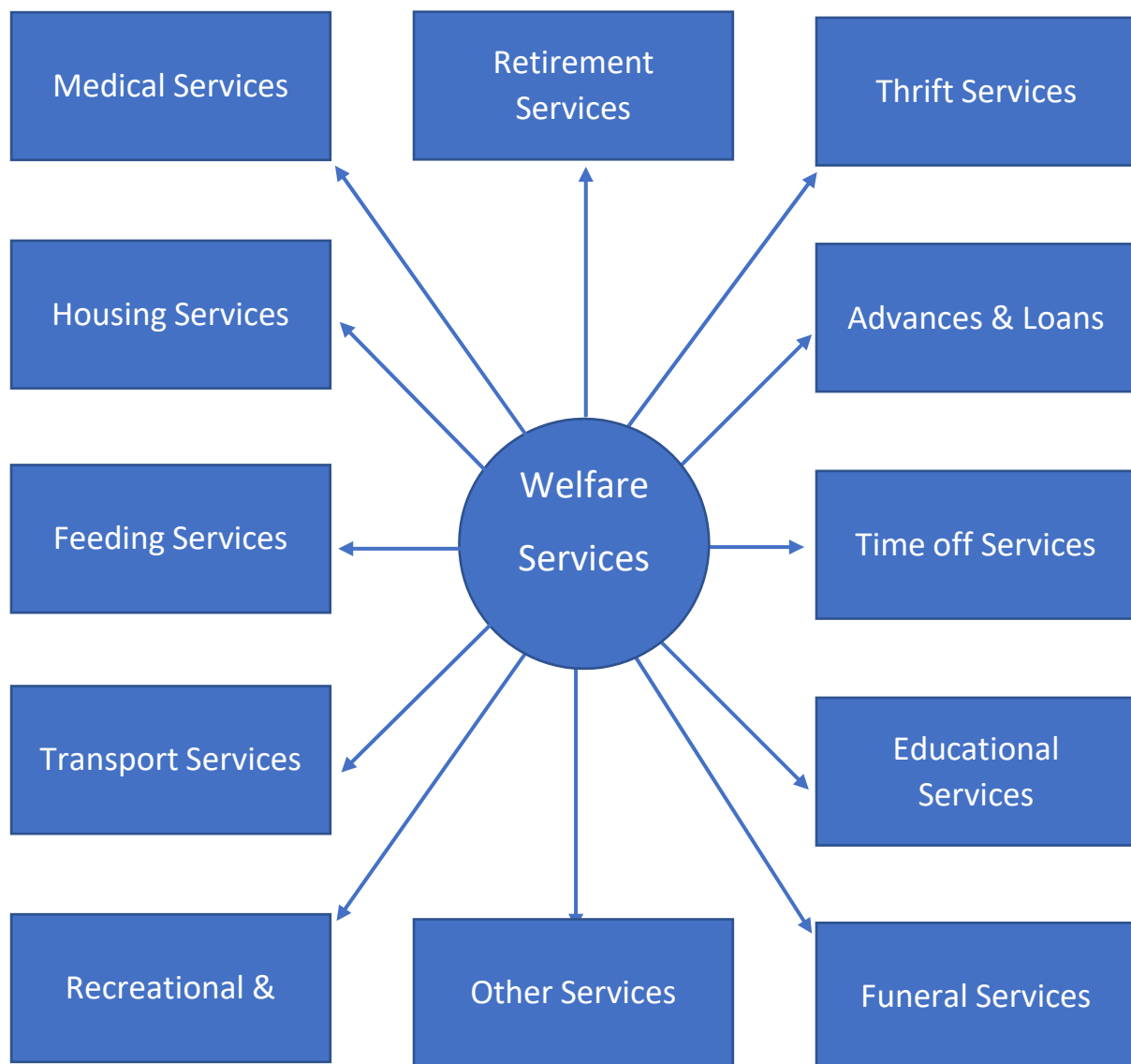
Welfare services provided by the organization/ employer on its own willingness and choice



Mutual

Welfare services to be undertaken by employees themselves and / or trade unions

Welfare Services



Labour Relations



Learning Outcomes

- Define what LR means compare it with PR.
- Understand the significance of LR.
- Identify the main parties in the LR system and understand their interdependence
- Explain why workers join a union.
- Understand the advantages and disadvantages of trade unions.
- Describe the meaning of collective bargaining the types of collective bargaining.
- Explain the process of collective bargaining from the managerial point of view
- Understand the distinction between collective bargaining and joint consultation.

