

Human Resource Management

Course: Industrial Management and Safety

Course Code: 5001

Module: I

Human Resource Management

- Human Resource Management (HRM) involves employing people, developing their resources, utilizing, maintaining and compensating their services in tune with job and organizational requirements.
- It strives to use human resources effectively in order to exceed the target.
- Also known as Personnel Management, Labour Management, Man Power Management, Personnel Administration, etc.
- The wastage of material, money, time and energy can be minimized if right person is placed at the right place.



Functions of Human Resource Management

- Functions of HRM can be classified into:

- i. Managerial functions:

- Planning
 - Organizing
 - Directing
 - Controlling

- ii. Operative Functions:

- Procurement of personnel
 - Development of personnel
 - Compensation of personnel
 - Employees' benefit schemes
 - Maintaining good industrial relations
 - Record keeping
 - Personnel planning and evaluation
 - Personnel research and audit

Man Power Planning

- Man power planning involves developing strategy for acquisition, utilization, improvement and preservation of human resources of an enterprise.
- It involves ensuring that the firm has enough of the right kind of people at the right time and also adjusting requirements to the available supply.
- The major activities of man power planning are:
 1. Forecasting
 2. Inventorying
 3. Investigating
 4. Anticipating
 5. Planning
 6. Selecting

Requirements of Man Power Planning

1. It should be done sufficiently in advance.
2. Periodic revision is required in order to make modifications if required.
3. It should be need based.
4. It should be efficient and effective in nature.
5. It should be economic in nature.
6. It should be simple and easy to understand.
7. It should provide a suitable policy.
8. It should provide definite instructions and methods.
9. The planning should have top management support.

Man Power Planning Process



Job Analysis

- Job analysis is the breaking up of the job into basic elements or operations and studying in detail each of the operation to understand the nature and characteristics of the job.
- It involves the study of the skill, duties, responsibilities involved in the job and the qualifications required by the worker for the better performance of the job.
- It helps in identifying the complete requirements of the job.
- It helps in the process of recruitment.
- It helps in designing trainings for the employees.

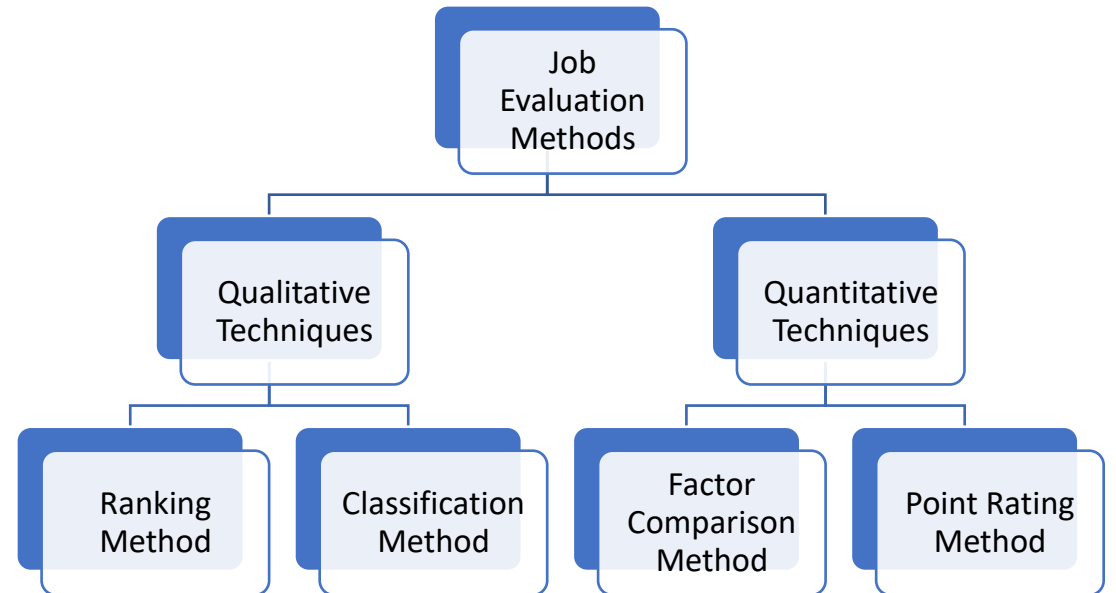


Job Evaluation

- Job evaluation is a systematic way of determining the value or worth of a job in relation to other jobs in an organization.
 - It is the procedure to determine the relative value of the job in an organization and to determine the basic wage of that job.
 - It deals with jobs only and in no way it is concerned with the persons doing these jobs.
- Objectives of Job Evaluation
 - i. To decide the values of different jobs in the organization.
 - ii. Aims to provide equal pay for all jobs of equal value.
 - iii. It identifies the responsibility and authority associated with each job.
 - iv. To provide a basis for recruitment, selection, training, promotion and transfer of the employees.
 - v. To improve employee-employer relations.
 - vi. To resolve wage disputes.
 - vii. To evaluate new jobs and to determine relative worth of the jobs for determining wages.
 - viii. To minimize labour turn over.

