

HRM IMPORTANT QUESTIONS FOR MID-2

1. Write a detail note about legal frame work for wage and salary policies
 2. What is job design and discuss the importance of job design
 3. Discuss incentives and types of incentives
 4. Explain about performance evaluation methods
 5. Discuss about career counseling
 6. Explain about need and importance of trade union
 7. Explain about collective bargaining and its importance
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1. Write a detail note about legal frame work for wage and salary policies..?

Ans: The legal framework on wages in our country includes: (i) the Payment of Wages Act, 1936; (ii) the Minimum Wages Act, 1948; (iii) the Payment of Bonus Act, 1965; and (iv) the Equal Remuneration Act, 1976; and the rules framed there under by the Government.

Minimum Wages Act, 1948

Under the Minimum Wages Act, 1948 the appropriate Government fixes minimum wages for all the employments. The Act empowers State Governments to fix the minimum rate of wages for different types of employment in India. Currently, the National Floor Level of Minimum Wages in India is Rs.160 per day.

Objective of the Minimum Wages Act

- To safeguard that the employee has a basic physical necessity, proper health, and comfort.
- Ensure that the labor gets fair wages.
- To ensure that the labor lives a decent life and have a respectable name in society.

Minimum Wages are fixed according to the following criteria

- Time Rate – The minimum rate is fixed according to the duration of the work done by the labor.
- Piece Rate – Here the minimum wage is fixed by the total number of pieces manufactured in the factory.
- Overtime Rate – Here the minimum rate is fixed by the overtime done by the labor regardless of the time or piece rate.

Payment of Bonus Act, 1965

The [payment of Bonus Act](#) applies to the factory and other establishments in which 20 or more persons are employed on any day during a year, excluding some categories of employees. The Payment of Bonus Act mandates the payment of bonus to every employee

under the Act. And also the person who has worked in the establishment for a minimum of 30 days and draws a salary not exceeding Rs.10,000 monthly. Under this Act, the employees are payable with a minimum bonus of 8.33% of salary or Rs.100 whichever is higher. However, such amount is payable on completion of 5 years, even if there is no profit in the business.

Objectives of the Act

- To impose a legal responsibility upon the employer of every establishment covered by the Act to pay the bonus to employees.
- To designate the minimum and maximum percentage of bonus.
- To prescribe the formula for calculating bonus.
- To provide redressal mechanism.

Applicability of the Act

The Payment of Bonus Act implements to the establishments which fall under any of the below listed:

- It applies to any factory or establishment which had twenty or more workers employed on any day during the year.
- The act does not apply to the non-profit making organisations.
- It is not applicable to establishments such as LIC, hospitals which are excluded under Section 32.
- It is not applicable to establishments where employees have signed an agreement with the employer.
- It is not applicable to establishments exempted by the appropriate government like sick units.

Payment of Wages Act, 1936

The Payment of Wages Act regulates the payment of wages to workers within the stipulated time and prevent unauthorized deductions. The Payment of Wages Act applies to employees who receive wages below Rs.10,000 per month. The enforcement of the Payment of Wages Act is by the State Government, while the Central Government enforces the Act to mines, railways, oilfields and air transport services.

Objectives of Payment of Wages Act 1936

- Ensure that employees are paid their wages on time and in full.
- Protect employees from unauthorized deductions from their wages.
- Promote industrial peace and harmony.
- Provide for penalties for employers who fail to comply with the Act....

Salient features:

- It ensures that employees are paid their wages on time and in full.

- It protects employees from unauthorized deductions from their wages.
- It provides penalties for employers who fail to comply with the Act.
- It helps to improve the financial security of employees.
- It promotes industrial peace and harmony....

The Equal Remuneration Act of 1976

It was enacted by the Indian Parliament on February 11, 1976, with an aim “to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment.

Objectives of Equal Remuneration act, 1976

- To provide equal wages to men and women based on the nature of employment
- To provide equality of treatment in employment
- To protect persons against discrimination concerning employment or occupation
- To ensure that no person shall be unfairly dismissed from work on grounds only of sex

The Salient Features of Equal Remuneration Act, 1976

- Remuneration to be paid in cash or in-kind at the same rate
- No discrimination in favour of men
- No discrimination on the ground of sex
- No discrimination in employment

2. What is job design and discuss the importance of job design

Ans:

Meaning

Job design is a systematic process of organizing work into the tasks required to perform a specific job. It defines the contents and the way the tasks are combined to complete a job.

Job design integrates the tasks, function and relationship in order to achieve certain organizational objectives.