Definition

1. Labour relations is a continuous relationship between a defined group of employees (represented by a union or association) and an employer

Gluck

2. Collective relations between labour unions and management are called labour relations

Singh

3. All the interactions between labor and management in a situation where employees are represented by a trade union.

(Stoner & Melts, 1982)

Associated Terms for Labour relations

Personnel/Employee relations

Industrial relations -3rd party involved

- Eg: Labour Ministry, Labour Department

Union-Management

Labour management relations

Personnel relations

Personal relations refers to a continues relationship between an individual worker or workers and managers in an organization.



It involves all the interactions and feelings between workers and management in the context where workers are not represented by a trade union

Difference between LR&PR

LR

- Relation between L & M
- Represented in trade union
- Collective relations
- Union-management relations

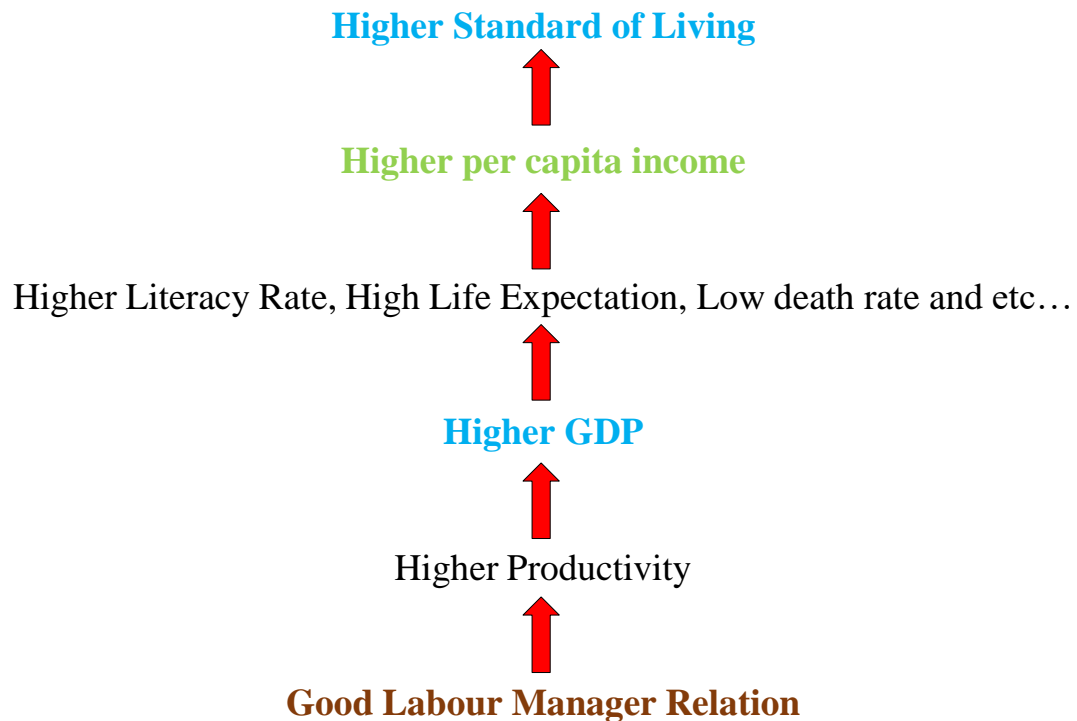
PR

- Relationship between an individual worker & managers
- Workers are not represented by a trade union
- Individual Relations
- Employee relations



Objectives of Good LR

1. To create and promote industrial peace.
2. To create and promote **industrial democracy**.
3. To maintain **sound/cordial relationship** between labour and management.
4. To **improve** organizational **productivity**.
5. To work together to **enhance standards of living** of all the parties concerned.