Job Evaluation Methods

- The methods of job evaluation are classified as:
 - i. Qualitative Techniques (Non-quantitative techniques):
 - In this technique, the jobs are classified from highest to lowest by simple ranking. It includes following techniques:
 - a. Ranking Method
 - b. Classification Method
 - ii. Quantitative Techniques:
 - In this technique, point values are assigned to the various demands of a job and relative value is obtained by summing all such points. It includes the following methods:
 - a. Factor Comparison Method
 - b. Point Rating Method



1. Ranking Method

(Qualitative Job Evaluation Technique)

- It is the oldest and simplest method of job evaluation.
- In ranking method, a committee of persons familiar with jobs and job descriptions carry out the ranking.
- The committee ranks all the jobs in the organization in ascending order.
- Ranking system is suitable for small organizations.
- Factors to be considered while ranking:
 1. Amount of Work
 2. Supervision needed
 3. Responsibility required
 4. Difficulty in work
 5. Monotony of work
 6. Working conditions
 7. Knowledge and experience needed
- Merits:
 - Simple and economical method.
 - Less time consuming and involves less paper work.
- Demerits:
 - No definite standards of judgement and no way for measuring differences between jobs.
 - Difficult to apply in large organizations.

2. Classification (Grading) Method

(Qualitative Job Evaluation Technique)

- Also known as rating method.
- In this method, job are classified or graded in groups or levels of equal skill, difficulty, responsibility, importance and other requirements.
- This method places groups of jobs into job classes or job grades.
- The job evaluation committee classifies the jobs of similar skills, difficulties, responsibilities under one group or grade.
- All jobs in the same grade should receive same wage.
- An example for such a classification in an office is given below:
 - Class I – Executives like Office Manager, Departmental Supervisor, etc.
 - Class II – Skilled workers like Cashier, Receipts clerk, etc.
 - Class III – Semiskilled workers like machine operator, stenotypist, etc.
 - Class IV – Unskilled workers like Office boys, file clerks, etc.
- Merits:
 - Easy to understand and simple to operate.
 - Economical and suitable for small organizations.
 - Pay determination problems become easy to administer.
- Demerits:
 - Cannot deal with difficult jobs that will not fit neatly into one grade.
 - May suffer from personal bias of the committee members.

3. Factor Comparison Method

(Quantitative Job Evaluation Technique)

- This method employs a five factor scale for analysis for comparing and evaluating different jobs.
- The five factors are:
 - Skill
 - Mental Effort
 - Physical Effort
 - Responsibility
 - Working conditions
- The various steps involved in factor comparison method are:
 - Identify the key jobs in the organization and record their wages.
 - Analyze the key jobs for each of the five factors mentioned.
 - Allocate the salary paid for each job amongst the five factors in proportion to their requirements or importance of the job.
 - This formulates a money rating scale for each of the five factors.
 - Analyze the job to be evaluated into the five factors.
 - As per the job requirements, determine the importance of each factor in the job, and assign the monetary values to each factor.
- Merits:
 - More objective method of evaluation.
 - Fairly easy method to explain to employees.
 - It helps in determining the relative worth of different jobs.
 - Use of limited number of factors ensures less chances of overlapping and over weighting of factors.
- Demerits:
 - It is expensive and time consuming method.
 - Using the same five factors for evaluating jobs may not always be appropriate because jobs differ across and within organisations.

Factors	Key Jobs				Job to be evaluated(Je)
	J1	J2	J3	J4	
Skill	180	120	280	80	100
Mental Effort	40	160	80	240	60
Physical Effort	220	100	20	200	60
Responsibility	300	60	160	260	220
Working conditions	40	220	80	160	120
Salary	780	660	620	940	560

4. Point Rating Method

(Quantitative Job Evaluation Technique)

- In this method, the value of the job is expressed in terms of points.
- The method consists of:
 - i. Divide the job into number of factors.
 - ii. Award certain points for each factor.
 - iii. Arriving at total points for each job which indicates the importance of the job in the organization.
 - iv. Determine a suitable wage rate proportional to the total points.
 - v. Classifying the total points into grades.
- Merits:
 - i. Systematic and accurate method.
 - ii. Can be applied to a wide range of jobs.
 - iii. Can be applied to newly created jobs.
- Demerits:
 - i. Complicated method and involves lot of paper work.