Job design is a process through which job related data are revealed and the contents as well as methods of performing different tasks are specified.

Steps in job design are as follows:

Specification of tasks:

This is the first step of job design under which the individual task is specified. It means different tasks to be included in a job are categorized and specified.

Combination of task:

After specifying the individual tasks to be included in a job, they are combined into a group and assigned to individual employee or group for performance.

Specification of method:

Under this step, different methods of performance of each tasks are identified and determined.

Importance and Benefits of Job Design

Organizational Design:

The job design specifies the contents and procedures of performing the task in the organization. Hence, it helps in [designing organizational structure](#).

Structure of Competent Employee:

Job design is a systematic approach of providing job-related data and information on skills, knowledge and ability of the incumbent to perform the task.

Motivation and Commitment of Employees:

Job design makes the work more interesting and challenging, which motivates the employees for higher level of performance.

Environmental Adaptation :

An organization is operated in a dynamic environment. Hence, any [change in the environmental forces](#) can have direct impact upon [organizational performance](#).

Labor Relations:

A well prepared job design brings a harmonious [relation between employees and management](#). On the other hand, poorly prepared job design creates employee-grievances, indisciplinary actions, greater [employee turnover](#), greater [absenteeism](#) and conflict.

Quality of Work Life :

A [quality of work life](#) is understood as an efficient relationship between employees and organizational working environment. A properly prepared job design leads to [improvements in quality of work life](#).

Organizational Productivity:

The job design specifies the contents and working procedures of how the task is performed. This leads to a positive change in job performance and [job analysis](#).

Methods of Job Design

Job design methods seek how to design jobs. Jobs can be designed to range from very simple to highly complex ones depending on the skill requirement to perform the job.

Classical Approach

The classical approach of job design is greatly influenced by the work of [F.W Taylor](#). From his work, time and motion study, he realized that by bringing a proper match between labor, tools and tasks it would be possible to increase productivity. Hence under this approach, the job is designed in the basis of organizational requirements.

Socio-Technical Approach

This is another important approach of job design in which social and technical aspects of the organization are considered. Under it, jobs are designed according to individual needs and organizational requirements.

Behavioral Approach

Behavioral approach is concerned with behavioral factors such as: autonomy, variety, task identity, task significance, feedback mechanism etc. It means the above mentioned behavioral factors are analyzed and considered while designing the jobs under this approach.

3. Discuss incentives and types of incentives

Ans:

Incentive in simple terms is something that encourages a person or organization to do or achieve something. It is something that incites or has a tendency to incite a determination. This is usually given in cash or in kind.

In business, the objective of incentive is to increase employee productivity, improve industrial and interpersonal relations, and as result increase the overall profit of the organization.

Types of Incentives

Incentives can be generally classified as financial (monetary) incentives and non-financial (non-monetary) incentives.

1. Financial (Monetary) Incentives

[Financial incentive](#) pertains to those incentives which are in the form of money or can be measured in monetary terms. This is sometimes referred to as monetary benefit offered to consumers, employees, and organizations to encourage behavior or actions which otherwise would not take place.

These incentives can be given on an individual or group basis and satisfy the monetary and future security needs of individuals. It lifts the eagerness and self-confidence of the employees thus, resulting in better productivity and performance.

The most commonly used financial incentives are:

Pay and allowance salary is the basic incentive given to every employee to work efficiently and effectively in an organization. This includes the basic pay, dearness allowance, clothing allowances, house rent allowances, and other similar allowances. It is paid most commonly monthly.

Typically, employees are given annual increments in their basic pay and allowances depending on the employee's performance during the year.

Bonus

It is a sum of money added to the basic salary or wages on a seasonal basis, as a reward for a good performance. Many companies offer bonuses during the festivals of Diwali, Christmas, New Year, etc.

Productivity linked Wage Incentives

This refers to performance-linked compensation given to increase productivity. Wage incentives are offered to employees to make them perform beyond the accepted standards.

Profit-Sharing

It is an incentivized compensation program in which an employee receives a direct share of the company's profits. The amount granted is normally based on the company's positive earnings over a set period. This motivates them to perform efficiently and give their best to increase the company's profits.

Retirement benefits

Retirement benefits like gratuity, pension, provident fund, leave encashment, etc. provide financial security to the employees upon retiring from the company. Hence, they work properly during their term of service.

Commission

Some companies offer a commission on top of the employee's salary for successfully hitting targets over a set period. This incentive motivates the employees to increase the client base of the organization.