Significance of LR

For avoid following unfavorable conditions LR is imported

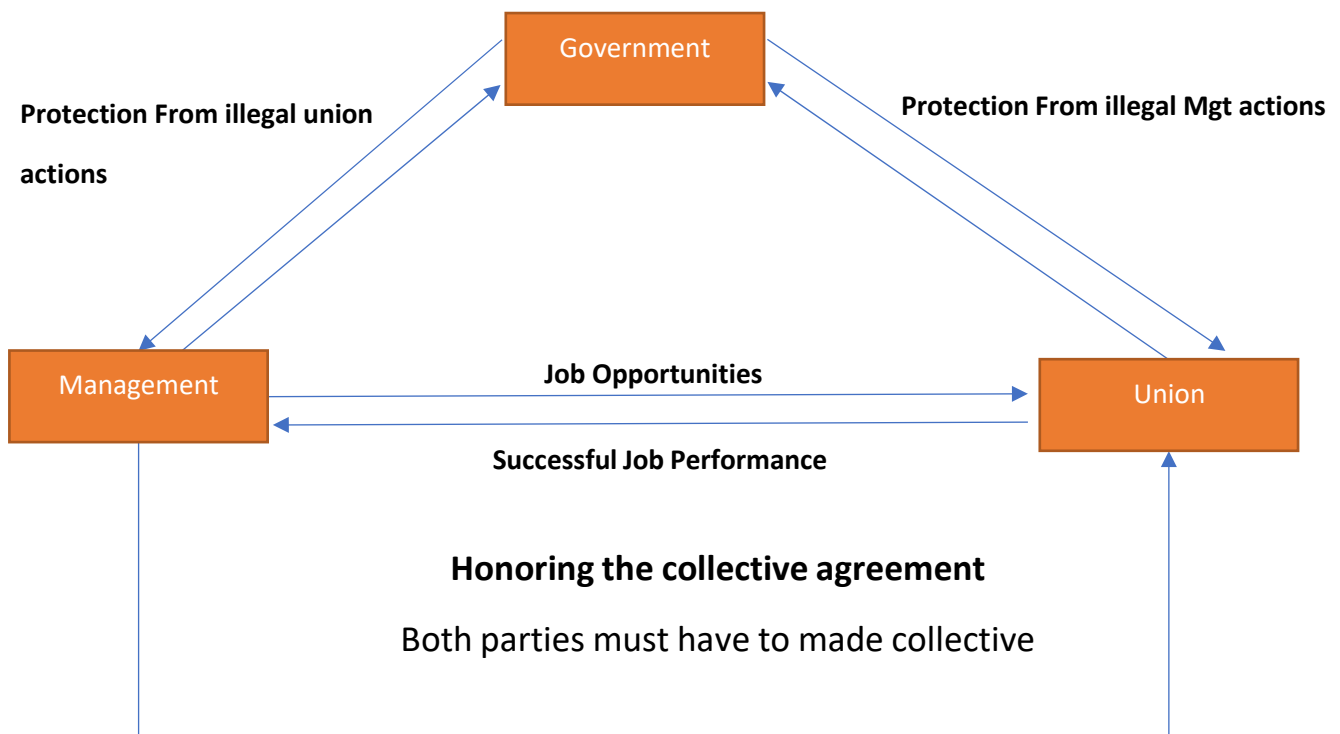
- Decline of employee morale
- Damages to organization's properties
- Wastage of resources
- Decline of labour productivity
- Impairment of overall organizational efficiency and effectiveness

The LR System

LR system consists of three main parties. They are:

1. Employee and their representatives (unions)
2. Employer and his/her representatives (Management)
3. The Government

Interdependence among the Three Parties



Which Party is the most powerful?

1. The Government is the most powerful-imposes labour laws

2. The management is ineffective & inefficient



The union becomes more powerful

3. The Management becomes more powerful



Union is weak

Conditions for good LMR

- ❑ **Recognition** of the employer that the worker are part of the team working towards the common objectives/s
- Grater level of **commitment** of employees
- **Avoidance of external political influences**
- **Fair attention for employee's grievances** regarding working conditions, facilities, attitudes of superiors and other rights
- **Payment of fair wages** and implement adequate wage structure
- Establishment of **satisfactory working conditions**

Causes of poor LMR

The main cause or source of poor LMR is inefficiency and labor unrest.

- Intolerant attitude of contempt towards the workers on the part of management
- Inadequate fixation of wages/wage structure
- ❓ Unhealthy working conditions
- Indiscipline
- ❓ Lack of human relation skills on the part of superiors and other manager
- Inappropriate introduction or automation without providing the right climate
- ❓ Heavy workloads
- Inadequate welfare facilities

Trade Unions

Trade union is a **formal** organization of employees establish with the primary purpose of protection enhancing the well-being if its members

- Trade unions are special organizations of employees who have joined to make a strong voice in making decisions with regard to various matters of employment (wages, working terms and regulation etc.) rather acting individual

Common Characteristic of a trade unions

1. It is a formal organization
2. It is a legal entity
3. It operate continuously
4. It is a voluntary organization

Objectives of Trade Unions

- Assure fair wages for workers

(Upgrade the economic condition of workers)

- To improve worker's working conditions
- To assure the worker's share in increased profitability
- To protect workers interest

(By participating in the decisions which affect the life of it's members)

- To ensure the worker's security of employment
- Protect it's members from illegal management actions

Collective Bargaining

In search of collective agreement management does not deal with employees individually. Management discusses only with trade union/s

Collective Agreement

The agreement that comes out between the two parties with regard to various employment matters is called collective agreement

Its is a formal document which is signed by the two parties and which states in detail all terms and conditions of the employment the both parties have decided on.