Job	Mental	Skills	Physical	Responsibility	Working Condition	Total
Machinist	100	80	20	50	50	300
Fitter	80	80	40	40	20	280
Assembler	80	80	30	40	50	280
Welder	100	90	50	50	50	340
Attender	20	10	80	40	30	180

For the above example, the range of points may be divided into four grades:

Grade I – 150 to 199 points

Grade II – 200 to 249 points

Grade III – 250 to 299 points

Grade IV - 300 to 349 points

Merit Rating or Performance Appraisal

- Merit rating assesses the merit of the person doing the job.
- It measures the extend to which an employee meets the job requirements.
- It measures the loyalty, integrity, intelligence, leadership qualities, dependability, character, etc. of the employee.
- Merit rating is done for the purpose of:
 - i. Wage increments
 - ii. Promotions.
 - iii. Transfers
 - iv. Special Assignments
 - v. Training
 - vi. Discharge

Merit Rating - Method

- The following factors are used for merit rating the employee:

• Standard output	• Character
• Out put quantity	• Integrity
• Intelligence	• Loyalty
• Job Knowledge	• Cooperation
• Initiative	• Reliability
• Creative ability	• Dependability
• Education	• Leadership
• Experience	• Judgement
• Organizing ability	• Enthusiasm

- Each factor is divided into different grades like excellent, very good, good, fair, poor, etc. and for each grade certain marks are fixed.
- Merit factors are selected for an employee to be rated.
- Marks are awarded by the raters, for each factor.
- Total marks obtained is the rating of that employee.

Training

- Training of employees is essential to:
 - i. To improve productivity and quality.
 - ii. To attain precision and clarity in business.
 - iii. To reduce wastage, accidents, fatigue, labour turn over, absenteeism and over time.
 - iv. To boost employee morale, cooperation and good relations.
 - v. To inculcate a broad understanding of relevant science and technology.
 - vi. To teach standardized work methods.
 - vii. To promote team work.
 - viii. To inculcate good work habits.
 - ix. To improve the performance of each employee to the highest level.
- Training Types:
 - On the job Training
 - Apprentice Training
 - Vestibule School Training
 - Training by skilled and experienced workers.

Training Types

1. On the job training:

- In this method, the supervisor explains the use of machines, tools and procedure for the performance of the job to the new worker.
- The worker is kept under constant watch until he develops correct work habits.

2. Apprentice Training:

- In apprentice training, the trainee attends certain theory class or course as well as practical training.
- The trainee may be rotated in different departments to gain understanding of all the functions.
- Generally apprentice training comes under the apprenticeship act of government and the trainee will get stipend from the concerned government.

3. Vestibule Training:

- In vestibule training, the trainees will be admitted to the training school where they undergo a course and practice in similar type of machines of that of the shop floor.
- After the trainees achieve the proficiency, they are transferred to production floor to take up regular production work without delay.
- **Merits:**
 - i. A large number of trainees can be given similar training.
 - ii. This training does not affect the actual production.
 - iii. Wastage, spoilage of raw materials and damage to machineries are eliminated.
- **Demerits:**
 - Costly.
 - Production machines need to be duplicated.

4. Training by skilled and experienced Workers:

- In this kind of training, the new worker is attached with skilled and experienced workers.
- The new worker learns from the experienced worker.
- From time to time, the new worker gets information from the experienced worker.

Labour Turnover

- It is the ratio of number of workers who have left their job on their accord to the average number of workers employed in a factory during a given time.
- It is the shifting of work force into and out of the organization during a specified period.

Labor Turnover

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$$\frac{\text{Number of workers leaving during a period}}{\text{Average number of workers employed during the period}}$$

- **Causes of Labour turnover:**
 - i. Fluctuation in volume of work.
 - ii. Long hours of work and poor wages.
 - iii. Bad working conditions.
 - iv. Inefficient Management.
 - v. Bad system of recruitment.
 - vi. Unsatisfactory procedure of discharging a worker.
 - vii. Insubordination.
 - viii. Other conditions like better job elsewhere, retirement, death, etc.
- **Methods to reduce Labour Turnover:**
 - i. Minimizing fluctuation of work load.
 - ii. Provide better wages and service conditions.
 - iii. Reasonable hours of work.
 - iv. Scientific method of selection and training of workers.
 - v. Provide safer working areas which reduce accidents.
 - vi. Attending the complaints of the workers at grass root level.
 - vii. Motivating workers both financially and non financially.
 - viii. Being impartial in the matter of transfer and promotions.