Perquisites

Several organizations offer perquisites and fringe benefits such as free accommodation, medical, educational, and recreational facilities, car allowances, etc. in addition to the salary and allowances to their employees. Sometimes, this incidental payment, benefit, or privilege is enjoyed as a result of one's position.

Co-partnership/Stock Option

Under this incentive system, employees are offered shares at a price that is lower than the market price. This practice helps in creating a feeling of ownership among employees and motivates them to give their all-out contribution towards organizational growth and success.

2. Non-Financial (Non-Monetary) Incentives

These are types of rewards that do not form part of an employee's pay or cannot be measured in terms of money.

Status

It is one's social or professional position. In an organization, this refers to the position in the hierarchy of the organizational chart.

Organizational Climate

Organizational climate refers to the environmental characteristics of an organization as perceived by its employees.

Career Advancement Opportunity

Organizations have to establish the appropriate skill and career development programs, and even a sound promotion policy for their employees, that serves as a booster for them to perform well and get promoted.

Job Enrichment

It refers to the designing of jobs in such a way that it involves challenging and variety of tasks, requiring a higher level of knowledge and skill, more autonomy and responsibility, and more growth opportunities and thus, could also increase employees' pay.

Job Security

Job security offers future stability and a sense of security among the employees in an organization.

Employee Recognition Programs

The organization adopts this to raise employee morale, attract and retain key employees, elevate productivity within an organization, and increase competitiveness

Employee Participation and Empowerment

This refers to the employee's involvement in decision making on the matters related to them (participation) inducing a sense of belongingness and giving them more autonomy and powers to subordinates (empowerment) to make them feel the importance of their presence and service to the organization.

4. Explain about performance evaluation methods

Ans:

An employee performance evaluation, also known as a “performance review,” is a process used by organizations to give employees feedback on their job performance and formally document that performance. Although companies determine their own evaluation cycles, most conduct employee performance evaluations once per year.

Methods of Performance Evaluation

Each method of performance appraisal has its strengths and weaknesses may be suitable for one organisation and non-suitable for another one. As such, there is no single appraisal method accepted and used by all organisations to measure their employees' performance.

All the methods of appraisal devised so far have been classified differently by different authors. A more widely used classification of appraisal methods into two categories, viz., traditional methods and modern methods, is given by **Strauss and Sayles**". While traditional methods lay emphasis on the rating of the individual's personality traits, such as initiative, dependability, drive creativity, integrity, intelligence, leadership potential, etc.; the modern methods, on the other hand, place more emphasis on the evaluation of work results, i.e., job

achievements than the personal traits! Modern methods tend to be more objective and worthwhile.

Traditional methods of performance appraisal

Traditional methods of performance appraisal are used to evaluate an employee's performance and potential. These methods include written reviews, oral appraisals, 360-degree appraisals, and ranking systems

Graphic rating scale

Graphic rating scale is one of the oldest and most common methods of performance appraisal. It is a traditional approach that relies on a numerical or graphic scale for rating employees' performance, usually on a range from excellent to poor.

This system requires the supervisor to fill out a form that lists all of the job duties and skills for which the employee is being evaluated. For each duty or skill, there is usually a particular range within which supervisors mark how well they think the employee performed that task or skill.

The range may vary from job to job, but normally it will go from outstanding to unsatisfactory, with multiple points in between such as excellent and poor.

Checklist

A checklist is one of the simplest, most straightforward traditional methods of performance appraisal. Essentially, it involves setting specific criteria (clearly defined job requirements) that an employee must meet in order to demonstrate job performance. A supervisor or manager rates the employee's performance by checking off if they have met each requirement noted on the checklist.

Checklist-style appraisals are quick and easy for supervisors to complete and can quickly provide information about an employee's performance in a quantifiable way.

Forced choice

Force choice is a traditional method of performance appraisal that focuses on ranking employees in relation to each other. This is done by allowing the manager to rank all their subordinates and choose which of them are performing optimally and which are underperforming.

The ratings used in force choice usually consist of specific adjectives such as “excellent”, “above average”, “average” and “below average”. The rankings may also be accompanied by numerical values or be based on a subjective evaluation from the manager.

Essay method

The essay method of performance appraisal is a traditional and widely used form of evaluation. It involves writing out reflective and self-critical assessments of individual performance over a specific period of time. This type of appraisal is not quantitative, but relies instead on the employee’s subjective appraisal of his or her own accomplishments and areas needing improvement.