Subject matters to collective bargaining

Anything regarding to the employment can be a subject matter to CB, such as;

- Salaries, Wages, and increments
- Leave
- Bonus and incentive payments
- Profit sharing
- Working time
- Working Conditions
- Promotions, transfers, and disciplinary matters

Types of CB

1. Unitary bargaining
2. Multi-employer bargaining
3. Multi-Union bargaining
4. Multiple bargaining

Unitary bargaining

One trade union and one employer participate in the collective bargaining. This type of bargaining take place at organizational level



Multi-Employer bargaining

This structure takes place between two or more employer and one trade union.



Multi-Union bargaining

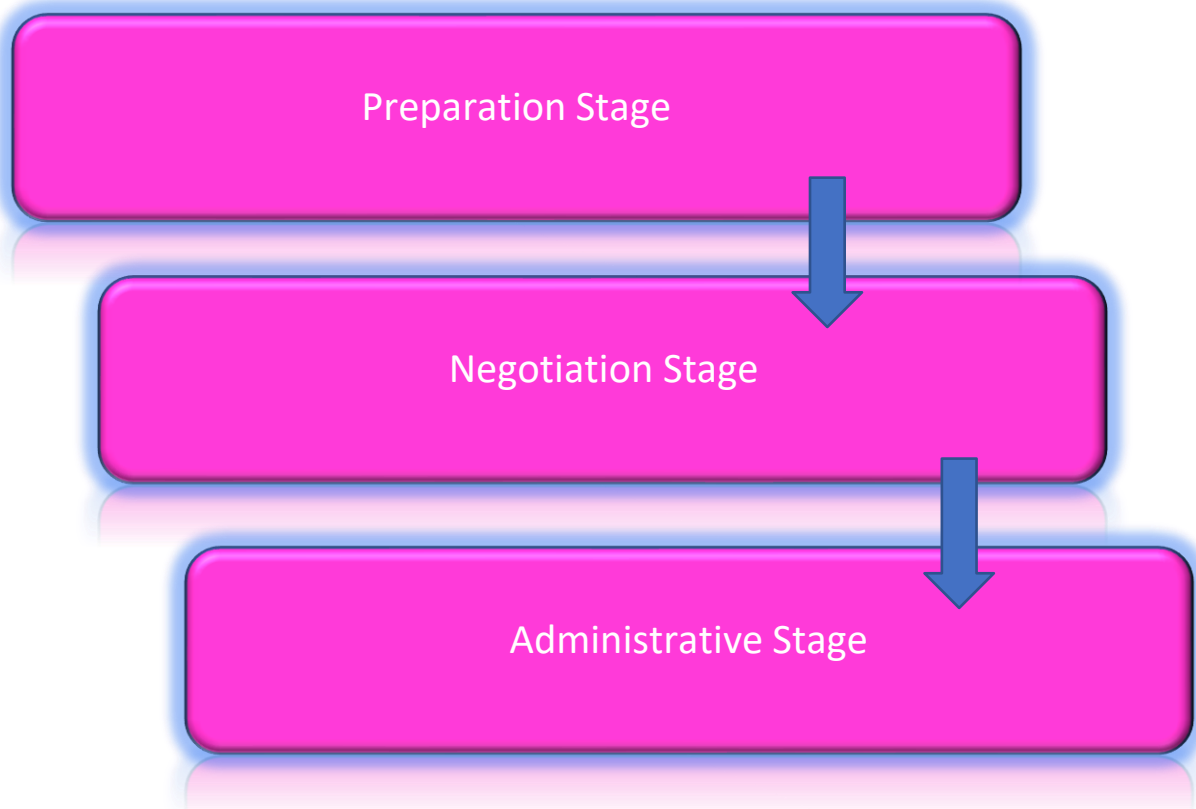
This structure takes place between one employer and two or more trade union. This is usual practice in an organization where there are several trade unions within the same plant or at different plants.

Multiple bargaining = Multi union + Multi employers

This structure involves several employers as an employers' federation and several trade unions as a union association. This type of bargaining usually takes place at the industry level. Also it may take place at the regional level and the national level as well.

Collective Bargaining Process

According to Whether and Davis it is a process of three steps;



CB Process

Preparation Stage

1. Determine the CB team
2. Monitor the environment to find clauses about likely union demands
3. Determine offers (management counter proposal).
4. Determine time, place, and rounds.
5. Secure top management approval
6. Check union action
7. Government agent participation.

Negotiation Stage

1. Discussion
2. Negotiation
3. Approval of the agreement
4. Legalization

Administrative Stage

1. Communicate the agreement
 2. Adjust relevant policies, producers etc.
 3. Ensure union and management compliance
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