The essay method requires supervisors to meet with employees for at least one hour to allow for open dialogue about strengths, weaknesses, successes, obstacles and opportunities for improvement in job performance.

Ranking method

The ranking method is the oldest and simplest method of performance appraisal. It involves managers and supervisors ranking employees within their class or department against each other on how well they are performing. This is done by assigning a numerical value (grade) to each employee, e.g. 1 for best, 2 for second-best and so on. The numerical values are then grouped together according to an employee’s performance, e.g., 1-3 as excellent, 4-6 as good, 7-9 as average, 10-12 as poor, 12+ as unacceptable etc.. The resulting ranking list is then typically used for salary reviews or promotions & dismissals decisions.

Critical incident method

This method is commonly employed to identify and record specific occurrences that demonstrate employee behavior – both positive and negative – within their job role. Following the collection of diary notes or records over an extended period, the critical incident technique allows these observations to be arranged into a systematic approach to performance appraisal.

Performance appraisals based on this method involve categorizing events into ‘positive critical incidents’ (actions demonstrating high levels of performance) and ‘negative critical incidents’ (actions that did not meet the expectations of the job role).

Modern Methods of Performance Appraisal

Management by objectives (MBO)

The management by objectives method is an approach that focuses on improving an organization's performance across the board by articulating clear objectives for the business. The entire team, both management and employees, sets those objectives.

In this approach, an employee and manager work together to identify and plan goals for the employee to reach, usually within a specific time frame. The manager and employee then meet regularly to discuss the employee's progress and make any adjustments necessary toward the goals and objectives.

360 degree feedback

The 360 degree feedback method is designed to get feedback from all the key players an employee impacts in their day-to-day activities — managers and supervisors, peers, subordinates, and even clients and customers. The employee also completes a self-evaluation.

This method is highly regarded because multiple people are involved in evaluating the employee's performance.

Organizations typically collect this feedback via an online questionnaire or form. It is fast and easy to gather feedback, and it simplifies the evaluation process.

Behaviorally anchored rating scale (BARS)

According to [HR software company TalentLyft](#), BARS is “a measuring system which rates employees or trainees according to their performance and specific behavioral patterns.”

This is considered one of the most effective modern methods of performance appraisal because it relies on both quantitative and qualitative forms of measurement. In this approach, the employer compares each employee's performance with specific behavioral examples that are anchored to numerical ratings.

Psychological appraisal

This approach to performance appraisal attempts to evaluate how an employee might perform in the future rather than assessing how they have performed in the past.

A qualified psychologist conducts in-depth interviews, psychological tests, and private conversations to assess an employee. The psychologist analyzes components such as interpersonal skills, cognitive abilities, intellectual traits, leadership skills, personality traits, emotional percentage, and other factors.

Assessment center

In the assessment center method, an organization tests its employees on both job capabilities and social interaction skills. Written tests help evaluate ability, while situational exercises and role-playing scenarios assist with determining an employee's likelihood of success in carrying out responsibilities that are part of their day-to-day role.

Performance appraisals are critical to the success of any organization. The performance appraisal method you choose will depend on your goals and the structure of your business, the right one can help you improve performance and provide growth opportunities across your organization.

5. Discuss about career counseling

Ans:

Career counseling is a process whereby an employee is guided by a manager in performance-related behavior. The employee is unable to perform the job satisfactorily. His work behavior is inconsistent with the work environment and organizational culture. It is manifested in fighting, stealing, unexcused lateness and absence.

Career counselling involves guiding of employee by a manager to overcome performance problems. The problem is desire-created based on unwillingness.

Career counselling involves the following steps:

Identification of the performance problem:

The reason for poor performance should be identified. Specific job behavior should be objectively documented in terms of date, time, and what happened. The manager should have good listening skills to uncover the reason for performance problem..

Make sure the employee owns up the problem:

The employee should own the identified problem. He should take responsibility for the behavior-related problems. There is no chance of correction until the employee accepts the problem.

Offer assistance to help the employee:

The manager should offer assistance to solve the problem. He should work with employee to find ways to correct the problem. The assistance can be manager-based or organization-based.

Develop action plan:

An action plan should be developed to correct the performance problem. Expectations from employee are clearly specified. Resource commitment by organization to assist the employee are also specified.

Control progress:

The employee's progress in correcting the performance problem is monitored. Feedback is given to the employee. Good behavior is reinforced.

Benefits of career counseling:**Advice appropriate career path**

Career counselling is beneficial to people in spite of of their position and the industry they work in. These sessions advise a recent graduate on career paths worth pursuing. A part of a career counsellor job involves helping you switch careers.

Provide tips for salary negotiation

Salary negotiation is an important skill in the hiring process, but some people who are not familiar might find it challenging. While an employer might

not offer the exact compensation you want, they can help you get a satisfactory compensation that matches the expectations.

Assist with interview coaching

As interviews are an essential aspect of the hiring process, a career counsellor might provide an interesting professional story that helps hiring managers understand who you are and why you are the best fit for the job role.

Determine strengths and weaknesses

A counseling session with a professional can help to understand the strengths and weaknesses. These professionals use aptitude and career assessments to evaluate true potential.

Provide educational and job search support

Career counselling often works as a source of support when candidates experience difficulty finding jobs and choosing the right career path.

Offers job change counselling sessions

Advice from a professional can help candidates identify and assess their options. These professionals help candidates excel at helping clients, navigating new industries and setting professional goals.

6. Explain about need and importance of trade union

Ans:

Trade unions are autonomous, membership-based associations of workers who advocate for and engage in collective bargaining on behalf of the working class. They offer guidance to their members who have issues at work, speak on their behalf when interacting with employers, and negotiate better pay and working conditions.

Additionally, unions support members' educational and learning possibilities, advance equal opportunity at work, combat discrimination, and aid in guaranteeing a safe and healthy atmosphere at work

Need of Trade union:

- Engaging in collective agreements with the administration ensures that workers and employees have improved working conditions.
- Providing workers with protection and monitoring employee hiring and firing.
- Assisting management in the proper level of worker grievance remedies.
- Referring a disagreement or issue to arbitration if it is not resolved.
- Discuss management issues, including working hours, extra compensation, pay, and access to healthcare and other social programs.
- To encourage collaboration with employers.
- To stir up support for labour and workers in the general public.

Characteristics of Trade Union**Association of Employees:**

A trade union is simply an organization of workers who are members of a specific class of job, profession, trade, or business.

Association made voluntarily:

A worker voluntarily joins a union. No one can be forced to join a union.

Permanent:

Trade unions are typically considered permanent bodies. Members may join and leave, yet the union is still in place.

Shared Interest:

Members of a trade union come together over issues such as job security, better salary and conditions of employment, and other issues of common interest.

Group Action:

When a single employee complains about a particular management decision, the trade union will step in to help resolve the issue.

Significance of Trade Unions

- Trade unions give workers a place to connect and get to know one another, which fosters a feeling of cooperation. They allow employees to play, relax, and experience the environment.
- Trade unions are crucial in setting up face-to-face talks between employees and employers to resolve employee complaints. Trade unions are a useful tool for improving workplace relations.

7. Explain about collective bargaining and its importance

Ans:

Collective bargaining is a method that allows employees to negotiate as a group. Group bargaining usually takes place between an employer and a representative of an employee union. There are different reasons why employee unions may choose to negotiate with their employer.

Importance of collective bargaining:

More employee training and support:

Many employees choose group bargaining as a way to demonstrate their discontent in terms of how much training and support they receive from the employer. As a result of bargaining, employees can get access to more on and off-the-job training opportunities that improve their qualifications.

Better compensation and benefits:

Some unions choose group bargaining to draw attention to a compensation problem within the organisation or the industry. In this sense, negotiating higher wages can be the first step to revolutionising compensation standards across the entire industry.

Improvement in workplace conditions:

It's also possible to use the power of bargaining to influence a positive change in workplace conditions. By researching national or industry standards and preparing a proposal, employees can identify workplace hazards and demand that the employer eliminates them.

A solution to day-to-day workplace issues:

Group bargaining can help employees address and ask for solutions to other day-to-day issues they encounter at work. Depending on the industry or organisation, this can refer to improvement in work schedules or providing employees with more resources.

Types of employee group bargaining

Conjunctive bargaining:

This type of bargaining happens when both the employer and the union want to gain from the other party's loss. It usually refers to negotiating salaries and other employee benefits.

Co-operative bargaining:

In this type of bargaining, both parties want to reach a solution that can benefit both parties simultaneously. Co-operative bargaining is common in disputes over technology, equipment or work terms.

Productivity bargaining:

Productivity bargaining is when an employer agrees to offer employees additional bonuses or improve their work conditions in hopes that this can increase employee productivity. Essentially, the employer's main concern is the organisation's success.

Composite bargaining:

Composite bargaining refers to a situation in which employees decide to bargain because they're concerned about their working conditions or policies. Their main goal is to create a safer and healthier workplace for themselves and others.